Fandom Sports Media Corp.

QUARTERLY UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED APRIL 30, 2019

(Unaudited)

(Expressed in Canadian Dollars)

These unaudited condensed consolidated interim financial statements of Fandom Sports Media Corp. for the three months ended April 30, 2019 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

Fandom Sports Media Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes		April 30, 2019		January 31, 2019
ASSETS					
Current assets					
Cash and equivalents		**$**	**485,200**	$	1,080,993
Commodity tax recoverable	5		**4,853**		5,229
Prepaid expenses			**114,063**		113,921
			604,117		1,200,143
Non-current assets					
Equipment	6		**7,633**		8,850
Intangible assets	7		**251,319**		-
			248,848		8,850
TOTAL ASSETS		**$**	**863,069**	$	1,208,993
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	8, 11		**193,470**		282,196
			193,470		282,196
EQUITY					
Share capital	9	**$**	**11,572,443**	$	11,322,443
Shares to be issued	11		**-**		-
Share-based payment reserve	10		**2,193,093**		2,152,693
Deficit			**(13,095,937)**		(12,548,339)
TOTAL EQUITY			**669,599**		926,797
TOTAL LIABILITIES AND EQUITY		**$**	**863,069**	$	1,208,993

Nature and continuance of operations and going concern (Note 1)
Events after the reporting period (Note 15)

Approved and authorized by the Board on June 28, 2019

Director *"Scott Keeney"* **Director** *"Tristan Brett"*

Fandom Sports Media Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes		**Three Months Ended: April 30, 2019**		Three Months Ended: April 30, 2018
Expenses					
Amortization	6	**$**	**1,217**	$	537
Consulting and management fees	11		**182,176**		143,861
Interest, bank charges, and foreign exchange			**4,572**		3,548
Legal and audit			**153,886**		22,607
Marketing and promotion			**83,350**		
Office and general			**12,963**		9,382
Share-based compensation	9, 11		**40,400**		-
Transfer agent and filing fees			**12,325**		16,136
Travel			**56,709**		
		$	**547,598**	$	424,109
Other Items					
Impairment of intangible assets	7	**$**	**-**	$	-
Loss on debt settlement	9		**-**		-
Loss and comprehensive loss for the year		**$**	**547,598**	$	424,109
Loss per share – basic and diluted		**$**	**0.004**	$	0.003
Weighted number of common shares outstanding			**144,005,058**		131,619,330

Fandom Sports Media Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

		SHARE CAPITAL					
	Notes	**Number of shares**	**Amount**	**Shares to be issued**	**Share-based payment reserve**	**Deficit**	**Total**
Balance at January 31, 2018		**126,800,836**	**$ 9,427,893**	**$ 375,000**	**$ 1,762,693**	**$ (8,418,378)**	**$ 3,147,208**
Transactions with owners, in their capacity as owners and other transfers:							
Shares issued Pursuant to private placements	9	4,166,000	624,900	-			624,900
Exercise of stock warrants	9	1,06,500	140,650	-	-		140,650
Shares to be issued	9	-	-	(375,000)	-		(375,000)
Net and comprehensive loss		-	-	-	-	(424,109)	(424,109)
Balance at April 30, 2018		**132,373,336**	**$10,193,443**	**-**	**1,762,693**	**(8,842,487)**	**3,147,208**
Balance at January 31, 2019		**142,043,336**	**11,322,443**	**0**	**2,152,693**	**(12,548,339)**	**926,797**
Transactions with owners, in their capacity as owners and other transfers:							
Shares issued Pursuant to private placements	9	-	-	-	-	-	-
Exercise of stock warrants	9	2,500,000	250,000	-	-	-	250,000
Stock Based Compensation		-	-	-	40,400	-	40,400
Net and comprehensive loss		-	-	-	-	(547,598)	(547,598)
Balance at April 30, 2019		**144,543,336**	**$ 11,572,443**	**$ -**	**$ 2,193,093**	**$ (13,095,937)**	**$ 669,599**

