i3 INTERACTIVE INC.

FORM 2A

LISTING STATEMENT

JUNE 29, 2020

Cautionary Statement Regarding Forward-Looking Information

This Listing Statement and the documents incorporated into this Listing Statement contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this Listing Statement or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Issuer and Influencers (as defined herein); statements relating to the business and future activities of the Resulting Issuer after the date of this Listing Statement; market position, ability to compete and future financial or operating performance of the Resulting Issuer after the date of this Listing Statement; statements based on the audited and unaudited financial statements of Influencers and the Issuer included as Schedules to this Listing Statement; anticipated developments in operations; the future demand for the products of the Resulting Issuer the results of development of products and the timing thereof; the timing and amount of estimated capital expenditure in respect of the business of the Resulting Issuer; operating expenditures; success of marketing activities and partnership and affiliate agreements; estimated budgets; currency fluctuations; requirements for additional capital; government regulation; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the management of the Issuer and Influencers, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, without limitation those risks outlined in Section 17 of this Listing Statement.

The list of risk factors set out in this Listing Statement is not exhaustive of the factors that may affect any forward-looking statements of the Issuer and Influencers. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Listing Statement generally and certain economic and business factors, some of which may be beyond the control of the Issuer and Influencers. In addition, recent unprecedented events in the world economy and global financial and credit markets, including the widespread global outbreak of the novel coronavirus, have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Issuer and Influencers do not intend, and do not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the security holders of the Resulting Issuer and Influencers should not place undue reliance on forward-looking statements.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources. The Resulting Issuer believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Issuer and Influencers have not independently verified any of the data from third-party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Except as otherwise indicated, the information provided herein is as of the date of this Listing Statement.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, in this Listing Statement, (i) all currency references to "CDN" refer to Canadian dollars and (ii) all currency references to "USD" refer to American dollars, the lawful currency of the United States of America.

For the purposes of this Listing Statement, the exchange rate applicable as of the date of this Listing Statement, for converting Canadian dollars into American dollars, is $1.00 = $0.73.

GLOSSARY

The following is a list of key terms used in this Listing Statement:

"**2011 DOJ Opinion**" has the meaning ascribed to it in Section 3.3.

"**2018 DOJ Opinion**" has the meaning ascribed to it in Section 3.3.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

A company is "controlled" by a person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and

(b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that person, or

(b) an Affiliate of that person or an Affiliate of any company controlled by that person.

"Amalco 1" means the corporation resulting from the amalgamation of Numco 1 and Influencers.

"**Amalco 2**" means the corporation resulting from the amalgamation of Numco 2 and Debtco.

"**Amalco 1 Share"** has the meaning ascribed to it in Section 2.4.

"**Amalco 2 Share**" has the meaning ascribed to it in Section 2.4.

"**Amalgamations**" has the meaning ascribed to it in Section 2.4.

"**Amelco**" has the meaning ascribed to it in Section 3.1.

"**Amelco Licensing Agreement**" has the meaning ascribed to it in Section 3.1.

"**Associate**" when used to indicate a relationship with a person, means

(a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

(b) any partner of the person,

(c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,

(d) in the case of a person that is an individual, a relative of that person, including

(i). that person's spouse or child, or

(ii). any relative of the person or of his spouse who has the same residence as that person.

"**Audit Committee**" has the meaning ascribed to it in Section 13.4.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Bilzerian Agreements**" has the meaning ascribed to it in Section 3.1.

"**Business Combination Agreement**" has meaning ascribed to it in Section 2.4.

"**Business Development Agreement**" has the meaning ascribed to it in Section 3.1.

"**Cameo**" has the meaning ascribed to it in Section 13.6.

"**Casino Platform**" has the meaning ascribed to it in Section 3.1.

"**Certificate of Amalgamation**" means the certificate of amalgamation issued pursuant to Section 281 of the BCBCA with respect to the First Amalgamation.

"**Compensation Committee**" has the meaning ascribed to it in Section 13.4.

"**Collaboration Agreement**" has the meaning ascribed to it in Section 3.1.

"**COVID-19**" has the meaning ascribed to it in Section 3.3.

"**CPA**" has the meaning ascribed to it in Section 3.1.

"**CSE**" means the Canadian Securities Exchange Inc.

"**CSIE**" has the meaning ascribed to it in Section 3.3.

"**Debtco**" means 1250312 B.C. Ltd., a newly incorporated, wholly-owned subsidiary of Fairmont.

“**Debtco Amalgamation**” has the meaning ascribed to it in Section 2.4.

“**Debtco Amalgamation Agreement**” has the meaning ascribed to it in Section 2.4.

“**Debtco Share**” has the meaning ascribed to it in Section 2.4.

“**DOJ**” has the meaning ascribed to it in Section 3.3.

“**Effective Date**” means the date shown on the Certificate of Amalgamation.

“**Escrow Agreement**” has the meaning ascribed to it in Section 11.

“**Fairmont**” has the meaning ascribed to it in Section 2.2.

“**Fairmont Consolidation**” has the meaning ascribed to it in Section 2.4.

“**Fairmont Debt**” has the meaning ascribed to it in Section 2.4.

“**Fairmont Debt Transaction**” has the meaning ascribed to it in Section 2.4.

“**Fairmont Options**” means options to acquire Fairmont Shares.

“**Fairmont Shares**” means the common shares in the capital of Fairmont.

“**Fairmont Units**” means units consisting of one Fairmont Share and one Fairmont Warrant.

“**Fairmont Warrants**” means warrants to acquire Fairmont Shares.

“**Finder’s Fee Units**” has the meaning ascribed to it in Section 2.4.

“**First Amalgamation**” has the meaning ascribed to it in Section 2.4.

“**i-Gaming**” means the wagering of money or some other value on the outcome of an event or a game, using the internet.

“**IGBA**” has the meaning ascribed to it in Section 17.

“**Influencer Compensation Warrant**” has the meaning ascribed to it in Section 2.4.

“**Influencer Compensation Warrant Issuance**” has the meaning ascribed to it in Section 2.4.

“**ITTAB**” has the meaning ascribed to it in Section 17.

“**Insider**” if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of the company that is an Insider or subsidiary of the issuer;

(c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities.

"**Influencers**" has the meaning ascribed to it in Section 2.1.

"**Influencers Options**" means options to acquire Influencers Shares.

"**Influencer Options Issuance**" has the meaning ascribed to it in Section 2.4.

"**Influencers Shares**" means the common shares in the capital of Influencers.

"**Influencers Sub**" has the meaning ascribed to it in Section 2.3.

"**Influencers Unit**" has the meaning ascribed to it in Section 2.4.

"**Influencers Warrants**" means warrants to acquire Influencers Shares.

"**Jolt**" has the meaning ascribed to it in Section 3.1.

"**Listing Date**" means the date on which the Resulting Issuer Shares are listed on the CSE.

"**Listing Statement**" means this Form 2A Listing Statement.

"**Marketing Cooperation Agreement**" has the meaning ascribed to it in Section 3.1.

"**MD&A**" means management's discussion and analysis.

"MI 61-101" has the meaning ascribed to it in Section 3.1.

"**Mr. Bilzerian**" has the meaning ascribed to it in Section 3.1.

"**MSIGA**" has the meaning ascribed to it in Section 3.3.

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

(b) an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

(c) the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

"**NJ Act**" has the meaning ascribed to it in Section 3.3.

"**NJ DJE**" has the meaning ascribed to it in Section 3.3.

"**NP 46-201"** has the meaning ascribed to it in Section 11.

"**Numco 1**" means 1250313 B.C. Ltd., a newly incorporated., wholly-owned subsidiary of Fairmont.

"**Numco 2**" means 1250310 B.C. Ltd., a newly incorporated, wholly-owned subsidiary of Fairmont.

"**Numco 1 Share**" has the meaning ascribed to it in Section 2.4.

"**Numco 2 Share**" has the meaning ascribed to it in Section 2.4.

"**Offering**" has the meaning ascribed to it in Section 2.4.

"**OLC**" has the meaning ascribed to it in Section 3.3.

"**Order**" the purposes of Section 18, means: (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

"**Pala**" has the meaning ascribed to it in Section 3.1.

"**PASPA"** has meaning ascribed to it in Section 3.3.

"**Person**" means a company or individual.

"**PGCB**" has the meaning ascribed to it in Section 3.3.

"**Promoter**" has the meaning ascribed to it in the *Securities Act* (British Columbia).

"**Real Money Gaming Offering**" means the Casino Platform and/or the Sportsbook Platform.

"**Related Person**" means each of the following individuals:

(a) a person that is an entity affiliated with the Resulting Issuer, of which the Resulting Issuer is a control block holder (a "**Related Entity**")

(b) a partner, director or officer of the Resulting Issuer or Related Entity;

(c) a promoter of or person who performs investor relations activities for the Resulting Issuer or a Related Entity;

(d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Resulting Issuer or a Related Entity; and

such other person as may be designated from time to time by the CSE.

"**Resulting Issuer**" has the meaning ascribed to it in Section 2.4.

"**Resulting Issuer Options**" means options to acquire Resulting Issuer Shares.

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer.

"**Resulting Issuer Units**" means units consisting of one Resulting Issuer Share and one Resulting Issuer Warrant.

"**Resulting Issuer Warrants**" means warrants to acquire Resulting Issuer Shares.

"**Rome Lithium Property**" has the meaning ascribed to it in Section 3.1.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**SEO**" has meaning ascribed to it in Section 4.1.

