FANDOM SPORTS MEDIA CORP.

Notice to Reader

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2019

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

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.

(Expressed in Canadian Dollars)

Balance Sheet

	As at October 31, 2019	As at January 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	**17,742**	1,080,993
Receivables	**5,180**	5,229
Prepaid expenses	**13,388**	113,921
Total current assets	**36,310**	1,200,143
Non-current assets		
Equipment (note 3)	**2,641**	8,850
Intangible assets (note 4)	**761,415**	-
Total assets	**800,366**	1,208,993
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	**124,871**	282,196
Total liabilities	**124,871**	282,196
Equity		
Share capital (note 6)	**11,811,386**	11,322,443
Shares to be issued	**100,044**	-
Share-based payment reserve (note 7)	**2,217,516**	2,152,693
Deficit	**(13,453,450)**	(12,548,339)
Total equity	**675,496**	926,797
Total liabilities and equity	**800,366**	1,208,993

Company's Liquidity risk is assessed extremely high. Nature and continuance of operations and going concern (note 1) and subsequent events (note 12).

(Expressed in Canadian Dollars)

Statement of Loss and Comprehensive Loss

	Nine Months Ended October 31,		Six Months	Ended July 31,
	2019	2018	2019	2018
Amortization	**1,854**	3,089	2,434	1,305
Consulting and management fees	**366,101**	667,969	277,004	413,284
Interest, bank charges and foreign exchange	**5,549**	9,564	15,860	7,103
Legal and audit fees	**189,708**	173,145	157,068	131,365
Marketing and promotion	**127,775**	267,533	144,085	293,299
Office and general	**51,261**	33,627	23,126	17,343
Share-based compensation	**69,178**	380,728	60,400	239,800
Transfer agent and filing fees	**34,611**	34,536	23,647	23,776
Travel	**59,075**	251,780	84,625	154,989
	905,111	1,821,971	788,249	1,282,264
Net loss and comprehensive loss for the period	**(905,111)**	(1,821,971)	(788,249)	(1,282,264)
Basic and diluted loss per share	**(0.006)**	(0.013)	(0.005)	(0.010)
Weighted average number of common shares	**148,436,149**	138,408,336	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)

	Nine Months Ended October 31,	
	2019	2018
Operating activities		
Net loss for the period	**(905,111)**	(1,821,970)
Adjustments for:		
Amortization	**1,854**	3,089
Share-based compensation	**69,178**	380,728
Non-cash working capital items:		
Receivable	**49**	55,472
Prepaid	**100,533**	(47,068)
Accounts payable and accrued liabilities	**(157,325)**	(136,067)
Net cash used in operating activities	**(890,822)**	(1,565,816)
Investing activities		
Platform and Application development costs	**(761,415)**	(1,088,528)
Expenditures on equipment	**-**	(10,961)
Net cash used in investing activities	**(761,415)**	(1,099,489)
Financing activities		
Proceeds from issuance of common shares	**488,943**	1,369,050
Shares to be issued	**100,044**	(375,000)
Net cash provided by financing activities	**588,987**	994,050
Net change in cash	**(1,063,251)**	(1,671,255)
Cash, beginning of period	**1,080,993**	3,260,747
Cash, end of period	**17,742**	1,589,492

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

(Expressed in Canadian Dollars)