See accompanying notes to the consolidated financial statements

Fandom Sports Media Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Three months ended: April 30, 2019	Three months ended: April 30, 2018
Operating activities		
Loss for the period	**$ (547,598)**	$ (424,109)
Adjustments for non-cash items:		
Amortization	**1,217**	587
Services settled with shares	**-**	-
Stock-based compensation	**40,400**	-
Bonus Payment	**250,000**	-
Changes in non-cash working capital items:		
Receivable	**376**	47,321
Prepaid	**(142)**	(45,401)
Payables and accrued liabilities	**(88,726)**	64,660
Net cash used in operating activities	**(344,473)**	(266,191)
Investing activities		
Application development costs	**(251,319)**	(166,372)
Purchase of equipment	**-**	(5,474)
Net cash flows used in investing activities	**(251,319)**	(171,846)
Financing activities		
Bank indebtedness	**-**	-
Proceeds on issuances of common shares	**-**	765,550
Finder fee paid in cash	**-**	-
Shares to be issued	**-**	(375,000)
Net cash flows from financing activities	**-**	390,550
Increase (Decrease) in cash and cash equivalents	**(595,793)**	(47,488)
Cash and cash equivalents, beginning	**1,080,993**	3,260,747
Cash and cash equivalents, ending	**$ 485,200**	$ 3,213,259
Non-cash transactions:		
Common shares issued for debt	**-**	-
Common shares issued for services	**-**	-
Common shares issued for finders fees	**-**	-

(Expressed in Canadian dollars)

1. Nature and continuance of operations and going concern

Fandom Sports Media Corp. (the "Company") is a publicly listed company incorporated in Canada under the British Columbia Corporations Act on May 12, 2006.

The Company's primary business is the development and monetization of mobile applications.

The Company's registered and records office is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, B.C., Canada, V6C 3E8. The Company's head office is located at 3250 Bloor Street West, East Tower Suite 600, Toronto, Ontario, Canada M8X 2X9.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at April 30, 2019, the Company had accumulated losses totaling $13,095,937 (2018 - $12,548,339) and was not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from the development and monetization of the Company's Blockchain technology based Entertainment Platform for sports and esports superfan engagement and the related mobile applications and its ability to attain profitable licensing and advertising based operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations, all of which are uncertain. These factors indicate the existence of material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from related parties, exercise of stock options, exercise of warrants, and/or from funds generated from private placements.

2. Statement of compliance and basis of presentation

Statement of compliance

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of January 31, 2019.

Basis of Presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The presentation and functional currency is the Canadian dollar.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, as follows:

		Percentage owned	
	Jurisdiction of Incorporation	April 30, 2019	January 31, 2018
Fandom Media Group Inc.	Canada	100%	100%
Fandom Sport OY	Finland	100%	-

Inter-company transactions and balances are eliminated upon consolidation.

3. Significant accounting policies

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

- Stock-based compensation which is subject to estimation related to the value of the award at the date of grant using pricing models such as the Black-Scholes Option Pricing Model;
- Recoverability of amounts capitalized as intangible assets;
- The measurement of income taxes payable and deferred income tax assets and liabilities; and
- The Company's ability to continue as a going concern and whether there are events or condition that may give rise to significant uncertainty (Note 1).

Foreign exchange

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiaries' functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Intangible assets

Intangible assets consist of trademarks, mobile application front end, back end, website, and platform developed in-house or acquired externally, on which advertisements are placed. The amount initially recognized for internally- generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meet the following recognition criteria: i) the technical feasibility of completing the intangible assets so that it will be available-for-use or sale; ii) its intension to complete the intangible asset and use or sell it; iii) its ability to use or sell the intangible asset; iv) how the intangible asset will generate probable future economic benefits; v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development; otherwise they are expensed as incurred. Subsequent to initial recognition, the Company reports internally-generated intangible assets at cost less accumulated amortization and accumulated impairment losses.

