SEAWAY ENERGY SERVICES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
MARCH 31, 2018 AND 2017

(Unaudited - Expressed in Canadian Dollars)

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2018 $	September 30, 2017 $
ASSETS			
Current assets			
Cash		2,252,499	63,618
GST receivable		21,746	27,321
Bridge loan	4	250,205	-
Prepaid expenses		28,815	1,300
Total current assets		2,553,265	92,239
Non-current asset			
Deferred costs	3	59,995	-
Total non-current asset		59,995	-
TOTAL ASSETS		2,613,260	92,239
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	138,056	62,710
TOTAL LIABILITIES		138,056	62,710
SHAREHOLDERS' EQUITY			
Share capital	5	6,481,056	3,418,306
Share-based payments reserve	5	947,579	665,579
Deficit		(4,953,431)	(4,054,356)
TOTAL SHAREHOLDERS' EQUITY		2,475,204	29,529
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,613,260	92,239

Nature of Operations - see Note 1

Event after the Reporting Period - see Note 8

These condensed interim financial statements were approved for issue by the Board of Directors on May 15, 2018 and are signed on its behalf by:

/s/ ***David Sidoo***
David Sidoo
Director

/s/ ***Nick DeMare***
Nick DeMare
Director

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

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended March 31, 2018 $	Three Months Ended March 31, 2017 $	Six Months Ended March 31, 2018 $	Six Months Ended March 31, 2017 $
Expenses					
Accounting and administrative	6	12,445	2,200	23,245	7,700
Audit		7,711	-	7,711	-
Corporate development		18,678	-	18,678	-
Executive management compensation	6	40,000	19,000	192,750	47,000
Legal		15,801	-	15,801	1,986
Office		1,665	120	3,862	288
Professional fees		19,649	-	19,649	7,780
Public relations		42,855	-	85,710	-
Regulatory fees		7,625	3,279	8,925	3,879
Rent		3,000	-	4,756	-
Share-based compensation	5(d)	-	-	281,000	140,533
Shareholder costs		-	-	-	1,241
Sponsorship		20,000	-	20,000	-
Transfer agent		3,899	2,924	5,074	4,734
Travel and related		201,155	-	225,714	-
		394,483	27,523	913,875	215,141
Loss before other items		(394,483)	(27,523)	(913,875)	(215,141)
Other items					
Interest income		11,427	-	15,139	-
Foreign exchange		522	-	(339)	-
		11,949	-	14,800	-
Comprehensive loss for the period		(382,534)	(27,523)	(899,075)	(215,141)
Loss per share - basic and diluted		$(0.01)	$(0.00)	$(0.04)	$(0.02)
Weighted average number of common shares outstanding - basic and diluted		26,317,583	9,638,694	20,521,311	9,439,527

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

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

Six Months Ended March 31, 2018

	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at September 30, 2017	10,532,583	3,418,306	665,579	(4,054,356)	29,529
Common shares issued for cash:					
- private placement	15,000,000	3,000,000	-	-	3,000,000
- exercise of warrants	785,000	78,500	-	-	78,500
Share issue costs	-	(15,750)	-	-	(15,750)
Share-based compensation	-	-	282,000	-	282,000
Comprehensive loss for the period	-	-	-	(899,075)	(899,075)
Balance at March 31, 2018	26,317,583	6,481,056	947,579	(4,953,431)	2,475,204

Six Months Ended March 31, 2017

	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total (Deficit) Equity $
Balance at September 30, 2016	8,977,583	3,262,806	525,046	(3,762,118)	25,734
Common shares issued for cash:					
- exercise of warrants	1,350,000	135,000	-	-	135,000
Share-based compensation	-	-	140,533	-	140,533
Comprehensive loss for the period	-	-	-	(215,141)	(215,141)
Balance at March 31, 2017	10,327,583	3,397,806	665,579	(3,977,259)	86,126