Changes in Equity

	Share Capital Number (Common Shares)	Share Capital Amount	Shares to be issued	Share Based Payment Reserve	Deficit	Total
Balance at January 31, 2015	30,124,732	757,593			(440,124)	317,469
Balance at January 31, 2016	47,011,157	2,421,236		443,100	(2,386,826)	477,510
Balance at January 31, 2017	71,732,372	3,730,222		878,629	(4,121,705)	487,146
Balance at 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	4,166,000	624,900	(375,000)	-	-	249,900
Exercise of warrants	11,076,500	1,269,650	-	(162,000)	-	1,107,650
Shares to be issued	-	-	-	-	-	-
Share-based compensation	-	-	-	552,000	-	552,000
Net loss for the period	-	-	-	-	(4,129,961)	(4,129,961)
Balance, January 31, 2019	**142,043,336**	**11,322,443**	**-**	**2,152,693**	**(12,548,339)**	**926,797**
Shares issued pursuant to private placements	5,134,000	308,040	-	-	-	308,040
Exercise of warrants	2,500,000	250,000	-	-	-	250,000
Shares to be issued	-	(69,097)	100,044	-	-	30,947
Share-based compensation	-	-	-	64,823	-	64,823
Net loss for the period	-	-	-	-	(905,111)	(905,111)
Balance, October 31, 2019	**149,677,336**	**11,811,386**	**100,044**	**2,217,516**	**(13,453,450)**	**675,496**

(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 and platform licensing.

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.

The company's financial statements issued on the assumption that the company continues as a going concern. Meaning it remains in operation for the foreseeable future and is be able to realize assets and discharge liabilities in the ordinary course of actions. As of October 31, 2019, the company had accumulated losses totaling $13,453,450 (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 fundraising. Funding is required to sustain the Company's Blockchain technology-based Entertainment Platform for sports and esports and the related live sports mobile application. Funding is the base for the company to build licensing and advertising-based business operations to generate revenue and 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 months to start revenue share-based licensing operations. The company may be required to finance through the sale of assets, including the company's primary business to develop and monetize mobile applications. The company may have to take loans from related parties, the exercise of stock options, the exercise of warrants, and from funds generated from private placements to meet current obligations. The Company's liquidity risk is assessed extremely high.

2. Significant Accounting Policies

2.1 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 January 2, 2020, 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. 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 subsidiary, as follows:

	Jurisdiction of	Percentage owned	
	Incorporation	October 31, 2019	January 31, 2019
Fandom Media Group Inc.	Canada	Dissolved April 23, 2019	100%
FANDOM SPORTS Oy	Finland	100%	100%

Intracompany transactions and balances are eliminated upon consolidation.

2.2 New accounting policies

2.2.1 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 recognizes 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 recognize 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 October 31, 2019.

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 is subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes Option Pricing Model; and
- Recoverability of amounts capitalized as intangible assets.

2.2.2 Foreign exchange

The functional currency of the Company and its subsidiary 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 subsidiary's 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.

2.2.3 Intangible assets

Intangible assets consist of 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 in 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 probably 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.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. 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.

2.2.4 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.

2.3 Financial instruments

2.3.1 Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterpart will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

2.3.2 Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category consists of non-derivative financial liabilities which are measured at amortized cost.

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as fair value through profit or loss.
b) Receivables have been classified as loans and receivables and measured at amortized cost.
c) Accounts payable have been classified as other financial liabilities and are measured at amortized cost.

Disclosures are required about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
Level 3 – Inputs that are not based on observable market data.

2.4. 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.

(Expressed in Canadian Dollars)

2.5 Income taxes

2.5.1 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.

2.5.2 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.

2.5.3 Equipment

Equipment is stated 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 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

2.5.4 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 used for the calculation of diluted earnings per share 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.

2.6 New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of October 31, 2019 and have not been applied in preparing these financial statements.

2.6.1 New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has determined that the adoption of this standard has no impact on its consolidated financial statements. Other new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian Dollars)

3. Equipment

Cost	Computer Equipment
Balance, January 31, 2018	11,027
Additions	10,961
Balance, January 31, 2019	21,988
Additions	-
Balance, October 31, 2019	**21,988**

Accumulated Depreciation	Computer Equipment
Balance, January 31, 2018	9,020
Depreciation	4,118
Balance, January 31, 2019	13,138
Depreciation	6,209
Balance, October 31, 2019	**19,347**

Net book value	Computer Equipment
Balance, January 31, 2019	8,850
Balance, October 31, 2019	**2,641**

(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	761,415
Balance, October 31, 2019	**925,724**

Accumulated Depreciation	**Total**
Balance, January 31, 2018 and 2019	164,309
Balance, October 31, 2019	**164,309**