"**Social Media Influencer Agreement**" has the meaning ascribed to it in Section 3.1.

"**Social Product**" has the meaning ascribed to it in Section 3.1.

"**Sportsbook Platform**" has the meaning ascribed to it in Section 3.1.

"**Supreme Court**" has the meaning ascribed to it in Section 3.3.

"**Stock Option Plan**" has the meaning ascribed to it in Section 9.

"**True Zone**" has the meaning ascribed to it in Section 13.6.

"**TSXV**" means the TSX Venture Exchange.

"**UIGEA**" has the meaning ascribed to it in Section 3.3.

"**Wire Act**" has the meaning ascribed to it in Section 3.3.

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2. Corporate Structure

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Resulting Issuer (as hereinafter defined) is "i3 Interactive Inc." which the Resulting Issuer changed from "Fairmont Resources Inc." (its former name) upon completion of the First Amalgamation. For greater clarity, Influencers Interactive Inc. was the name of the target company ("**Influencers**") involved in the First Amalgamation (as hereinafter defined).

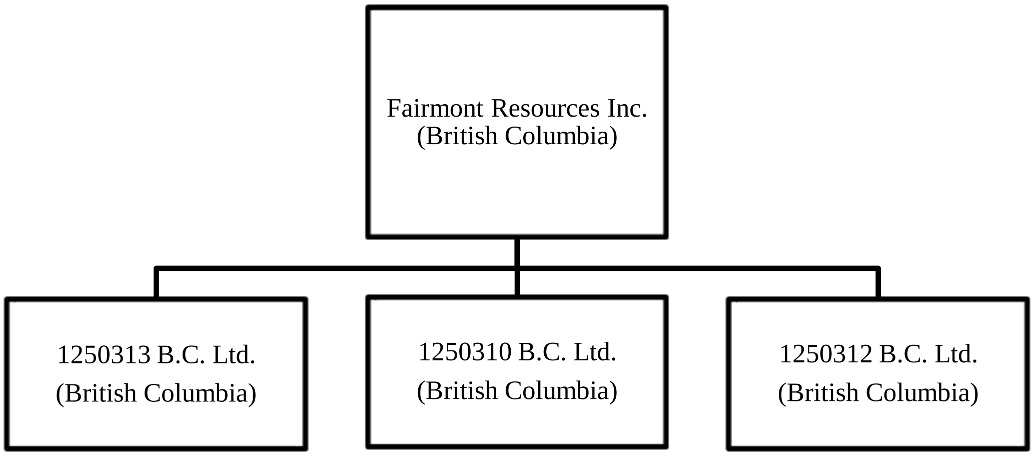
The head and registered office of the Resulting Issuer is located at Suite 810 - 789 West Pender Street, Vancouver, BC, V6C 1H2. The mailing address of the Resulting Issuer is 1 Adelaide St. East, Suite 801, Toronto, Ontario, M5C 2V9. The Resulting Issuer is a reporting issuer in the Provinces of British Columbia and Alberta.

2.2 Jurisdiction of Incorporation

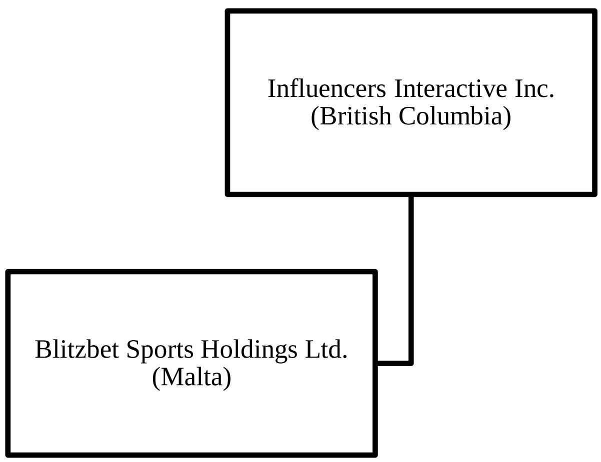
Fairmont Resources Inc. was formed under the BCBCA on May 25, 2007 and is a reporting issuer in British Columbia and Alberta ("**Fairmont**"). Fairmont was incorporated under the name "Strike Exploration Corp." and filed a notice of alteration on April 23, 2009 to change its name to "Fairmont Resources Inc." In connection with the First Amalgamation, Fairmont filed a notice of alteration of articles on June 11, 2020 to change its name from "Fairmont Resources Inc." to "i3 Interactive Inc."

2.3 Inter-corporate Relationships

Prior to the Amalgamations, Fairmont had three wholly-owned subsidiaries: Numco 1, Numco 2, and Debtco. Numco 1, Numco 2, and Debtco were formed under the BCBCA on May 14, 2020, for the sole purpose of effecting the Amalgamations. Prior to the Amalgamations, Influencers had one wholly-owned subsidiary, Blitzbet Sports Holdings Ltd. (the "**Influencers Sub**"). Influencers Sub was formed under the laws of Malta on March 5, 2019 and is a non-operating subsidiary. Influencers Sub was formed in Malta as Malta has a broad and expansive legislative framework allowing for both legal online and land-based gaming activities. For greater clarity, prior to the Amalgamations, Fairmont had the following corporate structure:



Prior to the Amalgamations, Influencers had one wholly-owned non-operating subsidiary with the following corporate structure:



As a result of the Amalgamations, the Resulting Issuer has three wholly-owned subsidiaries: Amalco 1, Amalco 2, and Influencers Sub. Amalco 1 is the result of the amalgamation of Numco 1 and Influencers, and Amalco 2 is the result of the amalgamation of Numco 2 and Debtco. Please refer to Section 2.4 – *Fundamental Change* for an organizational chart of the Resulting Issuer.

2.4 Fundamental Change

On June 18, 2020, Fairmont, Numco 1 and Influencers entered into a business combination agreement (the "**Business Combination Agreement**"), pursuant to which the parties completed a business combination by way of a three-cornered amalgamation on June 29, 2020 (the "**First Amalgamation**") under the BCBCA. The First Amalgamation resulted in (i) Numco 1 and Influencers amalgamating to form Amalco 1, a new entity which is a wholly-owned subsidiary of Fairmont (ii) a reverse take-over of Fairmont by the shareholders of Influencers, and (iii) Fairmont filing a notice of alteration of articles to change its name to "i3 Interactive Inc."

Concurrently, on June 18, 2020, Fairmont, Numco 2, and Debtco entered into an amalgamation agreement (the "**Debtco Amalgamation Agreement**"), pursuant to which the parties completed a three-cornered amalgamation on June 29, 2020 (the "**Debtco Amalgamation**, and together with the First Amalgamation, the "**Amalgamations**") under the BCBCA. The Debtco Amalgamation resulted in Numco 2 and Debtco amalgamating to form Amalco 2, a new entity which is a wholly-owned subsidiary of Fairmont. As a result of the Amalgamations, Fairmont became the resulting issuer (the "**Resulting Issuer**").

In connection with the Amalgamations, Influencers completed a private placement of 22,899,508 units of Influencers ("**Influencers Units**") at a price of $0.25 per Influencers Unit for gross proceeds of $5,724,877 that closed on June 29, 2020 (the "**Offering**"). Each Influencers Unit is comprised of one (1) Influencers Share and one (1) Influencers Warrant to acquire an additional Influencers Share at a price of $0.50 per additional Influencers Share for a period of two (2) years from the date of issuance of the Influencers Warrant. Following completion of the First Amalgamation (as a result of which each shareholder of Influencers received one (1) Resulting Issuer Share for every one (1) Influencers Share), and the listing of the Resulting Issuer Shares on the CSE, the Resulting Issuer may in its sole discretion issue a press release and provide a notice to the holder of Influencers Units notifying such holders that the exercise period of the Influencers Warrant will be reduced to 30 days if the closing price (or closing bid price on days where there are no trades) of the Resulting Issuer Shares on the CSE is at least $0.75 for a minimum of 10 consecutive trading days.

Prior to the Amalgamations, Fairmont and Influencers completed the following:

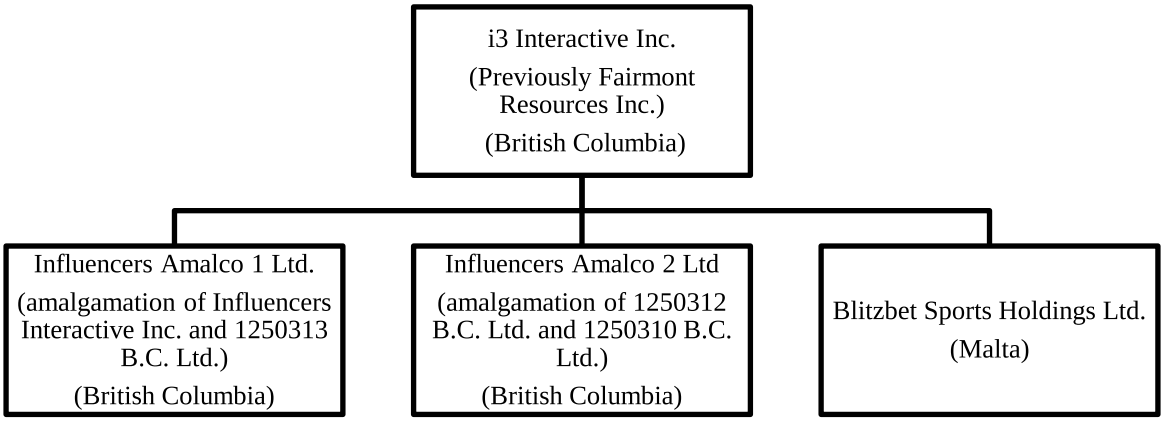
a) Fairmont completed a consolidation (the "**Fairmont Consolidation**") on the basis of ten (10) pre-Fairmont Consolidation Fairmont Shares for each one (1) post-Fairmont Consolidation Fairmont Share (each, a "**Resulting Issuer Share")**;
b) Fairmont converted $1,600,000 of debt (the "**Fairmont Debt**") into units (the "**Fairmont Units**") at a deemed price of $0.04 per Fairmont Unit. Each Fairmont Unit is comprised of one (1) Fairmont Share and one (1) Fairmont Warrant to acquire an additional Fairmont Share at a price of $0.25 per Fairmont Share (the "**Fairmont Debt Transaction**");
c) Influencers issued 7,000,000 warrants ("**Influencer Compensation Warrants**") as compensation to certain directors, officers, and consultants of Fairmont entitling the holder thereof to purchase one Resulting Issuer Shares at a price of $0.05 per share for a period of three (3) years following the issuance of such Influencers Compensation Warrants (the "**Influencers Compensation Warrant Issuance**");
d) Influencers issued 4,000,000 Influencers Options as compensation to certain directors, officers, and consultants of Fairmont, each such Influencers Options entitling the holder thereof to purchase one Resulting Issuer Share at a price of $0.10 per share for a period of three years following the issuance of such Resulting Issuer Options (the "**Influencers Option Issuance**"); and
e) Fairmont issued 7,000,000 Resulting Issuer Units to certain finders, each such unit being comprised of one (1) Resulting Issuer Share and one (1)

Resulting Issuer Warrant, each such Resulting Issuer Warrant being exercisable at a price of $0.25 for a period of three (3) years following the First Amalgamation (the “**Finder’s Fee Units**”)

Pursuant to the terms of the Business Combination Agreement and the Debtco Amalgamation Agreement, each shareholder of Influencers and Debtco received one (1) Resulting Issuer Share for every one (1) Influencers Share and one (1) Debtco Share, respectively. Each holder of an Influencers Unit received one Resulting Issuer Share and one Resulting Issuer Warrant. Each shareholder of a common share in the capital of Numco 1 (“**Numco 1 Share**”) received one (1) common share in the capital of Amalco 1 (“**Amalco 1 Share**”). Each shareholder of a common share in the capital of Numco 2 (“**Numco 2 Share**”) received one (1) common share in the capital of Amalco 2 (“**Amalco 2 Share**”). Resulting Issuer Warrants and Resulting Issuer Warrants were issued to the holders of Influencers Warrants and Influencers Options, respectively, on the basis of 1:1, and such Influencers Warrants and Influencers Options were thereby cancelled. As consideration for the issuance of Resulting Issuer Shares to the holders of Influencers Shares and Debtco Shares to effect the Amalgamations, Amalco 1 issued to Fairmont one (1) Amalco 1 Share for each one (1) Resulting Issuer Share issued, and Amalco 2 issued to Fairmont one (1) Amalco 2 Share for each one (1) Resulting Issuer Share issued.

Following the Amalgamations, there are an aggregate of 137,321,254 Resulting Issuer Shares issued and outstanding. Of these issued and outstanding Resulting Issuer Shares, former shareholders of Influencers hold 66,972,632 Resulting Issuer Shares, which is inclusive of 20,157,713 Resulting Issuer Shares held by Dan Bilzerian. Following the Amalgamations, the former shareholders of Influencers hold approximately 49% of the Resulting Issuer Shares; original shareholders of Fairmont, inclusive of former shareholders of Debtco hold 40,449,114 Resulting Issuer Shares, representing approximately 29% of the Resulting Issuer Shares; the subscribers of the Offering hold 22,899,508 Resulting Issuer Shares, representing approximately 17% of the outstanding Resulting Issuer Shares; and certain finders hold 7,000,000 Resulting Issuer Shares, representing approximately 5% of the outstanding Resulting Issuer Shares.

As a result of the Amalgamations, the Resulting Issuer has three wholly-owned subsidiaries: Amalco 1, Amalco 2, and the Influencers Sub. In connection with the Amalgamations, the Issuer filed a notice of alteration of articles to change its name to “i3 Interactive Inc.” The Resulting Issuer now has the following corporate structure:



Following the Amalgamations, the Resulting Issuer has adopted the business and will continue to carry on the business of Influencers.

2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada

The Resulting Issuer is neither a non-corporate issuer nor an issuer incorporated outside of Canada.

3. General Development of the Business

3.1 General Development of the Business

Fairmont

Fairmont was primarily engaged in the acquisition, exploration, and development of mineral properties.

On August 9, 2017, Fairmont sold its interest in the rome lithium property which is located adjacent to North American Lithium's Quebec Lithium Mine near Val d'Or, Quebec (the "**Rome Lithium Property**"). Fairmont sold its interest to Jourdan Resources Inc., a related party at the time due to a common director. In consideration for the sale of the Rome Lithium Property, Fairmont received $25,000 in cash, 1,500,000 shares of Jourdan Resources Inc., and a 2% net smelter royalty on the Rome Lithium Property.

On June 28, 2018, Fairmont entered into debt conversion agreements with eight (8) creditors, pursuant to which Fairmont settled $552,725 of debt by issuing 11,054,452 Fairmont Shares at a deemed price of $0.05 per Fairmont Share. Certain creditors were related parties, as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

On August 23, 2018, Fairmont closed a debt settlement transaction with certain creditors, pursuant to which Fairmont settled indebtedness of $165,708 through the issuance of 331,416 Fairmont Shares, of which 124,012 were issued to related parties, as that term is defined in MI 61-101.

On October 1, 2018, Fairmont consolidated its outstanding Fairmont Shares on the basis of one (1) post-consolidation Fairmont Share for each 10 pre-consolidation Fairmont Shares.

On October 26, 2018, Fairmont delisted the Fairmont Shares from the TSXV.

On December 23, 2018, Fairmont closed another debt settlement transaction with certain creditors, pursuant to which Fairmont settled indebtedness of $8,456 through the issuance of 422,767 Fairmont Shares.

On January 29, 2019, Fairmont transferred its interest in certain mineral claims in the Buttercup Iron-Titanium-Vanadium (Fe-Ti-V) project in Quebec, Canada (the "**Buttercup Property**") pursuant to a debt settlement and release agreement with certain creditors in satisfaction of $150,000 in debt owed by Fairmont to such creditors.

On February 4, 2019, Fairmont entered into a non-binding letter of intent with Full Spectrum Brands Inc., a global healthcare company focused on developing and commercializing cannabis-based health and wellness products. Fairmont announced the termination of the agreement with Full Spectrum Brands Inc. on March 30, 2020.

On January 8, 2020, Fairmont entered into a letter of intent with Influencers in connection with the First Amalgamation. The parties subsequently entered into the Business Combination Agreement on June 18, 2020 which replaced the letter of intent.

Prior to the Amalgamations, Fairmont completed the Fairmont Debt Transaction on May 1, 2020, and the Fairmont Consolidation on May 8, 2020. Please refer to Section 2.4 – *Fundamental Change* for more information on the foregoing.

On June 11, 2020, Fairmont completed the First Amalgamation and the Debtco Amalgamation. In connection with the First Amalgamation, Fairmont changed its name to "i3 Interactive Inc." and will carry on the business of Influencers.

Influencers

<u>Introduction and Background</u>

Influencers was incorporated under the BCBCA under the name Blitzbet Sports Inc. on October 19, 2018 and changed its name to "Influencers Interactive Inc." on August 23, 2019. Influencers' head office is Suite 810 - 789 West Pender Street, Vancouver, BC, V6C 1H2, which the Resulting Issuer has adopted as its registered and head office address following the Amalgamations.

Since its incorporation, Influencers has entered into various agreements with arms-length parties in order to develop a consumer facing online and mobile social gaming product, and a sports betting and casino product for the emerging global regulated sports betting and casino markets. At the time of the First Amalgamation, Influencers had secured a strategic partnership with a key social media influencer capable of globally promoting the Influencers brand and product offering, and had developed most of its product offering through the developments in the Social Product and Real Money Gaming Offering (both terms as defined herein).

Development of Product Offering

On February 12, 2019, Influencers secured a three-year licensing agreement (the "**Amelco Licensing Agreement**") with Amelco UK Limited ("**Amelco**") to develop its product offering. The Amelco Licensing Agreement has been assigned to the Resulting Issuer. Under the Amelco Licensing Agreement, the Resulting Issuer has licensed from Amelco a fully customizable technology platform to enable the Resulting Issuer to offer a full web and mobile sports betting platform (the "**Sportsbook Platform**"), a casino platform (the "**Casino Platform**") in the United States, and an online social gaming product which does not involve the wagering of real money (the "**Social Product**"). The Resulting Issuer has paid Amelco an initial set up fee of USD $250,000 in order to develop the Social Product and the Sportsbook Platform and Casino Platform. The Resulting Issuer will pay Amelco a second set-up fee of USD $250,000 on commencement of set up services for the Real Money Gaming Offering in the United States. The Resulting Issuer will also pay Amelco a monthly revenue share equal to 21% of net gaming revenue earned through the Real Money Gaming Offering.

Product Offering and Revenue Generation

The Resulting Issuer's product offering will be comprised of the Social Product, the Casino Platform, and Sportsbook Platform.