3. Significant accounting policies (continued)

Intangible assets *(continued)*

Intangible assets acquired through asset acquisition or business combinations are initially recognized at fair value based on an allocation of the purchase price.

Intangible assets in use are amortized on a straight-line basis over their estimated useful life of 5 years. The amortization method, estimated useful life and residual values are reviewed each financial year end or more frequently if required, and are adjusted as appropriate. Intangible assets under development which are not ready for use are not amortized, but are evaluated for impairment annually.

Share-based compensation

Stock-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Stock-based compensation to non-employees is 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 the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. 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 for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments on February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking “expected loss” impairment model.

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.

3. Significant accounting policies (continued)

Financial instruments *(continued)*

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

Financial assets/liabilities	**Original Classification IAS 39**	**New Classification IFRS 9**
Cash and equivalents	FVTPL	FVTPL
Accounts payable	Other financial liabilities	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on February 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 loss and comprehensive loss. 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 loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Loss (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(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 loss and comprehensive loss, 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.

3. Significant accounting policies (continued)

Financial instruments *(continued)*

(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.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's long-lived assets (which include equipment and intangible assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are included in the determination of net loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

3. Significant accounting policies (continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Canadian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the statement of financial position method on temporary differences at the Reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Equipment

Equipment is recorded at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Class of equipment	**Amortization rate**
Computer equipment	30% declining balance

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti- dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding is used for the calculation of diluted earnings per share which assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the year.

4 Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

New standard IFRS 16 "Leases"

IFRS 16 eliminates the classification of operating leases and requires lessees to recognize a right-of-use and lease lability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods, changes the accounting for sale and leaseback arrangements, largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early adoption permitted in certain circumstances.

The Company has not early adopted this new standard and has determined that the adoption of this standard has no impact its consolidated financial statements

5. Commodity tax Recoverable

		April 30, 2019		January 31, 2019
Commodity tax Recoverable	$	4,853	$	5,229

(Expressed in Canadian dollars)

6. Equipment

		Computer equipment
Cost:		
At January 31, 2018	$	11,027
Additions		10,961
At January 31, 2019		21,988
Additions		0
At April 30, 2019	**$**	**21,988**
Accumulated amortization:		
At January 31, 2018	$	9,020
Charge for the period		4,118
At January 31, 2018		13,138
Charge for the period		1,217
At January 31, 2019	**$**	**14,355**
Net book value:		
At January 31, 2019	$	8,850
At January 31, 2019	**$**	**7,633**

7. Intangible assets

		Total
Cost		
At January 31, 2018	$	249,810
Additions		-
Impairment		(85,501)
At January 31, 2019		164,309
Additions		251,319
At April 30, 2019	**$**	**415,628**
Accumulated Amortization		
At January 31, 2018	$	164,309
Amortization		-
At January 31, 2019		**164,309**
Amortization		**-**
At April 30, 2019	**$**	**164,309**
Net Book Value		
At January 31, 2019	$	-
At April 30, 2019	**$**	**282,196**

(Expressed in Canadian dollars)

8. Accounts payable and accrued liabilities

		April 30, 2019		January 31, 2019
Accounts payable (Note 11)	$	154,682	$	13,339
Accrued bonus payable (Note 11)		-		177,083
Accrued liabilities		38,789		91,774
	$	193,470	$	282,196

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

Issued and outstanding on April 30, 2019: 144,543,336 (January 31, 2019: 142,043,836)

At January 31, 2019, no shares were held in escrow (January 31, 2018: 6,545,919).

Changes in Share Capital

During the period ended April 30, 2019

The Company issued 2,500,000 common shares in connection with the exercise of 2,500,000 warrants at a price of $0.10 per share in relation to the CEO contract. This was a no-cash transaction.