Net book value	**Total**
Balance, January 31, 2019	0
Balance, October 31, 2019	**761,415**

5. Accounts payable and accrued liabilities

	As at October 31, 2019	As at January 31, 2019
Accounts payable	**111,977**	13,339
Accrued bonus payable		177,083
Accrued liabilities	**12,893**	91,774
Payable and accrued liabilities	**124,871**	282,196

6. Share Capital

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Issued and outstanding on October 31, 2019: 149,677,336 (January 31, 2018: 142,043,336) and valued at $ 11,811,386 (January 31, 2018: $11,322,443). The changes in issued share capital for the periods were as follows:

For the nine months ended October 31, 2019

(i) 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.

(ii) On August 23, 2019, the Company completed a private placement whereby it issued 5,134,000 units at $0.06 per unit for total gross proceeds of $308,040. 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 August 23, 2021. No finders' fees were paid in connection with the private placement.

7. 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.

8. 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 is not exposed to credit 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. As at October 31, 2019, the Company had current liabilities of $ 124,871 and current assets of $ 36,310. To improve liquidity, the Company is continually investigating financing opportunities and primarily settles debt with shares. 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. **The Company's liquidity risk is assessed extremely 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.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at October 31, 2019 the Company did not have any significant interest rate risk.

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.

Commodity price risk

The Company is not exposed to commodity price risk.

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 month ended October 31, 2019. The Company is subject to externally imposed capital requirements to settle short debt in cash.

(Expressed in Canadian Dollars)

9. Share capital - 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	(2,653,713)
Exercised	(7,441,500)
Balance, October 31, 2018	**54,955,466**
Balance, January 31, 2019	**43,074,466**
Issued	7,634,000
Exercised	(2,500,000)
Expired	(18,860,000)
Balance, October 31, 2019	**29,348,466**

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

Number of Warrants Outstanding	Remaining Contractual Life (years)	Weighted Average Exercise Price ($)	Expiry Date
22,548,466	0.21	0.20	January 16, 2020
1,666,000	0.27	0.20	February 8, 2020
5,134,000	1.81	0.10	August 23, 2021
29,348,466		**0.18**	

Share Capital - 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.

(Expressed in Canadian Dollars)

The continuity schedule of stock options is as follows:

	Number of Stock Options
Balance, January 31, 2018	**8,337,500**
Granted	3,630,000
Cancelled	(875,000)
Balance, July 31, 2018	**11,092,500**
Balance, January 31, 2019	**11,680,000**
Granted (i), (ii)	5,675,000
Expired	(2,800,000)
Balance, October 31, 2019	**14,555,000**

(i) 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.

(ii) On August 24, 2019, the Company granted 5,000,000 stock options consisting one million (1,000,000) to each servicing Board Of Director for their previous years commitment. Options are exercisable at $0.05 per share for a period of 5 years and vested immediately.

The following table reflects the stock options issued and outstanding as of October 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**
August 20, 2024	0.050	4.81	5,000,000	5,000,000	-
February 20, 2024	0.100	4.31	675,000	675,000	-
December 13, 2023	0.125	4.12	600,000	600,000	-
December 13, 2023	0.100	4.12	100,000	100,000	-
October 4, 2023	0.115	3.93	1,000,000	1,000,000	-
September 6, 2023	0.095	3.85	250,000	250,000	-
August 20, 2023	0.095	3.81	250,000	250,000	-
July 5, 2023	0.090	3.68	505,000	505,000	-
May 23, 2023	0.125	3.56	1,000,000	1,000,000	-
January 16, 2023	0.345	3.21	400,000	400,000	-
July 31, 2022	0.170	2.75	500,000	500,000	-
June 4, 2022	0.190	2.59	1,900,000	1,900,000	-
July 5, 2021	0.100	1.68	850,000	850,000	-
July 25, 2020	0.095	0.73	1,375,000	1,375,000	-
November 1, 2020	0.100	1.01	150,000	150,000	-
	0.106	**3.52**	**14,555,000**	**14,555,000**	-

a) On August 24, 2019, the Company granted 5,000,000 stock options consisting one million (1,000,000) to each servicing Board Of Director for their previous years commitment. Options are exercisable at $0.05 per share for a period of 5 years and vested immediately (Tristan Brett), (Scott Keeney), (Klaus Kajetski), (Jonna Birgans), (Henri Holm).