The Social Product

The Social Product will allow users to play various games such as games of chance, and place bets, but without depositing any real money. Players using the Social Product do not play to win money, but rather play to simply achieve status in relation to other players. For example, players can place bets during a bracket challenge for a particular sports tournament; the Social Product would track the success of participating players and display the results on a leader board. To entice player participation, the Resulting Issuer will from time to time offer various prizes to winning players. The Social Product is not bound by gaming regulations as it does not involve real money, and accordingly can be offered in any market. Through partnership with Mr. Bilzerian, the Resulting Issuer intends to promote the Social Product to Mr. Bilzerian's social media followers. The Resulting Issuer intends to engage Mr. Bilzerian's social media followers and convert them into "real money gaming" players. The Resulting Issuer anticipates harnessing the market insights and information it obtains from this market access to social media followers to eventually launch its Real Money Gaming Offering. While the users of the Social Product will not wager real money, the Resulting Issuer expects to earn revenue on the Social

Product through advertisement placements and offering users an opportunity to pay real money for non-wagering extra features, such as increased plays and gifts for friends. Social gaming revenue is expected to surpass USD $2.4 billion in 2020.[1] For more information on the Social Product and its launch, refer to Section 4.1 – *Narrative Description of the Business*.

Real Money Gaming Offering

The Real Money Gaming Offering consists of two products – the Sportsbook Platform and the Casino Platform.

Both of the products will be accessible on the Resulting Issuer's website. A user must first create a registered account. In order to place bets on the Sportsbook Platform, or play casino games on the Casino Platform, a user must make a money deposit in their registered account. Typically, the average lifetime value for a sports better is USD $340[2] and for a casino player is USD $832[3].

Sportsbook Platform

The Resulting Issuer has harnessed Amelco's sportsbook platform technology and developed the Sportsbook Platform, which will be easily accessible through both mobile and web browser applications. A sportsbook is the same thing as a "bookmaker" or "bookie." In this case, the Sportsbook Platform will accept bets from individual sports bettor on whether a particular team or athlete will win a specific sporting event or match. The Sportsbook Platform will offer seamless payment integration by using a global payments solution to enable multi-currency Visa and Mastercard integration.

For more information on the Sportsbook Platform, refer to Section 4.1 – *Narrative Description of the Business*.

Casino Platform

The Resulting Issuer will offer a casino product through the Casino Platform. Under the Amelco Licensing Agreement, the Resulting Issuer has access to a full suite of licensed casino game offerings. The Casino Platform will have a seamless and versatile deposit and withdrawal application for Sportsbook Platform and Casino Platform users alike, Visa and Mastercard integrations, multi-channel wallet and intuitive payment user interfaces.[4]

For more information on the Casino Platform, refer to Section 4.1 – Narrative Description of the Business.

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[1] https://www.statista.com/topics/2965/social-gaming/
[2] William Hill PLC, Annual Report and Accounts, 2017
[3] Center for Gambling Studies, Rutgers University, "Internet Gaming in New Jersey" – 2017 Report, page 16.
[4] https://www.amelco.co.uk/en/solutions/casino

Affiliate Marketing Services

The Resulting Issuer will also generate revenue through affiliate marketing services. The Resulting Issuer will enter into partnerships with sports betting and gaming operators, whereby the Resulting Issuer will advertise such operators' content on its website in exchange for fees based on referred player activity. As of the date of this Listing Statement, the Resulting Issuer has entered into the Marketing Cooperation Agreement whereby Pala will pay the Resulting Issuer fees based on the reported player activity that is generated to the Pala websites through the Resulting Issuer's website.

Strategic Partnership with Dan Bilzerian

In the planned anticipation of its entrance into the emerging U.S. market, Influencers secured a strategic partnership with world-renowned social media influencer and professional high-stakes poker player, Dan Bilzerian ("**Mr. Bilzerian**"). Specifically, on November 6, 2018, Influencers entered into the social media influencer agreement (the "**Social Media Influencer Agreement**"), and the business development agreement (the "**Business Development Agreement**", and collectively with the Social Media Influencer Agreement, the "**Bilzerian Agreements**"), each as amended on March 30, 2020. The Bilzerian Agreements have been assigned to the Resulting Issuer. The Bilzerian Agreements have an indefinite term, and will continue until terminated by either Resulting Issuer or Mr. Bilzerian.

Under the terms of the Social Media Influencer Agreement, Mr. Bilzerian will promote and endorse the Resulting Issuer's brand both offline and online. Mr. Bilzerian will promote Resulting Issuer's brand and product offering to his 45 million followers across various social media platform[5], periodically sign sports memorabilia for use in contests and giveaways that focus on customer retention and new customer acquisition under the Resulting Issuer brand, provide prizes to users in the form of experiences such as flights to sporting events on Mr. Bilzerian's private jet and invitations to Mr. Bilzerian's house parties; attend promotional events on behalf of the Resulting Issuer, create social media posts to advertise and promote the Resulting Issuer's brand, advertise contests held by the Resulting Issuer through social media posts, and respond to certain media inquiries in respect of the launch of the Resulting Issuer. Mr. Bilzerian will be instrumental to the promotion of the Social Product and the Real Money Gaming Offering. Under the Social Media Influencer Agreement, Mr. Bilzerian has received an aggregate of $1,235,750 to promote the Influencers (now the Resulting Issuer's) brand and business. Mr. Bilzerian will continue to receive USD $300,000 quarterly payments under the Social Media Influencer Agreements to promote the Resulting Issuer's brand and business. Further, if Mr. Bilzerian attracts over 4,500 registered customer accounts on the Resulting Issuer's website, the Resulting Issuer will additionally pay a cost per acquisition ("**CPA**") of USD $100

[5] https://www.instagram.com/danbilzerian/;
https://twitter.com/DanBilzerian?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor;
https://www.facebook.com/danbilzerianofficial/

for each new registered account with a minimum deposit of USD $100 which generates at least USD $150 of net gaming revenue.

Under the Business Development Agreement, Mr. Bilzerian and the Resulting Issuer will work together to develop and market the Resulting Issuer's i-Gaming business. Mr. Bilzerian has received a 15% ownership interest in the Resulting Issuer under the Business Development Agreement, and has received an aggregate of 20,157,713 Influencers Shares in satisfaction of the ownership interest obligations under the Business Development Agreement.

Marketing Cooperation Agreement

On August 22, 2019, Influencers entered into a marketing cooperation agreement (the "**Marketing Cooperation Agreement**") with Pala Interactive LLC., ("**Pala**") an internet gaming operator. The Marketing Cooperation Agreement has been assigned to the Resulting Issuer as of the date of this Listing Statement. Under the terms of the Marketing Cooperation Agreement, the Resulting Issuer has the ability to advertise certain Pala sites on its website. Pala will track the player activity referred to Pala through the Resulting Issuer's website, and will pay the Resulting Issuer's fees based on the reported player activity. The Resulting Issuer is entitled to earn $150 CPA capped at 500 new registered accounts per month, provided each registered account deposits $100 upon registration. The Marketing Cooperation Agreement has an indefinite term.

Joint Venture with Jolt

On June 16, 2020, Influencers entered into a collaboration agreement ("**Collaboration Agreement**") with Jolt Solutions Ltd. ("**Jolt**"). The Collaboration Agreement has been assigned to the Resulting Issuer. Under the terms of the Collaboration Agreement, Jolt will function as an operating partner of the Resulting Issuer whereby (1) Jolt will help facilitate and guide the development and the launch of the Real Money Gaming Offering into the United States; (2) Jolt will harness its expansive i-Gaming network to source legal gaming opportunities for the Resulting Issuer in various jurisdictions and will facilitate any potential launch of i-Gaming initiatives into such jurisdictions; and (3) Jolt will source promotional opportunities and partnerships for the Resulting Issuer among its i-Gaming network. Under the terms of the Collaboration Agreement, the Resulting Issuer will pay Jolt a monthly fee of $33,334. Jolt has received 12,729,333 Influencers Shares under the Collaboration Agreement.

Expenditures

As of the date of this Listing Statement, the Resulting Issuer has incurred the following expenditures in the development of its business:

	Approximate amount to date
Accounting and Administration	6,833.00
Audit	40,825.00
Consulting	1,362,049.00
Dan Bilzerian	1,235,750.00

Legal	593,742.00
Marketing and Website Design	378,684.00
Travel	303,565.00
Amelco Software	334,750.00
Total	4,256,198.00

Financings

On March 29, 2019, Influencers closed a non-brokered private placement whereby Influencers issued 3,800,000 Influencers Shares at a price of $0.25 per Influencers Share and raised aggregate gross proceeds of $950,000.

On April 4, 2019, Influencers issued 9,631,500 Influencers Shares at a price of $0.25 per Influencers Share and raised aggregate gross proceeds of $2,407,875.

On May 22, 2019, Influencers closed a non-brokered private placement whereby Influencers issued 800,000 Influencers Shares at a price of $0.25 per Influencers Share and raised aggregate gross proceeds of $200,000.

On September 23, 2019, Influencers closed a private placement whereby Influencers issued for 200,000 Influencers Shares at a price of $0.25 per Influencers Share for gross proceeds of $50,000.

On June 29, 2020, Influencers completed the Offering, whereby Influencers issued 22,899,508 Influencers Shares at a price of $0.25 per Influencers Share for gross proceeds of $5,724,877.

