



Fandom Sports Media Corp.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED APRIL 30, 2020

(unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. They include appropriate accounting principles, judgment and estimates in accordance with IFRS for unaudited condensed consolidated interim financial statements

The Company's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of unaudited condensed interim financial statements by an entity's auditors.

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

As at	Notes	April 30, 2020	January 31, 2020
ASSETS			
Current assets			
Cash and equivalents		\$ 527,858	\$ 540
Commodity tax recoverable	4	8,327	7,578
Prepaid expenses		12,621	8,080
		548,806	16,198
Non-current assets			
Equipment	5	-	-
		\$ 548,806	\$ 16,198
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7, 10	159,319	260,054
		159,319	260,054
EQUITY (DEFICIT)			
Share capital	8	\$ 12,876,733	\$ 12,124,443
Share-based payment reserve	9	2,715,733	2,382,233
Deficit		(15,202,978)	(14,750,532)
		389,487	(243,856)
		\$ 548,806	\$ 16,198

Nature and continuance of operations and going concern (Note 1)
 Events after the reporting period (Note 12)

Approved and authorized by the Board on June 29, 2020

Director "Scott Keeney" Director "Tristan Brett"

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

		Three months ended April 30, 2020	Three months ended April 30, 2019
	Notes		
Expenses			
Amortization	5	\$ -	\$ 1,217
Consulting and management fees	10	93,200	182,176
Interest, bank charges, and foreign exchange		1,087	4,572
Legal and audit		7,677	153,886
Marketing and promotion		947	83,350
Office and general		684	12,963
Share-based compensation	9,10	333,500	40,400
Transfer agent and filing fees		14,153	12,325
Travel		1,197	56,709
Loss and comprehensive loss for the period		\$ 452,446	\$ 547,598
Loss per share – basic and diluted		\$ (0.03)	\$ (0.04)
Weighted number of common shares outstanding		17,839,490	14,400,506
	8		

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

	SHARE CAPITAL			Shares to be issued	Share-based payment reserve	Deficit	Total
	Notes	Number of shares	Amount				
Balance at January 31, 2019		14,204,334	11,322,443	-	2,152,693	(12,548,339)	926,797
Transactions with owners, in their capacity as owners and other transfers:							
Exercise of warrants	8	250,000	250,000	-	-	-	250,000
Stock based compensation		-	-	-	40,400	-	40,400
Net and comprehensive loss		-	-	-	-	(547,598)	(547,598)
Balance at April 30, 2019		14,454,334	11,572,443	-	2,193,093	(13,095,937)	669,599
Balance at January 31, 2020		16,167,734	\$ 12,124,443	\$ -	\$ 2,382,233	\$ (14,750,532)	\$ (243,856)
Transactions with owners, in their capacity as owners and other transfers:							
Shares issued pursuant to private placements	8	15,045,805	752,290	-	-	-	752,290
Consolidation adjustment	8	1	-	-	-	-	-
Stock based compensation		-	-	-	333,500	-	333,500
Net and comprehensive loss		-	-	-	-	(452,446)	(452,446)
Balance at April 30, 2020		31,213,540	\$ 12,876,733	\$ -	\$ 2,715,733	\$ (15,202,978)	\$ (389,487)

See accompanying notes to the condensed consolidated financial statements

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

	Three months ended April 30, 2020	Three months ended April 30, 2019
Operating activities		
Loss for the period	\$ (452,446)	\$ (547,598)
Adjustments for non-cash items:		
Amortization	-	1,217
Stock-based compensation	333,500	40,400
Platform development costs paid with shares	-	-
Bonus payment	-	250,000
Settlement of debt for common shares	222,790	-
Changes in non-cash working capital items:		
Commodity tax recoverable	(749)	376
Prepaid expenses	(4,540)	(142)
Accounts payables and accrued liabilities	(100,735)	(88,726)
Net cash used in operating activities	(2,181)	(344,473)
Investing activities		
Application development costs	-	(251,319)
Net cash flows used in investing activities	-	(251,319)
Financing activities		
Proceeds on issuances of common shares	529,500	-
Net cash flows from financing activities	529,500	-
Decrease in cash and cash equivalents	527,318	(595,793)
Cash and cash equivalents, beginning	540	1,080,993
Cash and cash equivalents, ending	\$ 527,858	\$ 485,200
Non-cash transactions:		
Common shares issued for services and accounts payable	\$ 222,790	\$ 250,000

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 the Company’s Blockchain technology based Entertainment Platform for sports and esports superfan engagement and the related mobile applications.

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

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. As at April 30, 2020, the Company had accumulated losses totaling \$15,202,978 (January 31, 2020 - \$14,750,532) and was not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from the development and monetization of the Company’s Blockchain technology based Entertainment Platform for sports and esports superfan engagement and the related mobile applications and its ability to attain profitable licensing and advertising based operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations, all of which are uncertain. These factors indicate the existence of material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from related parties, exercise of stock options, exercise of warrants, and/or from funds generated from private placements.

