



FANDOM SPORTS MEDIA CORP.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED
JULY 31, 2019**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice to Reader

The accompanying unaudited condensed interim financial statements of Fandom Sports Media Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Fandom Sports Media Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at July 31, 2019	As at January 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 38,883	\$ 1,080,993
Commodity tax recoverable	7,746	5,229
Prepaid expenses	59,514	113,921
Total current assets	106,143	1,200,143
Non-current assets		
Equipment (note 3)	6,416	8,850
Intangible assets (note 4)	541,580	-
Total assets	\$ 654,139	\$ 1,208,993
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 105,147	\$ 282,196
Total liabilities	105,147	282,196
Equity		
Share capital (note 6)	11,572,443	11,322,443
Shares to be issued	100,044	-
Share-based payment reserve (note 7)	2,213,093	2,152,693
Deficit	(13,336,588)	(12,548,339)
Total equity	548,992	926,797
Total liabilities and equity	\$ 654,139	\$ 1,208,993

Nature and continuance of operations and going concern (note 1)
Subsequent events (note 11)

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

Fandom Sports Media Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2019	2018	2019	2018
Expenses				
Amortization	\$ 1,217	\$ 768	\$ 2,434	\$ 1,305
Consulting and management fees	94,828	269,423	277,004	413,284
Interest, bank charges and foreign exchange	11,288	3,555	15,860	7,103
Legal and audit fees	3,182	108,758	157,068	131,365
Marketing and promotion	60,735	180,072	144,085	293,299
Office and general	10,163	7,961	23,126	17,343
Share-based compensation	20,000	239,800	60,400	239,800
Transfer agent and filing fees	11,322	7,640	23,647	23,776
Travel	27,916	40,178	84,625	154,989
Net loss and comprehensive loss for the period	\$ (240,651)	\$ (858,155)	\$ (788,249)	\$ (1,282,264)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	144,543,336	135,726,026	143,479,800	132,246,382

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

Fandom Sports Media Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended July 31,	
	2019	2018
Operating activities		
Net loss for the period	\$ (788,249)	\$ (1,282,264)
Adjustments for:		
Amortization	2,434	1,305
Share-based compensation	60,400	239,800
Bonus payment	250,000	-
Non-cash working capital items:		
Commodity tax recoverable	(2,517)	43,873
Prepaid	54,407	17,303
Accounts payable and accrued liabilities	(177,049)	26,446
Net cash used in operating activities	(600,574)	(953,537)
Investing activities		
Application development costs	(541,580)	(609,700)
Expenditures on equipment	-	(5,474)
Net cash used in investing activities	(541,580)	(615,174)
Financing activities		
Proceeds from issuance of common shares	-	1,199,800
Shares to be issued	100,044	(375,000)
Net cash provided by financing activities	100,044	824,800
Net change in cash	(1,042,110)	(743,911)
Cash, beginning of period	1,080,993	3,260,747
Cash, end of period	\$ 38,883	\$ 2,516,836

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Fandom Sports Media Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	<u>Share Capital</u>		Shares to be issued	Share-based Payment Reserve	Deficit	Total
	Number	Amount				
Balance, January 31, 2018	126,800,836	\$ 9,427,893	\$ 375,000	\$ 1,762,693	\$ (8,418,378)	\$ 3,147,208
Shares issued pursuant to private placements (note 6(b)(i))	4,166,000	624,900	-	-	-	624,900
Exercise of warrants (note 6(b)(ii))	5,749,000	574,900	-	-	-	574,900
Shares to be issued	-	-	(375,000)	-	-	(375,000)
Share-based compensation	-	-	-	239,800	-	239,800
Net loss for the period	-	-	-	-	(1,282,264)	(1,282,264)
Balance, July 31, 2018	136,715,836	\$ 10,627,693	\$ -	\$ 2,002,493	\$ (9,700,642)	\$ 2,929,544
Balance, January 31, 2019	142,043,336	\$ 11,322,443	\$ -	\$ 2,152,693	\$ (12,548,339)	\$ 926,797
Proceeds for shares to be issued (note 11(i))	-	-	100,044	-	-	100,044
Exercise of warrants (note 6(b)(iii))	2,500,000	250,000	-	-	-	250,000
Share-based compensation	-	-	-	60,400	-	60,400
Net loss for the period	-	-	-	-	(788,249)	(788,249)
Balance, July 31, 2019	144,543,336	\$ 11,572,443	\$ 100,044	\$ 2,213,093	\$ (13,336,588)	\$ 548,992

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

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended July 31, 2019
(Unaudited - 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 82 Richmond Street East, Suite 400, Toronto, Ontario, M5C 1P1.

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 July 31, 2019, the Company had accumulated losses totaling \$13,336,588 (January 31, 2019 - \$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 sale of assets, including its subsidiary FANDOM SPORTS OY, loans from related parties, exercise of stock options, exercise of warrants, and/or from funds generated from private placements.

2. Significant Accounting Policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of September 27, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended January 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending January 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

New accounting policies

Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The application of the new standard had no impact on the unaudited condensed interim consolidated financial statements as at July 31, 2019.