3.2 Significant Acquisitions and Dispositions

Please refer to Item 2.4 and Item 3.1

3.3 Trends, Commitments, Events or Uncertainties

Market Size and Opportunity

The United States - Legalization of Sports Betting

As of the date of this Listing Statement, the Resulting Issuer has adopted the business of Influencers. The Resulting Issuer is primarily focused on developing its business in the United States. To the Resulting Issuer's belief, the landscape of the online sports betting industry is changing rapidly in the United States. In particular, the Resulting Issuer believes the legalization of sports betting is expected to lead to a growth in demand in the United States in the industry.

Generally, intrastate online gaming is lawful in the United States provided the relevant gaming complies with the Unlawful Internet Gambling Enforcement Act (the "**UIGEA**") and the particular state has enacted legislation or otherwise properly authorized the same. Accordingly, the Resulting Issuer shall develop its business in states where online gaming (including sports betting and online casino games) are legal in order to be in compliance with the UIGEA. For clarity, as of the date of this Listing Statement, the Resulting Issuer intends to operate its online gaming business in an intrastate manner in Pennsylvania and New Jersey as both states have legal frameworks that allow for online gaming activities. In particular, the Resulting Issuer shall not engage in and develop its i-Gaming business in an interstate manner as such activity could be interpreted as being prohibited by the Federal Wire Act of 1960 (the "**Wire Act**"). The Wire Act makes it unlawful to use electronic communications to make interstate bets or wagers or transmit information that assists in making such bets or wagers, on any sporting event or contest. There has been some uncertainty as to whether the Wire Act prohibits U.S states from conducting intrastate lottery transactions via the Internet if the transmissions over the Internet during the transaction crossed state lines. In December of 2011, the United States Department of Justice (the "**DOJ**") issued an opinion from its Office of Legal Counsel (**"OLC**") indicating that it is the official opinion of the DOJ that the Wire Act "prohibits only the transmission of communications related to bets or wagers on sporting events or contests." More specifically, "interstate transmissions of wire communications that do not relate to a 'sporting event or contest' [. . .] fall outside of the reach of the Wire Act" (the "**2011 DOJ Opinion**"). Pursuant to this guidance, the legislatures of New Jersey, Nevada, Delaware and Pennsylvania authorized intrastate online gaming, provided that the gambling does not concern a sporting event or contest.

On January 14, 2019, the DOJ made public a November 2, 2018 OLC opinion reversing the 2011 DOJ Opinion, finding the prohibitions in the Federal Wire Act were not limited to wire communications relating to bets or wagers on sporting events or contest, but rather extend to all forms of bets or wagers (the "**2018 DOJ Opinion**"). Further, the 2018 DOJ Opinion detailed the OLC's position that the enactment of UIGEA did not modify the scope of the Federal Wire Act. More specifically, the OLC determined that by excluding certain activities from UIGEA's definition of 'unlawful Internet gambling,' UIGEA did not exclude those same activities from the prohibitions of the Wire Act. The 2018 DOJ Opinion stated that anyone who reasonably relied on the 2011 DOJ Opinion may have a defense for actions taken in such reliance through November 2, 2018. On January 15, 2019, DOJ Deputy Attorney General Rod Rosenstein issued a memorandum to United States Attorneys, Assistant Attorneys General and the Director of the Federal Bureau of Investigations stating that the DOJ should exercise discretion in applying the new interpretation provided under 2018 DOJ Opinion for a period of 90 days in order to "give businesses that relied on the [2011 DOJ Opinion] time to bring their operations into compliance with federal law." In the event the Resulting Issuer wishes to expand its business into more states, the Resulting Issuer will do in a manner that does not involve interstate online gaming, and is fully compliant with all relevant laws and regulations, including the Wire Act. As of the date of this Listing Statement, the Resulting Issuer intends to operate its business in an intrastate manner in Pennsylvania and New Jersey, where online gaming activities are legal. More detail on the regulatory framework in New Jersey and Pennsylvania is provided further below in this Section 3.3.

On September 27, 2017, New Jersey joined the Multi-State Internet Gaming Agreement (the "**MSIGA**"), which was previously entered into between Delaware and Nevada. The MSIGA permits New Jersey, Nevada and Delaware to share liquidity among players in both online poker and certain online casino games. Under the MSIGA, customers can only access online gaming sites that are licensed by the state in which they are located, i.e., Nevada residents can play online games on sites licensed in Nevada. The MSIGA sets forth certain minimum standards that each state is expected to have in place, including common standards in the regulated gaming industry, such as age and identity verification, anti-money laundering and related protocols, data security, and other measures intended to assure the integrity of wagering conducted pursuant to the MSIGA.

On May 14, 2018, the United States Supreme Court (the "**Supreme Court**") issued an opinion in *Murphy v. National Collegiate Athletic Association* (formerly known as *Christie v. National Collegiate Athletic Association)*, No. 16-476, determining that the Federal Professional and Amateur Sports Protection Act ("**PASPA**") was unconstitutional. PASPA prohibited a state from "authorizing by law" any form of sports betting. In striking down PASPA, the Supreme Court opened the potential for state-by-state authorization of sports betting. The PASPA ruling enabled individual states to pass state legislation that would legalize sports gambling within their borders. Thus far, 13 states have legalized sports betting: New York, Nevada, New Mexico, New Jersey, Indiana, Rhode Island, Arkansas, Iowa, Oregon, New Hampshire, West Virginia, Pennsylvania, and Mississippi.[6]

By 2025, sports betting is expected to be legal in 20 states, with the top seven states (Illinois, New York, New Jersey, Pennsylvania, Nevada, Michigan, Maryland) and is expected by some estimates to generate approximately USD $8 billion in revenue for sports betting operators.[7] Regardless of the aforementioned trends with respect to anticipated growth in the industry, there is still uncertainty with respect to the regulation of the industry. Sports betting in the United States may be subject to additional laws, rules and regulations, including those discussed in this Listing Statement. For example, see Section 17 – *Risk Factors – Risks Related to Regulation* for more information.

More detail on the regulatory framework in New Jersey and Pennsylvania, where the Resulting Issuer intends to do business is provided below.

New Jersey

In New Jersey, the provision of online gaming and other aspects of casino gaming are subject to the requirements of the New Jersey Casino Control Act (the "**NJ Act**") and the regulations promulgated thereunder. Under the NJ Act, Bill A2578 authorized online gaming so long as all hardware, software, and other equipment involved with the online gaming is located in casino facilities in Atlantic City. Further, the *Sports Wagering Law*, P.L. 2018, c. 33, allows casinos and racetracks to introduce sports gambling with respect to professional and certain collegiate sports and athletic events,

[6] https://www.espn.com/chalk/story/_/id/19740480/the-united-states-sports-betting-where-all-50-states-stand-legalization; https://www.legalsportsreport.com/sportsbetting-bill-tracker

[7] https://www.marketwatch.com/story/firms-say-sports-betting-market-to-reach-8-billion-by-2025-2019-11-04

without state regulations and licenses – online sportsbook are legal provided there is a physical presence at either a racetrack or a casino. Licensed service providers, including casinos, can partner with non-licensed companies to facilitate online poker casino and sports wagering, including website hosting and the providing game content. To become licensed, a service provider must first obtain a casino service industry enterprise (a "**CSIE**") license. The New Jersey Division of Gaming Enforcement (the "**NJ DGE")** is responsible for investigating all license applications and prosecuting violations of the NJ Act.

The Resulting Issuer will not apply for the licensing described above, rather it intends to enter into joint venture agreement with licensed parties who are in full compliance with the aforementioned laws and regulations. For more information of the joint ventures, refer to Section 4.1 – *Narrative Description of the Business – Business Objectives and Milestones.*

Pennsylvania

In 2017, the Commonwealth of Pennsylvania passed gambling expansion legislation (PA Act 42) which expanded gaming and sports wagering in Pennsylvania, and expressly legalized sports wagering over the Internet. Oversight of gambling in Pennsylvania is controlled by the Pennsylvania Gaming Control Board ("**PGCB**"). Under the gambling expansion legislation, third-party operators may offer online poker, casino and sports betting on behalf of, or in partnership with, an interactive gaming certificate holder, i.e. a land-based casino operator, subject to receipt of an interactive gaming operator license issued by the PGCB. The term of the operator license is for a period of five years and may be renewed thereafter. The Resulting Issuer will not apply for the licensing described above, rather it intends to enter into joint venture agreement with licensed parties, who are in full compliance with the aforementioned laws and regulations. For more information of the joint ventures, refer to Section 4.1 – *Narrative Description of the Business – Business Objectives and Milestones.*

Casino Partnerships in the United States

A notable trend in the sports betting industry in the United States is land based casinos partnering with sports betting companies to offer in house sports betting lounges.[8] For example, in late 2018, Resorts World Catskills, a commercial casino in New York, announced a strategic alliance with bet365, a business which operates an in-play betting product via a mobile platform. Together the companies are planning to offer a fully integrated online sports betting and gaming platform. Similar partnerships are emerging as land-based casinos are looking for strategic opportunities to offer additional product offerings, such as sports betting, and target a younger demographic. Similarly, businesses interested in operating an online or

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[8] https://www.cardplayer.com/poker-news/24700-nfl-to-allow-sports-betting-lounges-and-casino-partnerships-in-2020; https://www.thestar.com/sports/sports-prism/2018/10/31/nhls-casino-partnership-puts-a-dollar-value-on-data.html

mobile sports betting business are able to quickly gain access to the legalized sports betting markets by partnering with casinos and relying on the casinos' already acquired licences. According to the American Gaming Association, 44% of current sports bettors are under the age of 35 compared to a report issued by Statista that indicates that the average age of a person walking into a Las Vegas casino is 48.[9] Furthermore, YouGov, an international Internet-based market research and data analytics firm, has indicated that 50% of millennials prefer to gamble online rather than physically going to a betting venue.[10]

Demographics

To harness the opportunities in the growing sports betting and casino market, it is imperative for the Resulting Issuer to ensure visibility of its product offering to the end consumers. The Resulting Issuer believes it is effectively positioned to reach the key demographic of male consumers between the ages of 21 and 39 as a result of the strategic partnership with Mr. Bilzerian.[11]

Uncertainties

The market size and opportunities in the United States' online sports betting and casino industry will be driven in part by the above noted market trends, including the growth of the United States sports betting industry, the continued state-by-state roll-out of regulated online and mobile sports betting, and the Resulting Issuer's ability to obtain access to licensed entities which are able to offer online and mobile sports betting and casino services. Alongside this, the Resulting Issuer's ability to compete in a highly competitive online and mobile sports betting market will also determine its future growth.