During the year ended January 31, 2019:

On February 9, 2018, the Company completed a private placement whereby it issued 4,166,000 units at $0.15 per unit for total gross proceeds of $624,900. Each unit consisted of one common share and one share purchase warrant where each share purchase warrant entitles the holder to receive one additional common share at a price of $0.20 until February 9, 2020. No finders' fees were paid in connection with the private placement.

The Company issued 8,576,500 common shares in connection with the exercise of 8,576,500 warrants at a price of $0.10 per share. Proceeds from exercise of these warrants totaled $857,650 were received in cash.

The Company issued 2,500,000 common shares in connection with the exercise of 2,500,000 warrants at a price of $0.10 per share. Proceeds from exercise of these warrants totaled $250,000 were applied against consulting fee payable to one of the Company directors.

During the year ended January 31, 2018:

On January 17, 2018, the Company completed a private placement whereby it issued 22,047,131 units at $0.15 per unit for total gross proceeds of $3,307,070. Each unit consisted of one common share and one share purchase warrant where each share purchase warrant entitles the holder to receive one additional common share at a price of $0.20 until January 16, 2020. The Company paid finders' fees totaling $26,800 in cash, issued a total of 241,333 finders' shares with a fair value of $36,200, and issued 501,333 finders' warrants with a fair value of $34,570 to certain persons responsible for facilitating subscribers to the offering. The finders' shares and finders' warrants were issued with identical terms to the private placement units. The fair value of the warrants was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life 2 years, average risk-free interest rate 1.80%, expected dividend yield – 0%, and average expected stock price volatility – 100%.

9. Share capital (continued)

On September 22, 2017, the Company completed a private placement whereby it issued 4,100,000 units at $0.10 per unit for total gross proceeds of $410,000. Each unit consisted of one common share and one share purchase warrant where each share purchase warrant entitles the holder to receive one additional common share at a price of $0.15 until September 21, 2019.

On September 22, 2017, the Company issued 2,000,000 common shares for services at a fair value of $200,000 pursuant to an executive agreement with the President and Chief Executive Officer (the "CEO"), Mr. Henri Holm.

On April 26, 2017, the Company completed a private placement whereby it issued 10,960,000 units at $0.05 per unit for total gross proceeds of $548,000. Each unit consisted of one common share and one share purchase warrant where each share purchase warrant entitles the holder to receive one additional common share at a price of $0.10 until April 25, 2019. For finders of this private placement, the Company issued 1,680,000 shares with a fair value of $84,000 and 1,680,000 warrants with a fair value of $30,079. The fair value was determined using the Black-Scholes Option Pricing Model using the following assumptions: expected life 2 years, average risk-free interest rate 0.74%, expected dividend yield – 0%, and average expected stock price volatility – 100%.

The Company issued 5,490,000 common shares in connection with the exercise of 5,490,000 warrants at an average price of $0.10 per warrant. Proceeds from exercise of these warrants totaled $549,000.

The Company issued 1,850,000 common shares in connection with the exercise of 1,850,000 stock options at an average price of $0.10 per option. Proceeds from the exercise of these stock options totaled $185,000.

During the year ended January 31, 2018, 6,700,000 units, which consisted of 6,700,000 shares with a fair value of $335,000 and 6,700,000 share purchase warrants with a fair value of $119,956, were issued for settlement of debt in the amount $335,000 resulting in a loss of $119,956. The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following assumptions: expected life 2 years, average risk-free interest rate 0.74%, expected dividend yield – 0%, and average expected stock price volatility – 100%.

Stock options

On August 8, 2017, the Company's Shareholders approved and adopted the Company's Stock Option Plan which is a rolling 20% incentive stock option plan (the "2017 Plan"), enabling the Board of Directors of the Company from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. The aggregate number of common shares reserved for issuance to insiders in any 12-month period under the 2017 Plan and any other share compensation arrangement shall not exceed 10% of the outstanding shares at the time of the grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all investor relations and technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

9. Share capital (continued)

On February 21, 2019, the Company granted 675,000 stock options, 400,000 to an officer and 275,000 to consultants of the Company which are exercisable at $0.10 per share for a period of 5 years and vested immediately.