b) 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 (Blackwell Hollinger Company), (Eric Bau), (DSA Corporate Services).

c) 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 (Dynaco Capital Inc.)

d) On December 13, 2018, the Company granted 100,000 stock options to an external consultant which are exercisable at $0.10 per share for a period of five years and vested immediately (Blackwell Hollinger Company).

e) On October 5, 2018, the Company granted 1,000,000 stock options to consultants of the Company which are exercisable at $0.115 per share for a period of five years and vested by October 31, 2019 (Roger Quiles), (Anthony Lamont).

f) On September 7, 2018, the Company granted 250,000 stock options to consultants of the Company which are exercisable at $0.095 per share for a period of five years and vested by October 31, 2019 (Hannu Sallinen).

g) 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 and vested by October 31, 2019 (Alex Back).

h) 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 (Klaus Kajetski), (Anu Honkalinna), (Anniina Pohjonen), (Eric Bau).

i) On July 5, 2018, the Company granted 505,000 to consultants of the Company which are exercisable at $0.09 per share for a period of five years and vested immediately (Byron Chamberlain), (Nick Schober), (Rich Rubin), (Struggle Enterprise).

j) 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. (Vikas Rajan), (Ville Hartikainen).

k) On January 17, 2018, the Company granted 400,000 stock options to consultants of the Company (which vested immediately) which are exercisable at $0.345 per share for a period of five years and vested immediately (Byron Chamberlain), (Nick Schober), (Rich Rubin).

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

m) On June 5, 2017, the Company granted 1,900,000 stock options to consultants (which vested immediately) exercisable at $0.19 per share for a period of five years and vested immediately (Henri Holm), (Donald Frye).

n) On July 6, 2016, the Company granted 850,000 stock options to directors, employees and consultants, which vested immediately and are exercisable at $0.10 per share for a period of five years (Jonna Birgans), (Scott Keeney), (Edmond Bilbasoo).

o) On November 2, 2015, the Company granted 250,000 stock options to director which vested immediately and are exercisable at $0.10 per share for a period of five years, 100,000 options are exercised. Option balance is 150,000. (Tristan Brett).

(Expressed in Canadian Dollars)

10. 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.

During the three month ended October 31, 2019, the Company incurred cash payment charges from directors and senior management, or companies controlled by them, for management fees and consulting fees in the amount of $20,811 (-$-79,624 less than same period year earlier). During the nine months ended October 31, 2019, the Company made cash payments to management worth $208,905 (-$125,530 less than same period year earlier). The Q3 2019 account debt to the senior management is $ 69,235 which can be settled with shares.

Name	Role	Three Months Ended	Three Months Ended	Year on Year
		31-Oct-19	31-Oct-18	Cost Reduction
		$	$	$
Henri Holm (i)	Chief Executive Officer ("CEO")	7,200	43,200	-36,000
Jonna Birgans (ii)	President and Chief Content Officer ("CCO")	6,681	39,085	-32,403
Christopher Hollinger (iii)	Former Chief Financial Officer ("CFO")	nil	nil	nil
Marrelli Support Services Inc. (iv)	Former Chief Financial Officer ("CFO")	6,930	nil	6,930
Alexander Helmel	Former Chief Financial Officer ("CFO")	nil	18,150	-18,150
Allen Ezer	Former Chief Operating Officer ("COO") and director	nil	nil	nil
Total		20,811	100,435	-79,624

