



FANDOM SPORTS MEDIA CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JANUARY 31, 2020



The following management discussion and analysis (“MD&A”) of the financial position and results of operations for FANDOM SPORTS Media Corp. (the “Company” or “FANDOM SPORTS”) should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended January 31, 2020. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian Dollars

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the “Board”), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company’s actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, the Company undertakes no obligation to release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to future price levels, success of technology development, success of marketing and product adoption, development time-lines, currency fluctuations, requirements for additional capital, unanticipated expenses, trademark or patent disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price levels; accidents, labor disputes and other risks of the technology industry; delays in obtaining approvals or financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate,



as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

1.1 Date of Report: June 26, 2020

1.2 Overall Performance

Description of the Business

FANDOM SPORTS is a publicly listed company incorporated in Canada on May 12, 2006 under the British Columbia Corporations Act. The Company is listed on the Canadian Securities Exchange under the trading symbol “FDM” and on the OTCBQ under the trading symbol “FDMSF”.

FANDOM SPORTS is a live sports and esports entertainment company that aggregates, curates and produces unique fan-focused content. “FANDOM SPORTS exists to allow sports fans to unleash their primal sports passions; to express their adoration for their teams and players, as well as their deep scorn for their opponents. We facilitate uncensored and unfiltered dialogue, rewarding die-hard fans for their vehemence. Together we celebrate the victories of your champions and make fun of the losses of your rivals; always delivering and creating the most provocative and entertaining sports content.”

The Company’s ability to continue as a going concern, to fund its technology developments and acquisitions and to ensure adequate working capital is dependent upon achieving profitable operations or upon obtaining sufficient additional financing. These factors may cast significant doubt on the Company’s ability to continue as a going concern. See section 1.6 below.

The address of the Company’s head office and principal place of business Suite 830 – 1100 Melville Street, Vancouver BC V6E 3A4 and the registered and records office is located at 2200 HSBC Building, 885 West Georgia Street, suite #900, Vancouver, B.C., Canada, V6C 3E8.

Further information about the Company and its operations is available on FANDOM SPORTS website at fandomesports.com or on SEDAR at www.sedar.com.

Principle Products

FANDOM SPORTS Technology

FANDOM SPORTS Entertainment Platform is a distributed micro-services architecture using FD Technology Platform including as a foundation to build applications for sports and esports fans. It uses Blaze Protocol Blockchain to facilitate the App Economy powered by FANCOIN™. Technically a distributed microservice mesh, the Company leverages Google Cloud and Kubernetes Services that include intelligent scheduling, horizontal scaling, load balancing, automated rollouts and rollbacks, and secret and configuration management. The key idea behind choosing blockchain platform for FANDOM is that it enables frictionless global licensing



operations: Blaze Protocol allows for executing transactions in a fraction of a second at a global scale, maximum transaction speed is 50,000 transactions per second. FANCOIN™ transactions are placed on the Blaze Blockchain network, making them immutable and completely transparent to the public, ensuring pay-outs to the correct users interacting with the app ecosystem. Tracking this digital footprint using the distributed Blaze also provides extremely valuable metadata generated by users' very recent behavior.

BLAZE for FANDOM SPORTS

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 ESPORTS FANDOM Platform 2.0 will open up new microtransaction-based revenue opportunities for FANDOM SPORTS.

FANDOM SPORTS App

The Company's FANDOM SPORTS APP is the ultimate mobile only application for unfiltered raw sports talk. We allow passionate sports fans to unleash their primal sports passions, pick fights and earn rewards. We facilitate uncensored and unfiltered dialogues, rewarding die-hard fans for their vehemence. Together we celebrate the victories of your champions and make fun of the losses of your rivals; always delivering and creating the most provocative and entertaining sports content. FANDOM SPORTS operates on an Android and iOS mobile device targeting "superfans" who aspire to show the world they know sports better than the experts - giving them a chance to prove it.

RTO Transaction

On August 30, 2015, Tosca Resources Corp. ("Tosca") completed a Share Exchange Agreement with Hatchitech Technologies Corp. ("Hatchitech"), a private company incorporated on February 21, 2011 under the laws of British Columbia, Canada. On September 4, 2015, the Company began trading on the Canadian Securities Exchange under the trading symbol "HAT" (now "FDM"). The transaction was accounted for as an acquisition of Tosca by Hatchitech, resulting in a reverse take-over ("RTO"). Immediately following the RTO, Tosca changed its name to Hatch Interactive Technologies Corp. and on August 3, 2016 to FANDOM SPORTS Media Corp. On February 10, 2016, Hatchitech changed its name to Fandom Media Group Inc. For the purposes of this MD&A, the "Company" refers to Hatchitech prior to the date of the RTO and the consolidated entity thereafter.