2. Statement of compliance and basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these financial statements should be read in conjunction with the Company’s January 31, 2020 audited annual consolidated financial statements and the notes to such financial statements.

The financial statements of the Company for the three months ended April 30, 2020 were authorized for issue by the Board of Directors (“Board”) on June 29, 2020.

Basis of Presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The presentation and functional currency is the Canadian dollar. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, as follows:

	Jurisdiction of Incorporation	Percentage owned	
		April 30, 2020	January 31, 2020
Fandom Sport OY	Finland	100%	100%

Inter-company transactions and balances are eliminated upon consolidation.

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the period ended January 31, 2020.

3. Financial risk management and capital management

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

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at April 30, 2020, the Company had current liabilities of \$159,319 and current assets of \$527,858. To improve liquidity, the Company is continually investigating financing opportunities. As disclosed in Note 1, there can be no assurance these efforts will be successful in the future. All the Company's financial liabilities are subject to normal trade terms. Liquidity risk is assessed as 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. Market risk is assessed low.

Foreign exchange risk

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

Capital management

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

to address market conditions by reducing expenditure and the scope of operations during periods of commodity pricing decline and economic downturn.

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

4. Commodity tax Recoverable

	April 30, 2020	January 31, 2020
Commodity tax Recoverable	\$ 8,327	\$ 7,578

5. Equipment

	Computer equipment	
Cost:		
At January 31, 2019		21,988
Additions		-
Impairment		(3,983)
At January 31, 2020	\$	18,005
Accumulated amortization:		
At January 31, 2019		13,138
Charge for the year		4,867
At January 31, 2020	\$	18,005
Net book value:		
At January 31, 2018	\$	8,850
At January 31, 2019 and April 30, 2020	\$	-

6. Intangible assets

	Total	
Cost		
At January 31, 2018	\$	249,810
Impairment		(85,501)
At January 31, 2019 and 2020		164,309
Accumulated Amortization		
At January 31, 2018 and 2019	\$	164,309
At January 31, 2020	\$	164,309
Net Book Value		
At January 31, 2018 and 2019	\$	-
At January 31, 2020 and April 30, 2020	\$	-

During the year ended January 31, 2020, the Company incurred \$1,041,732 (2019 - \$1,359,351) in costs associated with the development of the Company's online platform. This included costs from the platform developer, costs related to securing the perpetual blockchain licence, and costs related to obtaining various trademarks for the Company.

7. Accounts payable and accrued liabilities

	April 30, 2020	January 31, 2020
Accounts payable (Note 10)	\$ 130,889	\$ 235,666
Accrued liabilities	28,388	24,388
	\$ 159,319	\$ 260,054

8. Share capital

Consolidation

On February 6, 2020, the Company consolidated its issued and outstanding share capital on the basis of one post consolidated common share for every ten pre consolidated common shares. No fractional shares were issued, as all fractional share were rounded to the nearest whole number. All share and per share amounts in these financial statements are presented on a post-consolidation basis.

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

Issued and outstanding on April 30, 2020: 31,213,540 (January 31, 2020: 16,167,734)

Changes in Share Capital

During the period ended April 30, 2020

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 \$0.05 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 \$0.07 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 and 1,364,000 warrants also exercisable at \$0.07 per common share on or before April 19, 2021.

During the period ended January 31, 2020:

On December 3, 2019, the Company issued 1,200,000 common shares, with a fair value of \$199,200, in connection with the purchase of a perpetual license for the Blaze protocol. The fair value of the license was included in the consolidated statements of loss and comprehensive loss within platform development costs (Note 7).

On August 23, 2019, the Company completed a private placement whereby it issued 513,400 units at \$0.60 per unit for total gross cash 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 \$1.00 until August 23, 2021. No finders' fees were paid in connection with the private placement.

On April 18, 2019, the Company issued 250,000 common shares in connection with the exercise of 250,000 warrants at a price of \$1.00 per share pursuant to a contract with the Chief Executive Officer.

Stock options

On August 24, 2019, the Company granted 500,000 stock options consisting 100,000 to each serving Board of Director for their previous years commitment. The options are exercisable at \$0.50 per share for a period of 5 years and vested immediately.

On February 21, 2019, the Company granted 67,500 stock options, 40,000 to an officer and 27,500 to consultants of the Company which are exercisable at \$1.00 per share for a period of 5 years and vested immediately.

During the year ended January 31, 2020, an aggregate of 450,000 (2019 – 323,750) stock options with an exercise were cancelled due to the termination of consulting contracts.