In addition to the above industry specific uncertainty, it is important to note that the Resulting Issuer's business could be adversely affected by the effects of the widespread global outbreak of a novel coronavirus ("**COVID-19**"). Please refer to Section 17 – *Risk Factors* for more information on the potential impact of COVID-19 on the Resulting Issuer's business.

4 Narrative Description of the Business

4.1 General

Influencers was incorporated pursuant to the BCBCA on October 19, 2018 under the name "BlitzBet Sports Inc." On August 23, 2019 "BlitzBet Sports Inc." became "Influencers Interactive Inc." pursuant to a notice of alteration of articles to change its name. Influencers has its registered office at Suite 810 - 789 West Pender Street,

[9] https://www.americangaming.org/new/sports-betting-to-unlock-increased-fan-engagement-from-younger-more-affluent-adults/
[10] https://today.yougov.com/topics/politics/articles-reports/2018/05/17/millennials-favor-legalizing-online-gambling
[11] Study conducted by **Eilers** & **Krejcik** Gaming, LLC., 2018

Vancouver, BC, V6C 1H2, Canada. Following the Amalgamations, the business of the Resulting Issuer is that of Influencers.

The Resulting Issuer is in the business of developing a consumer facing online and mobile social gaming product. The Resulting Issuer is currently working towards developing and launching a sports betting and casino product in the emerging global regulated sports betting and casino markets. Through strategic partnerships, the Resulting Issuer aims to offer sports bettors a comprehensive range of sports betting and bookmaking services. Please refer to Section 4.1 – *Stage of Development of Principal Products* for more information on the Resulting Issuer's product offerings.

The Basics of Sports Betting

Sports betting is the activity of predicting the outcome of a particular sporting event while placing a wager on the predicted outcome. Sports betting is prevalent across the world and predominately bets are being placed on sporting events such as football, basketball, baseball, hockey, and boxing both at the amateur and professional levels. Sports betting has expanded beyond traditional sports and is common in non-athletic events such as reality TV show contests, political elections, and non-human contests such as horse racing and greyhound racing.

In order to place a bet a sports bettor will place their wager through a bookmaker or sportsbook. A bookmaker is a person who takes bets, calculates odds, and pays out winnings to the bettors. Similarly, a sportsbook is an establishment that takes bets on sporting events and pay outs winnings. Bets traditionally follow two formats:

Moneyline Betting

Moneyline betting is the simplest form of sports betting and consists of the sports bettor simply placing a bet on the team they think will win any given game or event. If the chosen team wins the game outright the bet pays out. If both teams tie, the result is considered a push, and the sports bettors' money is returned.

Spread Betting

Spread betting is one of the most popular forms of sports betting. It consists of a sports bettor placing a wager against the spread. The spread, also known as the line, is a number assigned by the bookmakers handicapping one team and favoring another when two teams play each other and one is perceived as having better odds at winning.

The teams with losing odds are called the underdog. In the example below, the bettor wins if the team considered the underdog wins the game outright or loses by an amount smaller than the point spread. The underdog in a game is listed being plus (+) the point spread.

If betting on the Dallas Cowboys in the example below, the Dallas Cowboys are the favorite team by 4.5 points. In order for the sports bettor to win their wager the Dallas Cowboys must win the game by five point or more. If betting on the Washington Redskins, then the Redskins would have to win the game or could not lose by more than five points or more for the bettor to win their wager.

Funds Available

The funds expected to be available to the Resulting Issuer are as follows:

Sources	Funds Available
Net Proceeds of the Offering[1]	$5,664,977
Existing working capital (deficiency)[2]	($1,390,712)
Fees and expenses of the Amalgamations[3]	($400,000)
Total Funds Available	$3,874,265

Note:

1. Net proceeds raised from the Offering, after deducting $59,900 in financing costs.
2. Unaudited estimate as at May 31, 2020. Includes an adjustment to expense $821,917 (USD $600,000) of prepaid expenses paid in advance to Mr. Bilzerian for two quarters.
3. Includes costs and expenditures incurred on account of legal services and auditors' fees.

Purpose of funds

The principal uses of the Resulting Issuer's funds over the 12-months following the date of this Listing Statement are estimated as follows:

Funds Available:	$3,874,265
Operating Costs (12 months):	
Business Development Costs:	
Two (2) quarterly payments to Mr. Bilzerian[1]	$821,917
Monthly Fees under Collaboration Agreement	$400,008
Social Product Launch	$100,000
Real Money Gaming Offering Joint Ventures	$100,000
Search Engine Optimization	$120,000
Second fee to Amelco under Amelco Licensing Agreement	$345,188
Total Business Development Costs	$1,887,113
Management and Consulting Fees:	
Consulting Fees	$486,291
Management Fees (Chris Neville, Troy Grant)	$246,000
Office and Administration Expenses	$200,000
Total Operating Costs:	**$2,819,404**

Excess Funds Available for General Working Capital:	**$1,054,861**

Note:

1. Two (2) quarterly payments to Mr. Bilzerian of $821,917 (USD $600,000) are included in prepaid expenses paid in advance to Mr. Bilzerian.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified, and will depend on a number of factors, including those referred to under Section 17 - *Risk Factor*s. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's business objectives over the next 12 months.

Business Objectives and Milestones

The Resulting Issuer will use its financial resources, among other things to achieve the following business objectives over the following 12 months:

(1) Launch the Social Product in the United States.

By the end of Q2, 2020, the Resulting Issuer will aim to launch its Social Product.

The target date for the completion of this objective is Q2, 2020. The Resulting Issuer will spend a maximum of $100,000 on launching the Social Product, which will be spent on various merchandise giveaways and contest prizes. For more information of the Social Product, please refer to Section 4.1 – *General – Stages of Development of Principal Products*.

(2) Build the Casino Platform and the Sportsbook Platform

As of the date of this Listing Statement, the creation of the Casino Platform and the Sportsbook Platform is 95% complete. By the end of Q3, 2020, the Resulting Issuer will aim to have completed the development of the Casino Platform and the Sportsbook Platform. Amelco has received approximately USD $250,000 under the Amelco Licensing Agreement; this payment covers Amelco's services relating to the development of the Social Product and the Casino Platform and Sportsbook Platform. Accordingly, the Resulting Issuer does not expect any further costs with respect to the completion of the development of the Casino Platform and the Sportsbook Platform.

(3) Enter into Joint Venture Agreements with Licensed Entities in New Jersey and Pennsylvania

By the end of Q3, 2020, the Resulting Issuer will enter into joint venture agreements with licensed casino entities in Pennsylvania and New Jersey in order to launch the Real Money Gaming Offering in order to use said entities' licences to offer the Real Money Gaming Offering. As of the date of this Listing Statement, the Resulting Issuer has not entered into those joint venture agreements.

New Jersey

In order to launch the Real Money Gaming Offering in New Jersey, the Resulting Issuer will enter into a joint venture agreement with Pala, whereby the Resulting Issuer expects to pay approximately $50,000 to Pala in order to use its gaming licences in New Jersey. This fee is a one time fee, and the term of the joint venture agreement will be indefinite.

Pennsylvania

In order to launch the Real Money Gaming Offering in Pennsylvania, the Resulting Issuer will work towards entering into a joint venture agreement with a partner of Pala in Pennsylvania, whereby the Resulting Issuer expects to pay approximately $50,000 to the partner in order to use its gaming licences in Pennsylvania. This fee is a one-time fee, and the term of the joint venture agreement will be indefinite.

The anticipated cost of this business objective is approximately $100,000.

(4) Launch Real Money Gaming Offering into Pennsylvania and New Jersey

By the end of Q4, 2020, the Resulting Issuer will aim to launch the Real Money Gaming Offering into Pennsylvania and New Jersey. As noted above, since the Resulting Issuer has not entered into joint venture agreements with any licensed entities as of the date of this Listing Statement, there is a risk that the Resulting Issuer will not be able to carry out its business objective with respect to the launch of the Real Money Gaming Offering over the next 12 months if the Resulting Issuer does not successfully enter into joint venture agreements with licensed entities. For more information on the risks relating to the Resulting Issuer's failure to enter into joint venture agreements with licensed entities, please refer to Section 17 – *Risk Factors*.

The Resulting Issuer does not expect any costs for this business objective.

Stage of Development of Principal Products

As of the date of this Listing Statement, the Resulting Issuer's principal products and services have largely been developed but have not been commercialized.