1.3 Selected Annual Information (in Canadian dollars)

Year ended January 31	2020	2019	2018
Revenues	\$Nil	\$Nil	\$Nil
Net Loss	\$ (2,202,193)	\$ (4,129,961)	\$ (4,296,673)
Per Share	(\$ 0.15)	(\$ 0.30)	(\$ 0.50)
Total assets	\$16,198	\$ 1,208,993	\$ 3,467,933
Short term liabilities	\$ 260,054	\$ 282,196	\$ 320,725

1.4 Results of Operations for the year ended January 31, 2020

Revenue:

The Company is in the development stage and does not generate revenues. To date the Company has not earned any significant revenues.

Year ended January 31, 2020:

General and Administrative Expenses:

General and Administrative expenses decreased by \$1,927,768 to \$2,202,193 during the year ended January 31, 2020 (2019: \$4,129,961). During the year ended January 31, 2020, the Company reached its goal of launching the FANDOM SPORTS commercial platform and live sports applications on December 26, 2019. The Company is continuing to raise funds to scale the operations and its strategic focus to Esports.

Significant expenses incurred during the year ended January 31, 2020 compared to 2019:

- Platform development cost was \$1,041,732 for the year ending January 31, 2020 (2019: \$1,359,351). Development of the FANDOM SPORTS Entertainment Platform – a distributed micro services architecture using Blaze Blockchain Protocol - was completed during the year ended January 31, 2020.
- Consulting and management fees decreased \$562,960 to \$446,048 (2019: \$1,009,008) due to a reduction of consultants required for the design and build of the platform.
- Travel decreased \$299,004 to \$84,879 (2019: \$383,883) as a result of international travel being substituted with remote work and video conferencing to support the technology development work.
- Legal and audit decreased \$94,284 to \$102,655 (2019: \$196,939) due to significant costs associated with the application for trademarks associated with the Company's intellectual property in 2019 and not in 2020.
- Marketing and promotion decreased \$247,306 to \$132,840 (2019: \$380,146).



- The Company recognized \$274,300 in stock-based compensation during the year ended January 31, 2020 (2019: \$552,000). The reduction of \$277,700 is due to fewer stock options being granted during the year ended January 31, 2020.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company’s business, financial condition or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of social media and marketing trends, and the uncertainty of fundraising activities.

1.5 Summary of Quarterly Results

Three months ended	Total revenues	Net loss (\$)	Loss per share
January 31, 2020	Nil	535,667	0.04
October 31, 2019	Nil	336,697	0.02
July 31, 2019	Nil	530,912	0.04
April 30, 2019	Nil	798,917	0.06
January 31, 2019	Nil	2,309,508	0.17
October 31, 2018	Nil	538,189	0.04
July 31, 2018	Nil	858,155	0.10
April 30, 2018	Nil	424,109	0.03

The Company replaced the IBM Blockchain Solution with the BLAZE Protocol and launched the fully operational Platform and Live Sports Application on Blaze protocol on December 26th, 2019. The development focused in fourth quarter to the implementation of the Blaze protocol and the FANCOIN Wallet Application integration work. Blaze enables globally scalable platform rollout as it does not include transaction fees which were a cost burden on IBM Blockchain solution.

The Company has been developing the FANDOM SPORTS Platform throughout the quarters listed above and built a Blockchain protocol-based entertainment platform solution for commercial development for fiscal year 2019. Major fluctuations are due to key short-term strategic consultants, development and technology implementation and associated programs. The major fluctuation in the quarter ended January 31, 2019 is the allocation of intangibles to platform development costs.

1.6 Liquidity

At January 31, 2020, the Company had a working capital deficit of \$243,856 compared to working capital of \$917,947 as at January 31, 2019. Working capital at January 31, 2020 consisted of: cash \$540 (2019: \$1,080,993), taxes recoverable \$7,578 (2019: \$5,229), prepaid expenses \$8,080 (2019: \$113,921) accounts payable and accrued liabilities \$260,054 (2019: \$282,196).