SEAWAY ENERGY SERVICES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended March 31,	
	2018	2017
	$	$
Operating activities		
Comprehensive loss for the period	(893,853)	(215,141)
Adjustment for:		
Share-based compensation	276,778	140,533
Interest on bridge loan	(205)	-
Changes in non-cash working capital items:		
GST receivable	5,575	(3,304)
Prepaid expense	(27,515)	(3,900)
Accounts payable and accrued liabilities	75,346	16,555
Net cash used in operating activities	(563,874)	(65,257)
Financing activities		
Issuance of common shares	3,078,500	135,000
Share issue costs	(15,750)	-
Deferred costs	(59,995)	-
Net cash provided by financing activities	3,002,755	135,000
Investing activity		
Bridge loan	(250,000)	-
Net cash used in investing activity	(250,000)	-
Net change in cash during the period	2,188,881	69,743
Cash at beginning of period	63,618	16,645
Cash at end of period	2,252,499	86,388

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

1. Nature of Operations

Seaway Energy Services Inc. (the "Company") is a corporation continued under the laws of British Columbia. The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "SEW". The Company's head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

During the six months ended March 31, 2018 the Company incurred a comprehensive loss of $899,075 and, as at March 31, 2018, had working capital of $2,415,209 and an accumulated deficit of $4,953,431. The Company has actively been seeking new business opportunities. On January 22, 2018 the Company entered into an agreement to acquire a business. See also Note 3. Although management considers that the Company has adequate resources to maintain its ongoing levels of operations for the next twelve months, the Company is required to raise up to $16,000,000 concurrent with closing of the proposed business acquisition. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2017, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's financial statements for the year ended September 30, 2017.

Changes in Accounting Policies - Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) *Classification*

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

2. Basis of Preparation (continued)

Financial asset / liabilities	Original classification IAS 39	New classification IFRS 39
Cash	Amortized cost	Amortized cost
GST receivable	Amortized cost	Amortized cost
Bridge loan	Amortized cost	Amortized cost
Account payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

(ii) *Measurement*

Financial assets and liabilities at amortized cost. Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

(iii *Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) *Derecognition*

Financial assets. The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

Changes in Accounting Policies - Revenue from Contracts with Customers

The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as of January 1, 2018. IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Company currently does not have any revenue.

Basis of Measurement

The Company's condensed interim financial statements have been prepared on the historical cost basis, which is based on the fair value of the consideration at the time of the transaction, except for certain financial instruments which are accounted for at fair value. The condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Comparative Figures

Certain of the prior period's comparative figures have been reclassified to conform with the current period's presentation.

3. Proposed Corporate Reorganization

On January 22, 2018 the Company entered into a letter of intent, superseded by the share exchange agreement dated April 13, 2018 (the "Acquisition Agreement"), with X2 Blockchain Games Corp. ("X2"), Nolan Bushnell and the shareholders of X2, pursuant to which the Company will acquire all of the outstanding shares of X2 in exchange for 81,915,074 common shares of the Company on a 1:1 basis (the "Acquisition").

The Acquisition Agreement sets out certain terms and conditions pursuant to which the Acquisition will be completed. The Acquisition Agreement also contemplates other material conditions precedent to the closing of the Acquisition (the "Acquisition Closing"), including customary due diligence, receipt of all necessary regulatory, corporate and third party approvals, compliance with all applicable regulatory requirements, and all requisite board and shareholder approvals being obtained. The Company is also required to complete a private placement to raise up to $16,000,000 concurrent with the closing of the Acquisition.

The Company has also agreed to pay a finder's fee comprising $500,000 cash and issuance of 4,095,753 common shares of the Company.

X2 is a British Columbia corporation which owns 100% of X Blockchain Games Corp. ("X Blockchain"), a California USA based corporation. X Blockchain is an independent games publisher focusing on digital games integrating blockchain technology to create enhanced game experiences. X2 Blockchain has acquired the exclusive legal and beneficial ownership of a back catalogue of games and all data and materials, including all intellectual property rights.

As at March 31, 2018 the Company has incurred $59,995 for legal and other costs associated with the proposed Acquisition.

4. Bridge Loan

	March 31, 2018 $
Principal	250,000
Accrued interest	205
	250,205

On March 7, 2018 the Company and X2 entered into a loan agreement whereby the Company has agreed to provide X2 with a bridge loan (the "Bridge Loan") of up to $500,000. Advances under the Bridge Loan bear interest at bank prime rate, payable monthly, and matures on March 7, 2019. The Bridge Loan is secured by a general security agreement over the assets of X2. The interest rate for the period ended March 31, 2018 was 3.45%.

As at March 31, 2018 the Company has advanced $250,000 to X2 and accrued interest income of $205.

5. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited preferred shares without par value. All issued common shares are fully paid.

(Unaudited - Expressed in Canadian Dollars)

5. Share Capital (continued)

(b) *Equity Financing*

In December 2017 the Company completed a non-brokered private placement financing of 15,000,000 units at a price of $0.20 per unit for gross proceeds of $3,000,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.40 for a period of two years after closing. Directors of the Company purchased 1,725,000 units of this private placement.

The Company incurred $15,750 filing costs associated with the private placement.

There were no equity financings conducted by the Company during fiscal 2017.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at March 31, 2018 and 2017 and the changes for the six months ended on those dates, is as follows:

	2018		2017	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	2,310,000	0.10	3,865,000	0.10
Issued	15,000,000	0.40	-	-
Exercised	(785,000)	0.10	(1,350,000)	0.10
Balance, end of period	16,525,000	0.37	2,515,000	0.10

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at March 31, 2018:

Number	Exercise Price $	Expiry Date
1,525,000	0.10	April 15, 2018
7,813,000	0.40	December 5, 2019
7,187,000	0.40	December 12, 2019
16,525,000		

See also Note 8.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. Pursuant to the Plan, the exercise price of options will be set by the Board at the time options are granted and cannot be less than the discounted market price, except as permitted by the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the six months ended March 31, 2018 the Company granted share options to purchase 360,000 (2017 - 890,000) common shares and recorded compensation expense of $282,000 (2017 - $140,533).

(Unaudited - Expressed in Canadian Dollars)

5. Share Capital (continued)

The fair value of share options granted and vested during the six months ended March 31, 2018 and 2017 has been estimated using the Black-Scholes option pricing model using the following assumptions:

	2018	2017
Risk-free interest rate	1.55% - 1.65%	0.66%
Estimated volatility	249% - 256%	111%
Expected life	4 years	5 years
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%

The weighted average fair value of all share options granted and vested, using the Black-Scholes option pricing model, during the six months ended March 31, 2018 was $0.71 (2017 - $0.16) per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at March 31, 2018 and 2017 and the changes for the six months ended on those dates, is as follows:

	2018		2017	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	890,000	0.20	93,333	0.405
Granted	360,000	0.79	890,000	0.20
Expired	-	-	(93,333)	0.405
Balance, end of period	1,250,000	0.37	890,000	0.20

The following table summarizes information about the share options outstanding and exercisable at March 31, 2018:

Number	Exercise Price $	Expiry Date
160,000	0.35	October 18, 2021
890,000	0.20	October 20, 2021
100,000	1.14	December 21, 2021
100,000	1.14	December 27, 2021
1,250,000		

(Unaudited - Expressed in Canadian Dollars)

6. Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) During the six months ended March 31, 2018 and 2017 the following amounts were incurred with respect to current and former key management personnel:

	2018 $	2017 $
Executive management compensation	192,750	47,000
Share-based compensation	276,778	105,004
	469,528	152,004

As at March 31, 2018, $4,500 (September 30, 2017 - $56,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the six months ended March 31, 2018 the Company incurred a total of $23,245 (2017 - $2,200) with Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administrative services provided by Chase personnel, excluding the CFO. As at March 31, 2018, $7,745 (September 30, 2017 - $1,800) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) During the six months ended March 31, 2017 the Company paid $5,500 for accounting and administration services provided by a private company owned by the former CFO of the Company.

(iv) During the six months ended March 31, 2017 the Company paid $1,986 for legal services provided by the former CEO of the Company.

(v) See also Note 5(b).

7. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, the bridge loan and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(Unaudited - Expressed in Canadian Dollars)

7. Financial Instruments and Risk Management (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at March 31, 2018				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	2,252,499	-	-	-	2,252,499
Bridge loan	-	250,205	-	-	250,205
Accounts payable and accrued liabilities	(138,056)	-	-	-	(138,056)

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and bridge loan bear floating rates of interest. The interest rate risk on cash, the bridge loan and on the Company's obligations are not considered significant.

Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to identify and evaluate potential business acquisitions and to negotiate acquisitions or participation agreements. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

8. Event after the Reporting Period

Subsequent to March 31, 2018 the Company issued 1,525,000 common shares for proceeds of $152,500 on the exercise of warrants.