Under the Amelco Licensing Agreement, Amelco, a provider of sports betting platforms for global tier 1 sportsbook operators, has developed the following products for end-consumers:

(a) Social Product

Under the Amelco Licensing Agreement, Amelco has developed the Social Product which allows users to play various games such as games of chance, and place bets, but without depositing any real money. Players using the Social Product do not play to win money, but rather play to simply achieve status in relation to other players. For example, players can place bets during a bracket challenge for a particular sports tournament; the Social Product would track the success of participating players and display the results on a leader board. To entice player participation, the Resulting Issuer will from time to time offer various prizes to winning players. The Social Product is not bound by gaming regulations as it does not involve real money, and accordingly can be offered in any market. The Resulting Issuer anticipates launching the Social Product in order to gain access to the i-Gaming market. The Resulting Issuer anticipates harnessing the market insights and information it obtains from this market access to eventually launch its Real Money Gaming Offering.

(b) Real Money Gaming Offering

As noted above, the Real Money Gaming Offering consists of two products – the Sportsbook Platform and the Casino Platform. As of the date of this Listing Statement, the Real Money Gaming Offering is 95% complete and will be fully developed and commercialized by Q4, 2020 at which time the Resulting Issuer anticipates launching the Real Money Gaming Offering into two (2) regulated states in the United States.

a. Sportsbook Platform

The Resulting Issuer has harnessed Amelco's sportsbook platform technology and developed the Sportsbook Platform, which will be easily accessible through both mobile and web browser applications. Amelco's sportsbook platform technology is advantageous in that it is easily scalable to accommodate small scale and large-scale operators alike. This enables the Resulting Issuer to localize the Sportsbook Platform for different markets in a short amount of time based on demand and growth in said markets. Amelco's technology also enables the Resulting Issuer to design and build bespoke mobile and browser applications and therefore keep complete control over the betting program, including price per customer. The Sportsbook Platform features the ability to create responsive HTML5 sportsbooks compatible with all popular desktop, mobile and tablet devices. The Sportsbook Platform also offers seamless payment integration by using a global payments solution to enable multi-currency Visa and Mastercard integration.

The Sportsbook Platform will incorporate player account management which will allow the Resulting Issuer to create and manage unique bonus campaigns and monitor their effectiveness for segments against control groups. Amelco's sportsbook platform technology features an application programming interface which presently integrates third party feed and data from over 50 entities including sports leagues, casino operators, and payment providers.

For more information on the launch of the Sportsbook Platform, please refer to Section 4.1 – *General – Business Objectives and Milestones*.

b. Casino Platform

The Resulting Issuer will offer a casino product through the Casino Platform. Under the Amelco Licensing Agreement, the Resulting Issuer has access to a full suite of licensed casino game offerings. The Casino Platform will have a seamless and versatile deposit and withdrawal application for Sportsbook Platform and Casino Platform users alike, Visa and Mastercard integrations, multi-channel wallet and intuitive payment user interfaces.[12]

For more information on the launch of the Casino Platform, please refer to Section 4.1 – *General – Business Objectives and Milestones*.

c. *Affiliate Marketing Services*

The Resulting Issuer will enter into partnerships with sports betting and gaming operators, whereby the Resulting Issuer can advertise such operators' content on its website in exchange for fees based on referred player activity. As of the date of this Listing Statement, the Resulting Issuer has entered into the Marketing Cooperation Agreement whereby Pala will pay the Resulting Issuer fees based on the reported player activity that is generated to the Pala websites through the Resulting Issuer's website.

Production and Sales

As noted in Section 4.1 – *Stage of Development of Product*, the two primary product offerings include the Social Product, and the Real Money Gaming Offering.

Affiliate Marketing

The Resulting Issuer will use various outlets to market their Social Product and the Real Money Gaming Offering to attract consumers and ultimately generate revenue. In particular, the Resulting Issuer will rely on affiliate marketing to promote its products. Affiliate marketing is when a content publisher or other form of online media outlet promotes an online product or services, and is compensated for sending new customers to the site offering the product or service. Integration is key in affiliate marketing, and it comes in all forms, including editorial integration, direct emails,

[12] https://www.amelco.co.uk/en/solutions/casino

social media, and podcasts. The cost associated with acquiring the new customer using affiliate marketing is known as the cost per acquisition ("**CPA**"). There are generally two ways the CPA can be determined:

- Flat rate: under the flat rate method the affiliate is paid a fixed fee based on a specific action, such as a deposit or signup; and
- Revenue share: under this method the affiliate will use various tracking methods to track the price paid by the customer and will receive a pre-arranged commission.

As of the date of this Listing Statement, the Resulting Issuer has one affiliate marketing agreement in place to promote the Influencers business and brand – the Social Media Influencer Agreement with Mr. Bilzerian. The Resulting Issuer will considerably rely on its partnership with Mr. Bilzerian, commonly referred to as the "King of Instagram" to gain traction in the market. Mr. Bilzerian is a celebrity millionaire poker player. In February, 2020 Mr. Bilzerian's Instagram account was ranked the 96th most followed Instagram account worldwide with over 30 million followers.[13] On average, Mr. Bilzerian's posts receive over 1.5 million likes per post. In order to enhance the visibility of the Resulting Issuer's brand and business, the Resulting Issuer will provide Mr. Bilzerian with targeted marketing material to make posts on Facebook, Instagram, and Twitter to target specific states and individuals where sports betting and online casino game offering are legal.

Social Media

The Resulting Issuer will rely on its own social media platforms including Instagram, Facebook, Twitter and YouTube channel to host a variety of engaging content for its followers and active users. To grow its social media following, Influencers will create social media advertising campaigns to "boost" viewership and expand its number of followers.

Facebook and Instagram target marketing programs will allow the Resulting Issuer to localize ads shown to specific cities, states, and/or countries, which serves as an effective method to reach the most specific demographic desired.

As of the date of this Listing Statement, the Resulting Issuer does not actively use its social media channels. The Resulting Issuer will rely on its social media channels in order to launch the Social Product at the end of Q2, 2020.

Google AdWords, Display Ads, and Search Engine Optimization

With the growth of mobile applications in recent years, the Resulting Issuer will focus a portion of its customer acquisition strategy on mobile marketing, specifically on Google Search application. A large investment will be contributed to Search Engine Optimization ("**SEO**") of the Resulting Issuer's website to ensure the Resulting Issuer is found organically by users searching online sports betting websites. Google

[13] https://socialblade.com/instagram/top/100/followers

AdWords Ad buys will allow the Resulting Issuer to compete immediately within the space while its site backlinks are being generated within first year of launch. The Resulting Issuer expects to pay approximately $120,000 on SEO in the next 12 months.

Brand Awareness

Through effective brand awareness marketing campaigns, the Resulting Issuer's goal is to increase customer loyalty, maintain high levels of player retention, attract new players to its platforms and establish a safe and trusted gaming environment throughout the use of its products. The Resulting Issuer's brand marketing strategy involves creating memorable VIP live events, merchandise giveaways and contests, print media, in-casino marketing materials that emphasize legal sports betting beyond the walls of the land-based casino, educational videos to better serve its entry level customer base, quality content creation (graphics, photos, videos, landing pages, sub-web sites, email campaigns), sponsorships at leading conferences, tradeshows, award shows, speaking conventions.

Material Lease Terms

As of the date of this Listing Statement, the Resulting Issuer did not have any material leases.

Specialized Skills and Knowledge

Several members of the management team have in-depth knowledge of and experience in the i-Gaming industry. Please refer to Section 13.11 – *Management* for more information on the skills and knowledge of the management team.

Intellectual Property

As of the date of this Listing Statement, the Resulting Issuer has sub-licensing rights under the Amelco Licensing Agreement. Please refer to Section 3.1 – *General Development of the Business* for more information on the Amelco Licensing Agreement.

Cyclicalness or Seasonality

The Resulting Issuer's business is not expected to be materially cyclical or seasonal. Although betting operations (and thus the financial performance) of the Resulting Issuer with respect to particular sports may potentially be subject to seasonal variations, adverse weather conditions, or the scheduling of major sporting events that do not occur annually (such as the FIFA World Cup), the Resulting Issuer's Sportsbook Platform will offer betting services for a wide range of sports. Accordingly, the Resulting Issuer does not expect its business to be materially affected by cyclical or seasonal factors. Further, the Casino Platform is not expected to be cyclical or seasonal.

Renegotiation or Termination

As of the date of this Listing Statements, the Resulting Issuer does not expect to re-negotiate or terminate any of its material agreements.

Environmental Protection Requirements

As of the date of this Listing Statement, the Resulting Issuer did not expect environmental protection requirements to cause material financial or operational effects.

Employees

As of the date of this Listing Statement, the Resulting Issuer has no employees. At the current stage of development, the Resulting Issuer is focused on maintaining a lean corporate structure, utilizing sales agents and various consultants who work on a contract basis for client acquisition and business development. As of the date of this listing statement, the Resulting Issuer has entered into consulting agreements with the following individuals and entities:

- *Joe Holka* – Mr. Holka is a former Division I and minor professional hockey player who spent time in the New York Rangers and Anaheim Ducks affiliates in the East Coast Hockey League. Mr. Holka is active in the daily fantasy sports and betting industry and has experience with data-driven analysis and cross-platform content at elite-level production quality. Mr. Holka was also formerly a full-time employee at FantasyLabs — a company focused on providing daily sports players with proprietary data and tools to test theories, quickly create and backtest models, and build lineups.
- *Kyper Capital Corporation* – Kyper Capital Corporation is controlled by Nicholas Kypreos. Mr. Kypreos is a Canadian former professional ice hockey player who played eight seasons in the National Hockey League. Mr. Kypreos is also a former hockey analyst on the Sportsnet cable television network in Canada.
- *Jordan Fiegleman* – Mr. Fiegleman is the Media Director of the Resulting Issuer. Mr. Fiegleman is the founder of Natural Dog Owner, a content website for canine owners. Mr. Fiegleman has several years of experience in media, marketing, and the creation of content strategies around SEO and content experience.
- *Ian Marmion* – Mr. Marmion is the Sportsbook Trading and Operation Manager of the Resulting Issuer. Mr. Marmion has vast experience in the i-Gaming industry. He has worked a sportsbook trading director and trading manager for global online gambling companies.
- *Andrew Lee* – Mr. Lee is the Sportsbook Director of the Resulting Issuer. Mr. Lee has a demonstrated history of working in mobile and customer-centric eCommerce organizations, including gambling organizations. Mr. Lee was also the Managing Director of a sportsbook of a global online gambling company.
- *Chris Neville* – Mr. Neville is the Chief Executive Officer, Director, and Corporate Secretary of the Resulting Issuer. Please refer to Section 13.11 – *Management* for more background information on Mr. Neville.