The Company has financed its operations to date primarily through the issuance of common shares and debt. At January 31, 2020, the Company did not have sufficient working capital for its short-term corporate obligations and generation of additional capital will be required for future operations until further funding or sufficient revenue can be generated from the Company's FD Technology and mobile applications. As the Company cannot predict the time at which revenue will exceed expenses, the Company continues to seek capital through various means including the issuance of equity and/or debt. (See Note 1 of the financial statements for the year ended January 31, 2020).

In management's view, given the nature of the Company's operations, which consist of the development of the FD Technology and the mobile applications, the most relevant financial information relates primarily to current liquidity, solvency and planned development expenditures. The Company's financial success will be dependent upon the extent to which it can complete equity financing which may take longer than expected and the amount of future revenue, if any, is difficult to determine. The value of the core products is largely dependent upon many factors beyond the Company's control, including live sports and esports entertainment and media trends and marketing trends and investors' appetite for investments into small cap companies.

1.7 Capital Resources

As at January 31, 2020, the Company had cash and cash equivalents of \$540 (January 31, 2019 \$1,080,993) to settle liabilities of \$260,054 (January 31, 2019 \$282,196). The Company expects to fund its liabilities, development, and operational activities over the next fiscal year with cash received from the issuance of equity securities, primarily through private placements, or from cash received from the exercise of warrants or stock options.

1.8 Off Balance Sheet Arrangements

At January 31, 2020, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.9 Related party transactions

Related parties include the Board of Directors, officers and enterprises that are controlled by these individuals. Remuneration of key management of the Company was as follows.



Year ended:	January 31, 2020	January 31, 2019
Henri Holm ^{(i)(vi)}	\$ 245,717	\$ 422,983
Jonna Birgans ^{(ii)(v)}	160,940	141,954
Christopher Hollinger ⁽ⁱⁱⁱ⁾	16,050	8,115
Victor Hugo ^(iv)	7,827	-
Allen Ezer	-	80,000
Alexander Helmel	-	72,200
	\$ 430,534	\$ 725,252

- (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 \$19,764 was expensed during the six months ended July 31, 2019 in relation to these stock options. Mr. Hollinger resigned on June 10, 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.
- (v) The President and the Chief Content Officer's consultancy agreement last date was January 31, 2020. The Company has not been able to pay consultancy fees since August 15, 2019 due to lack of sufficient funds. The Company owed the President USD 55,000 as of January 31, 2020.



- (vi) The last date of the Chief Executive Officer's consultancy agreement is April 30, 2020. The Company has not been able to pay consultancy fees since August 15, 2019, due to lack of sufficient funds. The Company owed the CEO \$84,433 as of January 31, 2020, for prepaid expenses paid behalf of the Company and consultancy fees.

During the year ended January 31, 2020, the Company expensed \$208,774 in share-based compensation associated with the grant of stock options to key personnel.

1.10 Fourth Quarter

Q4 2019 Operational Highlights

On January 29, 2020 FANDOM SPORTS Media Corp. Announced a Share Consolidation. The Company's board of directors has approved, and the Company will be completing a share consolidation on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares (the "Consolidation"). In relation to the share consolidation, the Company has reserved new CUSIP and ISIN which are: 30710L200 and CA30710L2003, respectively. There is no name change or stock symbol change in connection with the Consolidation. February 7, 2020 was fixed as the record date for the Consolidation.

On December 30, 2019 FANDOM SPORTS and PROMOTIONAL PARTNERS WORLDWIDE (PPW) signs Master License Agreement LOI for 2020 roll-out, subject to FANDOM SPORTS Media Corp. funding. The purpose of the 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. The LOI facilitates the commercial relationship negotiations until all necessary negotiations are 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.

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 4 th
- User and Wallet migration	December 4 th
- BLAZE service development	December 10 th
- Integration testcases	December 13 th
- Manual testing	December 16 th
- Bug fixes	December 26 th
- Deployment	December 28 th

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.

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. These warrants expired subsequent to year end unexercised.

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

On December 2, 2019, the Company closed a technology transaction for a perpetual software licensed for Blaze Protocol with \$199,200 in an equity-based transaction with 12,000,000 common shares issued. The purchase of the perpetual license of BLAZE Protocol replaced Hyperledger Blockchain Solution and reduced technology operational costs, increased scalability with 50,000 TPS. The purchase of the license 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.

On November 18, 2019 during the AGM held at the office of DSA Corporate Services, 82 Richmond Street East, Toronto, Ontario and via teleconference, the shareholders voiced their concern of building the assets in 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.