On December 14 2018, the Company granted 100,000 stock options to an officer which are exercisable at $0.10 per share for a period of five years and vested immediately.On December 13 2018, the Company granted 600,000 stock options to an external consultant which are exercisable at $0.125 per share for a period of five years and vested immediately.

On October 5, 2018, the Company granted 1,500,000 stock options to consultants of the Company which are exercisable at $0.115 per share for a period of five years. 375,000 options vested immediately on the grant day and 375,000 vest each 3 months thereafter for a period of 12 months from the grant date.

On September 7, 2018, the Company granted 500,000 stock options to consultants of the Company which are exercisable at $0.095 per share for a period of five years. 312,500 options vested immediately on the grant day and 62,500 vest each 3 months thereafter for a period of 12 months from the grant date.

On August 21, 2018, the Company granted 250,000 stock options to a consultant of the Company which are exercisable at $0.095 per share for a period of five years. 62,500 options vested immediately on the grant day and 62,500 vest each 3 months thereafter for a period of 12 months from the grant date.

On July 26, 2018, the Company granted 1,375,000 stock options, 500,000 to a director of the Company (Note 11) and a total of 875,000 to other consultants of the Company which are exercisable at $0.095 per share for a period of five years. 437,000 options vested immediately on the grant day and 312,500 vest each 3 months thereafter for a period of 12 months from the grant date.

On July 5, 2018, the Company granted 1,255,000 stock options, 500,000 to an officer of the Company (Note 11) and a total of 755,000 to other consultants of the Company which are exercisable at $0.09 per share for a period of five years and vested immediately.

On May 24, 2018, the Company granted 1,000,000 stock options to consultants of the Company which are exercisable at $0.125 per share for a period of five years. 250,000 options vested immediately on the grant day and 250,000 vest each 3 months thereafter for a period of 12 months from the grant date.

On January 22, 2018, the Company granted 625,000 stock options, 500,000 to an officer and 125,000 stock options to a consultant of the Company (which vested immediately) which are exercisable at $0.30 per share for a period of five years.

On January 17, 2018, the Company granted 1,025,000 stock options to consultants of the Company (which vested immediately) which are exercisable at $0.345 per share for a period of five years.

On January 3, 2018, the Company granted 125,000 stock options to a consultant of the Company (which vested immediately) which are exercisable at $0.18 per share for a period of five years.

On October 2, 2017, the Company granted 400,000 stock options to a consultant of the Company (which vested immediately) which are exercisable at $0.12 per share for a period of five years.

On August 1, 2017, the Company granted 1,500,000 stock options, 1,000,000 to a director and 500,000 to a consultant of the Company (which vested immediately) and which are exercisable at $0.17 per share for a period of five years.

On June 5, 2017, the Company granted 1,950,000 stock options to consultants (which vested immediately) and 200,000 to an investor relations consultant, all of which are exercisable at $0.19 per share for a period of five years.

(Expressed in Canadian dollars)

9. Share capital (continued)

During the year ended January 31, 2019, an aggregate of 3,237,500 stock options with an exercise price range of $0.095 - $0.345 were cancelled due to the termination of consulting services.