Name	Role	Nine Months Ended	Nine Months Ended	Year on Year
		31-Oct-19	31-Oct-18	Cost Reduction
		$	$	$
Henri Holm (i)	Chief Executive Officer ("CEO")	93,600	115,200	-21,600
Jonna Birgans (ii)	President and Chief Content Officer ("CCO")	88,170	97,085	-8,915
Christopher Hollinger (iii)	Former Chief Financial Officer ("CFO")	16,016	nil	16,016
Marrelli Support Services Inc. (iv)	Former Chief Financial Officer ("CFO")	11,119	nil	11,119
Alexander Helmel	Former Chief Financial Officer ("CFO")	nil	42,150	-42,150
Allen Ezer	Former Chief Operating Officer ("COO") and director	nil	80,000	-80,000
Total		208,905	334,435	-125,530

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

(i) On July 11, 2017, the Company and Mr. Holm entered into an Executive Agreement for Mr. Holm's services in the capacity of President and Chief Executive Officer at a monthly rate of $12,000 which increased to $14,400 per month as of August 1st, 2018. Termination of Mr. Holm's contract would require six-month's notice by the Company or three-month's notice by Mr. Holm, and termination pay will be no less than $72,000.

(ii) The Company entered into an agreement with Jonna Birgans for the services of the Company's Chief Content Officer (CCO and President). Ms. Birgans was paid USD $7,500 monthly for her services which increased to USD $10,000 per month as of August 1st, 2018. Termination of Ms. Birgans' contract would require six-month's notice by the Company or three-month's notice by Ms. Birgans, and termination pay will be no less than USD $45,000.

(iii) The Company entered into an agreement with Christopher Hollinger to serve as the Company's Chief Financial Officer. The Company has engaged Mr. Hollinger's firm, Blackwell Hollinger LLC, based in New York City, for an initial term of six months, renewable by mutual consent for CFO and related advisory services. Pursuant to the engagement agreement, the Company has also granted Blackwell Hollinger LLC 400,000 incentive share purchase options exercisable at $0.10 per share. Share based compensation of $23,491 was expensed during the six months ended July 31, 2019 in relation to these stock options. Mr. Hollinger resigned on July 24, 2019.

(iv) On July 24, 2019, the Company entered into an agreement with Marrelli Support Services Inc. to engage Victor Hugo to serve as the Company's CFO to close the Q2 financials and cumulative first half 2019 financials. The Marrelli Support Services Inc. terminated the contract on October 3, 2019 after the Q2 2019 financial reporting.

11. Segmented Information

Operating segments

The Company operates in two reportable operating segments: Canada (FANDOM SPORTS Media Corporation, a public company) and Finland (FANDOM SPORTS Oy, 100% subsidiary company of the FANDOM SPORTS Media Corp.). On November 21, 2019, The Company announced ESPORTS FANDOM Platform 2.0 readiness and asset consolidation from the FANDOM SPORTS Oy to the public company FANDOM SPORTS Media Corp. These actions will increase shareholder value with direct ownership of ESPORTS FANDOM Platform 2.0 and all the ESPORTS assets as part of the public company operations. The fundraising for the Esports Application continues from today onwards under the public company while the FANDOM SPORTS Oy in Helsinki, Finland will be dissolved.

12. Subsequent Events

(i) At the end of the AGM, the shareholders voiced out their concern of building the assets to the subsidiary company FANDOM SPORTS Oy. The Board acted immediately and consolidated the assets to the Public Company FANDOM SPORTS Media Corp. and strengthened the portfolio of assets with the definite agreement on perpetual license for BLAZE Protocol and Company consolidates all assets to the Public Company, Esports. Operations are managed directly under the FANDOM SPORTS Media Corp. as ESPORTS FANDOM Platform 2.0 version is launched.