On November 1, 2019 the Company filed FORM-9 at the CSE, NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES

https://webfiles.thecse.com/CSE_Form_9_-_Notice_of_Issuance_of_Securities_November_1_2019.pdf?2Mu5jBIEUJjD7jKmydwz5x2JZu_FCMWN

1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

1.12 Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.



1.13 Adoption of New Accounting Policies

Other than those disclosed in the financial statements for the year ended January 31, 2020, the Company has not adopted any new accounting policies.

New standards not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) but are not yet effective (as at January 31, 2020) and, accordingly, have not been applied in preparing these financial statements. The Company has not yet assessed the potential impact of these standards on its financial reporting.

1.14 Financial Instruments and Other Risks

Financial Instruments

As at January 31, 2020, the Company's financial instruments consist of cash which is carried at fair value and receivable, and accounts payable which approximate fair value because of the short term nature of these instruments.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 assets or liabilities either directly or indirectly, and

Level 3 Inputs that are not based on observable market data

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.

Risks

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. Cash deposits and term deposits are maintained with a financial institution of reputable credit and are redeemable on demand. Amounts receivable consists primarily of GST returns due from Revenue Canada. The Company's opinion is that credit risk is minimal.



Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At January 31, 2020, the Company had current assets of \$16,198 to settle accounts payable and accrued liabilities of \$260,054. Readers' attention is drawn to Note 1 of the financial statements regarding going concern issue of the Company and section 1.6 of this MD&A.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, marketing prices and/or stock market movements (price risk). Interest rate risk Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature or being non-interest bearing.

Foreign currency 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.

Other Risks

Fandom's limited operating history

The Company has no operating history, and no history of earnings or profits. It currently has no customers or means of cash flow from operations. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Company is in an early stage and is only introducing its service to the public, it is very difficult to evaluate the viability of the Company's business. The Company has no experience in addressing the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as the Company's target markets. There can be no assurance that the Company will be successful in addressing these risks and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. There is no assurance that the Company's business will be a success.

Financing

In the short term, the continued operation of the Company will be dependent upon its ability to procure additional financing. The Company must obtain such financing through a combination of equity and debt financing and there can be no assurance that the Company can raise the required capital it needs to build and expand the Company's business. Without this additional financing, the Company may be unable to advance the Company's business model, and the Company will likely fail. There can be no certainty that the Company can obtain these funds, in which case any



investment in the Company may be lost. The raising of equity funding will also result in dilution of the equity position held by the Company's shareholders.

Operational Risks

The Company will be affected by a number of operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labor disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Unforeseen Competition

There can be no assurance that significant competition will not enter the market and offer any number of similar services to those provided by the Company. Such competition could have a significant adverse effect on the growth potential of the Company's business by effectively dividing the existing market for such products and services.

Trends

The Company's success depends on the continuation of sports entertainment and media consumption popularity on mobile devices and the ability of products to add new users, sell brand sponsorship and generate revenue. Future revenues will be largely dependent on the company's ability to generate revenue from third parties advertising within the Company's products. Changes in media trends which affect user adoption and marketing habits may significantly affect the Company's ability to collect revenue in the future. If third party marketers decide that the Company's products are experimental or unproven, or if third party policies limit our ability to deliver or target advertising on mobile devices, or if adverse legal developments arise relating to advertising, including legislative and regulatory developments and developments in litigation, or if our products are unable to sustain or increase the value of our ads or marketers' ability to analyze and measure the value of our ads, or if trends for advertising on mobile devices or on personal computers changes, our advertising revenue could be adversely affected.

Dependence on Personnel

The Company's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable to unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members.



Management of Growth

The Company may experience a period of significant growth that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train motivate and manage the workforce. The Company's current and planned personnel, systems, procedures, and controls may be inadequate to support its future operations.

Data Security Risks

The Company will utilize servers with significant amounts of data stored thereon. Should the Company be responsible for the loss of any or all of the data stored by it, the liability could materially undermine the financial stability of the Company. Also, much of the data stored at the Company's premises or within the aforementioned servers will be confidential. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations.

Trading of the Company's Shares

There can be no assurance of the future price of the Company shares. Further, there can be no assurance that there will be sufficient liquidity so as to permit investors to buy or sell the Company's shares at any time, in quantities desired. As noted above, the Company's continued operation will be dependent upon its ability to procure additional financing.

Dividends

The Company has not paid dividends to shareholders in the past and does not anticipate paying dividends in the foreseeable future. The Company expects to retain its earnings to finance growth, and where appropriate, to pay down debt.