The continuity schedule of stock options is as follows:

	Number of stock options
Balance, January 31, 2018	8,337,500
Expired	0
Cancelled	(3,237,500)
Granted	6,580,000
Balance, January 31, 2018	11,680,000
Expired	(1,400,000)
Cancelled	0
Granted	675,000
Balance, January 31, 2019	**10,955,000**

A summary of the Company's outstanding and exercisable stock options as at January 31, 2019 is as follows:

Weighted average exercise price	**Remaining contractual life**	**Number of options outstanding**	**Number of options exercisable**	**Expiry Dates**
$0.10	1.51 years	350,000	350,000	November 1, 2020
$0.10	2.18 years	1,000,000	1,000,000	July 5, 2021
$0.19	3.10 years	1,950,000	1,950,000	June 4, 2022
$0.17	3.26 years	500,000	500,000	August 1, 2022
$0.35	3.72 years	525,000	525,000	January 17, 2023
$0.30	3.73 years	125,000	125,000	January 22, 2023
$0.13	4.07 years	1,000,000	750,000	May 24, 2023
$0.09	4.18 years	755,000	755,000	July 5, 2023
$0.10	4.24 years	1,375,000	1,062,500	July 26, 2023
$0.10	4.32 years	250,000	125,000	August 23, 2023
$0.10	4.36 years	250,000	250,000	September 7, 2023
$0.12	4.44 years	1,500,000	750,000	October 5, 2023
$0.10	4.62 years	100,000	100,000	December 13, 2023
$0.13	4.63 years	600,000	600,000	December 14, 2023
$0.10	4.82 years	675,000	675,000	February 21, 2024
$0.14	**3.26 years**	**10,955,000**	**9,517,500**	

The Company recognized $40,400 (2018: $0) in share based compensation for the three months ended April 30, 2019.

(Expressed in Canadian dollars)

9. Share capital (continued)

Purchase warrants

The continuity schedule of share purchase warrants is as follows:

	Number of share purchase warrants
Balance, January 31, 2018	63,384,679
Granted	4,166,000
Cancelled	(2,500,000)
Expired	(10,899,713)
Exercised	(11,076,500)
Balance, January 31, 2019	43,074,466
Granted	0
Cancelled	0
Expired	(14,760,000)
Exercised	0
Balance, April 30, 2019	**28,314,466**

As of April 30, 2019, the continuity schedule of warrants is as follows:

Weighted average exercise price	Remaining contractual life	Number of warrants outstanding	Expiry Dates
$0.15	0.39 years	4,100,000	September 21, 2019
$0.20	0.72 years	22,548,466	January 16, 2020
$0.20	0.78 years	1,666,000	February 8, 2020
$0.19	**0.67 years**	**28,314,466**	

10. Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense and the fair value initially recorded for warrants and options issued until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

11. Related party balances and transactions

Key management compensation

During the period ended April 30, 2019, the Company incurred charges from directors and senior management, or companies controlled by them, for management fees and consulting fees in the amount of $345,249 (2018: $107,408).

At April 30, 2019, $Nil (January 31, 2019, $177,083) was due to directors and senior management or companies controlled by directors and senior management, and was included in accounts payable and accrued liabilities (Note 8).

12. Financial risk management and capital management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and accounts payable approximate their fair value because of the short-term nature of these instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages credit risk in respect of cash by placing cash at major financial institutions. The Company considers credit risk related to cash as low risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. At April 30, 2019, the Company had current liabilities of $193,479 and current assets of $604,117. To improve liquidity, the Company is continually investigating financing opportunities. As disclosed in Note 1, there can be no assurance these efforts will be successful in the future. All the Company's financial liabilities are subject to normal trade terms. Liquidity risk is assessed high.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low.

Capital management

The Company identifies capital as cash and items included in shareholders' equity. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors. The Company's primary objectives when managing capital is to safeguard and maintain the Company's financial resources for continued operations and to fund expenditure programs to further advance its assets. The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources. The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditure and the scope of operations during periods of commodity pricing decline and economic downturn.

There were no changes in the Company's approach to capital management during the year ended January 31, 2019 and the Company is not subject to any externally imposed capital requirements.

13. Segmented information

Operating segments

The Company operates in two reportable operating segments: Canada and Finland. At January 31, 2018, all assets are located in Canada. The Finnish operating segment was established on July 27, 2018.

14. Events after the reporting period

None