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

3. Equipment

Cost		Computer Equipment
Balance, January 31, 2018	\$	11,027
Additions		10,961
Balance, January 31, 2019		21,988
Balance, July 31, 2019	\$	21,988
Accumulated Depreciation		Computer Equipment
Balance, January 31, 2018	\$	9,020
Depreciation		4,118
Balance, January 31, 2019		13,138
Depreciation		2,434
Balance, July 31, 2019	\$	15,572
Net book value		Computer Equipment
Balance, January 31, 2019	\$	8,850
Balance, July 31, 2019	\$	6,416

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian Dollars)

4. Intangible assets

Cost	Total	
Balance, January 31, 2018	\$	249,810
Impairment		(85,501)
Balance, January 31, 2019		164,309
Additions		541,580
Balance, July 31, 2019	\$	705,889
Accumulated Depreciation	Total	
Balance, January 31, 2018 and 2019	\$	164,309
Balance, July 31, 2019	\$	164,309
Net book value	Total	
Balance, January 31, 2019	\$	-
Balance, July 31, 2019	\$	541,580

5. Accounts payable and accrued liabilities

	As at July 31, 2019	As at January 31, 2019
Accounts payable	\$ 58,664	\$ 13,339
Accrued bonus payable	-	177,083
Accrued liabilities	46,483	91,774
	\$ 105,147	\$ 282,196

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital

a) Authorized share capital

Unlimited number of common shares without par value.

b) Common shares issued and outstanding

As at July 31, 2019, the total number of shares issued was 144,543,336 and valued at \$11,572,443. The changes in issued share capital for the periods were as follows:

For the six months ended July 31, 2018

- (i) 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.
- (ii) During the six months ended July 31, 2018, the Company issued 5,749,000 common shares in connection with the exercise of 5,749,000 warrants at a price of \$0.10 per share. Proceeds from exercise of these warrants totaled \$574,900 were received in cash.

For the six months ended July 31, 2019

- (iii) During the six months ended July 31, 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 pursuant to a contract with the Chief Executive Officer. This was a non-cash transaction.

7. Warrants

The continuity schedule of share purchase warrants is as follows: :

	Number of Warrants
Balance, January 31, 2018	63,384,679
Issued	4,166,000
Cancelled	(2,500,000)
Expired	(1,400,000)
Exercised	(5,749,000)
Balance, July 31, 2018	57,901,679
Balance, January 31, 2019	43,074,466
Issued	2,500,000
Exercised	(2,500,000)
Expired	(14,760,000)
Balance, July 31, 2019	28,314,466

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

7. Warrants (continued)

The following table reflects the warrants issued and outstanding as of July 31, 2019:

Number of Warrants Outstanding	Remaining Contractual Life (yrs)	Weighted Average Exercise Price (\$)	Expiry Date
4,100,000	0.14	0.15	September 21, 2019
22,548,466	0.46	0.20	January 16, 2020
1,666,000	0.53	0.20	February 8, 2020
28,314,466	0.42	0.19	

8. 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.

The continuity schedule of stock options is as follows:

	Number of Stock Options
Balance, January 31, 2018	8,337,500
Granted (note 8(i)(ii)(iii))	3,630,000
Cancelled	(875,000)
Balance, July 31, 2018	11,092,500
Balance, January 31, 2019	11,680,000
Granted (note 8(iv))	675,000
Expired	(1,400,000)
Balance, July 31, 2019	10,955,000

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

8. Stock options (continued)

- (i) 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.
- (ii) On July 5, 2018, the Company granted 1,255,000 stock options, 500,000 to an officer of the Company 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.
- (iii) On July 26, 2018, the Company granted 1,375,000 stock options, 500,000 to a director of the Company 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.
- (iv) 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.

The following table reflects the stock options issued and outstanding as of July 31, 2019:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
November 1, 2020	0.10	1.26	350,000	350,000	-
July 5, 2021	0.10	1.93	1,000,000	1,000,000	-
June 4, 2022	0.19	2.85	1,950,000	1,950,000	-
August 1, 2022	0.17	3.01	500,000	500,000	-
January 17, 2023	0.35	3.47	525,000	525,000	-
January 22, 2023	0.30	3.48	125,000	125,000	-
May 24, 2023	0.13	3.82	1,000,000	1,000,000	-
July 5, 2023	0.09	3.93	755,000	755,000	-
July 26, 2023	0.10	3.99	1,375,000	1,375,000	-
August 23, 2023	0.10	4.07	250,000	125,000	125,000
September 7, 2023	0.10	4.11	250,000	250,000	-
October 5, 2023	0.12	4.18	1,500,000	750,000	750,000
December 13, 2023	0.10	4.37	100,000	100,000	-
December 14, 2023	0.13	4.38	600,000	600,000	-
February 21, 2024	0.10	4.56	675,000	675,000	-
	0.14	3.51	10,955,000	10,080,000	875,000

Fandom Sports Media Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

9. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Remuneration of key management of the Company was as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2019	2018	2019	2018
Management and consulting fees ⁽¹⁾	\$ 79,954	\$ 128,312	\$ 248,120	\$ 235,720
Share-based compensation	\$ 11,000	\$ -	\$ 34,941	\$ -

(1) Management and consulting fees paid to directors, senior management and companies controlled by them for services.

(2) Included in accounts payable and accrued liabilities are amounts owing to directors and senior management or companies controlled by them of \$19,133 as at July 31, 2019 (January 31, 2019 - \$177,083).

10. Segmented Information

Operating segments

The Company operates in two reportable operating segments: Canada and Finland.

11. Subsequent Events

(i) On August 23, 2019, the Company closed a technology bridge-funding-focused private placement for aggregate gross proceeds of \$308,040. The private placement consisted of 5,134,000 common shares at a price of \$0.06.

(ii) On August 21, 2019, the Company granted 5,000,000 stock options to directors of the Company, one million stock options each. These stock options are exercisable at \$0.05 per stock option and expire on August 21, 2025.