Officer and Director Conflicts

Because directors and officers of the Company and/or the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have a conflict of interest in conducting their duties. There can be no assurance such conflicts of interests will be resolved to the benefit of the Company.

COVID-19 Pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect demand for our products and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.



1.15 Other MD&A Requirements

Share capital

Share capital numbers reflect the consolidation disclosed below in section 1.16 which was completed subsequent to January 31, 2020.

Issued

The company has 16,166,734 shares issued and outstanding as at January 31, 2020 and 31,213,540 as at the date of this report.

Share Purchase Options

The Company has 1,285,500 stock options outstanding at January 31, 2020 and 3,980,000 as at the date of this report.

Warrants

The Company had 2,934,847 share purchase warrants outstanding at January 31, 2020 and 7,172,400 as at the date of this report.

1.16 Subsequent events

On February 6, the Company's shares were consolidated at a basis of 10 old for 1 new share. The Company's new ISIN and CUSIP numbers are 30710L200 and CA30710L2003 respectively.

On April 20, 2020 the Company announced that it has closed its private placement financing, raising total gross proceeds of \$752,290. The company issued a total of 10.59 million units at a price of five cents per unit. Each unit consists of one common share and one-half of one common share purchase warrant, where each full warrant entitles the holder to purchase one additional common share of the company at a price of seven cents per common share on or before April 19, 2021. Gross proceeds of the offering included settling an aggregate of \$222,790 in outstanding debt with the issuance of 4,455,805 common shares at a deemed price of five cents per share and 1,364,000 warrants also exercisable at seven cents per common share on or before April 19, 2021.

On April 22, 2020 the Company announced that Zhengquan (Philip) Chen has been named as the Chairman of the Board to replace Fandom Sports Media Corp.'s Director, Henri Holm.

On April 30, 2020, the Company announced that it has appointed John Armstrong to the role of Esports betting adviser.



On May 2, 2020, the Company announced that it has granted an aggregate of 800,000 share purchase options to the newest members of its Esports expansion of which 600,000 have been granted to the company's recently appointed Chairman and director, Philip Chen, and 200,000 of which have been granted to Esports betting adviser John Armstrong. The options have an exercise price of 32 cents per share for a term of five years. Of the total options issued, 400,000 vested immediately on the grant date and 400,000 vest in 6 months from the date of grant.

On May 6, 2020 the Company announced that it has appointed David Vinokurov as the Company's President and Chief Executive Officer, effective immediately. Mr. Vinokurov was granted 400,000 options at a price of 32 cents with a term of five years in connection with his appointment. Of the total options issued, 200,000 vested immediately on the grant date and 200,000 vest in 6 months from the date of grant.

On May 12, 2020, the Company announced that it has appointed Yuanhua Fei to the advisory board. Mr. Fei was granted 200,000 options at a price of 32 cents in connection with his appointment. Of the total options issued, 100,000 vested immediately on the grant date and 100,000 vest in 6 months from the date of grant.

On May 19, 2020, the Company announced that it has appointed Guy Ben-dov to the advisory board. Mr. Ben-dov was granted 200,000 options at a price of 32 cents in connection with his appointment. Of the total options issued, 100,000 vested immediately on the grant date and 100,000 vest in 6 months from the date of grant.

On May 29, 2020, the Company announced that David Vinokurov, Chief Executive Officer and president of Fandom Sports Media Corp., will be joining the board of directors as a new member of the board effective June 1, 2020. Mr. Vinokurov will be replacing Jonna Birgans.

On June 4, 2020, the Company announced that it has appointed Neil Duffy to the Fandom Sports advisory board. Global Esports Partners Inc. (Mr. Duffy) was granted 200,000 options at a price of 32 cents in connection with his appointment. These options have a term of five years and vest immediately.

On June 8, 2020, the Company announced that it has appointed Wim Stocks to the Fandom Sports advisory board. Mr. Stocks was granted 200,000 options at a price of 32.5 cents in connection with his appointment. These options have a term of five years and vest immediately. On June 8, 2020, the Company announced that it has granted options to the board members. Tristan Brett was granted 115,000 options at a price of 32.5 cents. Scott Keeney was granted 125,000 options at a price of 32.5 cents. Klaus Kajetski was granted 150,000 options at a price of 32.5 cents. These options have a term of five years and vest immediately.

On June 17, 2020, the Company announced that it has appointed Jonson Sun as a director of Fandom Sports Media Corp. board. Mr. Sun was granted 450,000 options at a price of 32.5 cents in connection with his appointment to a director role. These options have a term of five years and vest immediately.