The continuity schedule of stock options is as follows:

	Number of stock options
Balance, January 31, 2019	116,8000
Granted	567,500
Cancelled	(450,000)
Balance, January 31, 2020	1,285,500
Granted	-
Cancelled	(145,500)
Balance, April 30, 2020	1,140,000

A summary of the Company's outstanding and exercisable stock options as at April 30, 2020 is as follows:

Weighted average exercise price	Remaining contractual life (years)	Number of options outstanding	Number of options exercisable	Expiry Dates
\$1.00	0.51	15,000	15,000	November 1, 2020
\$1.00	1.18	75,000	75,000	July 5, 2021
\$1.90	2.10	180,000	180,000	June 4, 2022
\$1.70	2.25	50,000	50,000	August 1, 2022
\$1.25	3.07	50,000	50,000	May 24, 2023
\$0.95	3.24	125,000	125,000	July 26, 2023
\$0.95	3.32	25,000	25,000	August 23, 2023
\$1.15	3.43	50,000	50,000	October 5, 2023
\$1.25	3.62	60,000	60,000	December 13, 2023
\$1.00	3.81	10,000	10,000	February 20, 2024
\$0.50	4.31	500,000	500,000	August 20, 2024
\$0.98	3.34	1,140,000	1,140,000	

The Company recognized \$Nil (2019: \$40,400) in share-based compensation for the period ended April 30, 2020.

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The fair value of stock options granted was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Year ended January 31, 2020	Year ended January 31, 2019
Expected life of options	5 years	5 years
Annualized volatility	175% - 183%	144%
Risk-free interest rate	1.18% – 1.80%	2.06% – 2.23%
Dividend rate	0%	0%

Purchase warrants

April 20, 2020 the Company issued 6,659,000 warrants in connection with the closing of a private placement. An aggregate of 6,659,000 warrants were issued including 1,364,000 warrants (the "Settlement Warrants") issued with the settlement of outstanding debt. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.07 until April 29, 2021. In connection with the issuance of Settlement Warrants, the company recognized \$333,500 in share-based compensation using the Black-Scholes pricing model with the following assumptions: expected life 1 year, annualized volatility 100%, dividend rate 0.39%.

During the year ended January 31, 2020, an aggregate of 16,360,000 warrants with an exercise price range of \$0.10 - \$0.15 expired unexercised.

The continuity schedule of share purchase warrants is as follows:

	Number of share purchase warrants
Balance, January 31, 2019	4,307,447
Granted	513,400
Exercised	(250,000)
Expired	(1,636,000)
Balance, January 31, 2020	2,934,847
Granted	6,659,000
Exercised	-
Expired	(2,421,447)
Balance, April 30, 2020	7,172,400

As of April 30, 2020, the continuity schedule of warrants is as follows:

Weighted average exercise price	Remaining contractual life (years)	Number of warrants outstanding	Expiry Dates
\$1.00	1.32	513,400	August 23, 2021
\$0.07	0.97	6,659,000	April 20, 2021
\$0.14	1.00	7,172,400	

9. 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.

10. Related party balances and transactions

Key management compensation

During the three months ended April 30, 2020, the Company incurred charges from directors and senior management, or companies controlled by them, for management fees and consulting fees in the amount of \$43,200 (2019: \$345,249), which is recorded in consulting and management fees.

As at April 30, 2020, \$41,233 (January 31, 2020, \$160,667) was due to directors and senior management or companies controlled by directors and senior management, and was included in accounts payable and accrued liabilities (Note 7).

The Company expensed \$Nil related to the Company's former CEO (2019: \$72,917) as part of an incentive program associated with his original contract in 2017. On April 18, 2019, the Company issued 250,000 common shares in connection with the exercise of 250,000 warrants at a price of \$1.00 per share.

11. Segmented information

Operating segments

The Company operates in two reportable operating segments: Canada and Finland. At April 30, 2020 and January 31, 2020, all assets are located in Canada. The Finnish operating segment was established on July 27, 2018.

12. Events after the reporting period

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 options were granted to the Company's recently appointed Chairman and director, and 200,000 option were granted to an Esports betting adviser. The options have an exercise price of \$0.32 per share for a period of five years from the date of issuance. Of the total options issued, 400,000 vested immediately on the grant date and 400,000 will vest in 6 months from the date of grant.

On May 6, 2020 the Company granted 400,000 options to the Company's President and Chief Executive Officer in connection with his appointment. The options have an exercise price of \$0.32 per share for a period of five years. Of the total options issued, 200,000 vested immediately on the grant date and 200,000 will vest in 6 months from the date of grant.

On May 12, 2020, the Company granted 200,000 options in connection with the appointment of an advisory board member. The options have an exercise price of \$0.32 per share for a period of five years. Of the total options issued, 100,000 vested immediately on the grant date and 100,000 will vest in 6 months from the date of grant.

On May 19, 2020, the Company granted 200,000 options in connection with the appointment of an advisory board member. The options have an exercise price of \$0.32 per share for a period of five years. Of the total options issued, 100,000 vested immediately on the grant date and 100,000 will vest in 6 months from the date of grant.

On June 4, 2020, the Company granted 200,000 options in connection with the appointment of an advisory board member. The options have an exercise price of \$0.32 per share for a period of five years and vest immediately.

On June 8, 2020, the Company granted 200,000 options in connection the appointment of an advisory board member. The options have an exercise price of \$0.325 per share for a period of five years and vest

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immediately. On the same date, the Company granted 390,000 options to existing directors with the same terms.

On June 17, 2020, the Company granted 450,000 options in connection with the appointment a new board member. The options have an exercise price of \$0.325 per share for a period of five years and vest immediately.