(ii) On December 2, 2019, the Company closed a technology transaction for a perpetual software licensed for Blaze Protocol with $600,000 on equity based transaction with 12,000,000 common shares at $0.05. The purchase of perpetual license of BLAZE Protocol replaced Hyperledger Blockchain Solution and reduced technology operational costs, increased scalability with 50,000 TPS. Purchase improves short- and long-term profitability of the operations. Blaze is a patented blockchain technology that can spawn in a 9-dimensional space. Its unique structure offers unbeatable speed and high industry adaptability. Because of its unparalleled speed and industry-defining structure, Blaze is poised to take over the microtransactions industry. Using Blaze as a payment structure for FANDOM SPORTS will open up new microtransaction based revenue opportunities for FANDOM SPORTS. Fandom Sports was created to be scaled up to millions of users and efficiently handle the requests of these users in real-time. As the number of users increases, the number of in-app purchases will rise and will result in thousands of microtransactions per second. Hyperledger Fabric cannot support such huge volumes of transactions. When FANDOM will provide sub-licensing to other games, the number of transactions per second will increase manifold, which could not be handled by Hyperledger Fabric. Blaze has that flexibility and has a unique structure and consensus algorithm to support a large number of transactions. Blaze is carefully crafted to handle thousands of transactions per second - the most crucial requirement for microtransactions. Blaze is the easily scalable blockchain and has insurmountable speed - it is faster than the usual data systems. With its unique structure, patented governance, consensus, and crosswise transaction mechanism - Blaze offers one-of-its-kind nonlinear structural growth - making it the fastest and the most suitable to handle a large number of transactions.

(Expressed in Canadian Dollars)

(iii) On December 10, 2019 The Company announced that the existing shareholder targeted private placement closed unsubscribed. Company's cash balance is critical, at the end of October short term liabilities were $119,578 while available cash balance was $ 17,742.

(iv) On December 26, 2019, the Company completed the Blaze Protocol integration to the FD technology Platform as per the issued schedule. The Company met set product and platform launch milestones for the year 2019.

BLAZE Protocol Implementation Schedule by Feature	Date of Completion
- FANCOIN development on BLAZE Protocol	December 4th
- User and Wallet migration	December 4th
- BLAZE service development	December 10th
- Integration testcases	December 13th
- Manual testing	December 16th
- Bug fixes	December 26th
- Deployment	December 28th

The Company is ready to roll out business to business (B2B) licensing operations in 2020. The perpetual licensing model carries no further liabilities for the Company under a revenue- and profit-share business models with a non-compete clause to safeguard the Company's own live and esports businesses.
The licensing will cover industries outside live sports and esports to deploy the perpetual license of FD Technology with newly released BLAZE Protocol. The Company's objective is to enable fast to market platform capabilities for the start-up companies who sign up for the perpetual FD Technology license on the non-exclusive, non-transferable, perpetual, worldwide rights basis.

(v)Warrant extension approved by the Board Of Directors on the 23rd day of December 2019, with effect from this date, the Company's issued warrants expiring January 16, 2020 will have new expiry date March 16, 2020 and February 8, 2020, new expiry date April 8, 2020.

Fandom Sports Media Corp.	Price ($)	Number Warrants	Expiry Date	New Expiry Date
Link to SEDAR filing	0.20	22,548,466	16-Jan-20	16-Mar-20
Link to SEDAR filing	0.20	1,666,000	08-Feb-20	08-Apr-20

(vi) On December 30, 2019 FANDOM SPORTS and PROMOTIONAL PARTNERS WORLDWIDE (PPW) signs Master License Agreement LOI for 2020 roll-out, subject for FANDOM SPORTS Media Corp. funding. Purpose of China Region Letter Of Intent with the Promotional Partners Worldwide (PPW) is to facilitate the Mobile Application creation and distribution for PRC China sports fan market called FANDOM SPORTS App. The partnership releases existing live sports application which went to production on December 26, 2019. The business objective is to create China's Largest Sports Entertainment Network running on Blaze protocol and FD Technology platform. LOI facilitates the commercial relationship negotiations until all necessary is in place for the definitive agreement and commonly agreed Master Agent agreement is in place. This LOI shall be valid from the date of signature by each Party until March 1, 2020, unless prior to such date, the Parties agree in writing upon extension or termination thereof or conclude the final and binding written agreements.