Risks Associated with Foreign Operations

Please refer to Section 17– *Risk Factors* for more information on the risks associated with foreign operations.

Material Agreements

Please refer to Section 22 – Material Contracts for more information on material agreements.

Competitive Conditions

For more information on competitive conditions, please refer to the following risks outlined in Section 17 *Risk Factors:* Competition in the Online and Mobile Sports Betting and Media Industry, Competition, Reliance on New Product and Service Offerings, and Difficulty to Forecast.

4.2 Asset Backed Securities

The Resulting Issuer does not have any asset-backed securities.

4.3 Mineral Projects

The Resulting Issuer does not have any mineral projects.

4.4 Issuers with Oil and Gas Operations

The Resulting Issuer does not have any oil and gas operations.

5. Selected Consolidated Financial Information

5.1 Annual Information

Fairmont

The following table summarizes financial information of Fairmont for the last three completed financial years ended October 31, 2019, 2018 and 2017. This summary financial information should only be read in conjunction with Fairmont's financial statements and the notes thereto. See "Financial Statements" in section 25 hereof. The financial statements are also available under Fairmont's SEDAR profile at www.sedar.com.

	Year Ended October 31, 2019 (audited)	**Year Ended October 31, 2018 (audited)**	**Year Ended October 31, 2017 (audited)**

Total Revenues	Nil	Nil	Nil
Income or Loss before Discontinued Operations & Extraordinary Items	$(112,298)	$(876,891)	$(2,053,511)
Net Loss in total	$(112,298)	$(876,891)	$(2,053,511)
Basic and Diluted Loss per Share	$(0.03)	$(0.24)	$(0.56)
Total Assets	$22,495	$79,493	$819,267
Total Long-Term Liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

Influencers

The following table summarizes financial information of Influencers for the completed financial year ended December 31, 2019 and the period from incorporation on October 19, 2018 to December 31, 2018. This summary financial information should only be read in conjunction with Influencers' financial statements and the notes thereto. See "Financial Statements" in section 25 hereof.

	Year Ended December 31, 2019 (audited)	**From Incorporation to December 31, 2018 (audited)**
Total Revenues	$0.00	$0.00
Net Loss	$(2,497,995)	$(164,372)
Basic and Diluted Loss per Share	$(0.04)	$(0.01)
Total Assets	$806,080	$29,067
Total Long-Term Liabilities	$0.00	$0.00

5.2 Quarterly Information

Fairmont

The following tables summarize the financial results for each of Fairmont's eight most recently completed quarters. This financial data has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

	April 30, 2020 Q2	**January 31, 2020 Q1**	**October 31, 2019 Q4**	**July 31, 2019 Q3**
Financial results:				
Revenue	Nil	Nil	Nil	Nil

Net (loss) profit for the period	$(180,174)	$(14,266)	$(112,298)	$(20,900)
Basic and diluted loss per share	$(0.00)	$(0.00)	$(0.03)	$(0.00)
Balance sheet data:				
Cash	$23,075	$55,229	$247	$13,768
Total assets	$52,280	$72,041	$22,495	$19,116
Shareholders' Equity(deficit)	$(2,131,978)	$(1,971,803)	$(1,957,537)	$(1,971,737)
	April 30, 2019 Q2	**January 31, 2019 Q1**	**October 31, 2018 Q4**	**July 31, 2018 Q3**
Financial results:				
Revenue	Nil	Nil	Nil	Nil
Net (loss) profit for the period	$(14,287)	$(143,813)	$(977,628)	$103,949
Basic and diluted loss per share	$(0.00)	$0.23	$(0.23)	$(0.00)
Balance sheet data:				
Cash	$11,984	$26,460	$8,216	$11,132
Total assets	$17,253	$79,493	$79,493	$953,764
Shareholders' Equity (deficit)	$(1,950,839)	$(1,936,551)	$(1,853,694)	$(1,041774)

Influencers

The following tables summarize the financial results for Influencer's most recently completed quarter. This financial data has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

	March 31, 2020 Q1
Financial results:	
Revenue	Nil
Net (loss) profit for the period	$(47,152)
Basic and diluted loss per share	$(0.00)
Balance sheet data:	
Cash	$18,858
Total assets	$1,213,560
Shareholders' Equity(deficit)	$134,133

5.3 Dividends

To date, neither Fairmont nor Influencers has paid any dividends on the Fairmont Shares or the Influencers Shares. The Resulting Issuer anticipates that, for the foreseeable future, it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Resulting Issuer's Board of Directors, after taking into account various factors, including the Resulting Issuer's operating results, financial condition, and current and anticipated cash needs.

5.4 Foreign GAAP

Not applicable. Neither Fairmont's nor Influencers' financial statements are prepared using foreign GAAP.

6. Management's Discussion and Analysis

(a) Annual MD&A

Fairmont

Fairmont's annual MD&A for its most recent fiscal year ended October 31, 2019 and October 31, 2018 is attached to this Listing Statement as Schedule "D".

Influencers

Influencers' annual MD&A for the fiscal year ended December 31, 2019 and for the period from incorporation on October 19, 2018 to December 31, 2018 is attached to this Listing Statement as Schedule "E".

(b) Interim MD&A

Fairmont

Fairmont's interim MD&A for the period ended April 30, 2020 is attached to this Listing Statement as Schedule "D".

Influencer's interim MD&A for the period ended March 31, 2020 is attached to this Listing Statement as Schedule "E".

7. Market for Securities

Fairmont was listed on the TSXV, under the symbol "FMR". On October 26, 2018, the Fairmont Shares were delisted from the TSXV, at Fairmont's request, subsequent to approval by the shareholders of Fairmont in its annual general and special meeting on September 21, 2018. Fairmont is a reporting issuer in British Columbia and Alberta.

The Resulting Issuer has applied to the CSE to list the Resulting Issuer Shares on the CSE under the trading symbol "BETS". The listing of the Resulting Issuer Shares on the CSE remains subject to the Resulting Issuer having obtained the approval of the CSE for the listing, and having satisfied all customary listing conditions of the CSE.

8. Consolidated Capitalization

As of the date of the Listing Statement, the outstanding capital of the Resulting Issuer consists of:

(a) 137,321,254 Resulting Issuer Shares
(b) 4,000,000 Resulting Issuer Options
(c) 74,000,000 Resulting Issuer Warrants

9. Options to Purchase Securities

The Resulting Issuer's stock option plan (the "**Stock Option Plan**") was implemented by Fairmont's board of directors on December 1, 2009. The Stock Option Plan was amended to a 10% rolling plan by shareholders on April 5, 2012 at Fairmont's annual general meeting.

The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of Resulting Issuer Shares issued and outstanding from time to time. The Stock Option Plan aims to provide incentives to employees, executive officers, directors or consultants of the Resulting Issuer who provide services to the Resulting Issuer, to increase their proprietary interest in the Resulting Issuer and thereby aid the Resulting Issuer in attracting, retaining, and encouraging the continued involvement of such persons with the Resulting Issuer. Options are granted by the Board of Directors from time to time, and based on criteria including performance, previous grants, and hiring incentives.

The Stock Option Plan is administered by the Resulting Issuer's Board of Directors, which has full and final authority with respect to the granting of all options thereunder. Resulting Issuer Options may be granted under the Stock Option Plan to certain qualified parties, such as directors, senior officers, employees and consultants of the Resulting Issuer or its subsidiaries. The exercise prices will be determined by the Board of Directors, provided that it is not less than such minimum price as is permitted by the policies of the CSE. All Resulting Issuer Options granted under the Stock Option Plan will expire not later than the date that is 5 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The following tables sets out all of the Resulting Issuer Options:

Category of Option Holder	Number of Options to Acquire Resulting Issuer Shares held as a Group

(a)	All officers and directors	NIL
(b)	All consultants as a group	2,000,000
(c)	All other persons or companies (e.g. former officers and directors of Influencers and the Resulting Issuer, all employees)	2,000,000
Total Number of Outstanding Options:		4,000,000

The following table provides information as to material provisions of the Resulting Issuer Options that are outstanding:

Date of Grant	Number of Options	Exercise Price	Expiry Date
June 1, 2020	4,000,000	$0.10	June 1, 2023
TOTAL	4,000,000		

10. Description of the Securities

10.1 Description of the Securities

The Resulting Issuer's authorized share capital consists of an unlimited number of Resulting Issuer Shares. Immediately following completion of the Amalgamations, there were 137,321,254 Resulting Issuer Shares issued and outstanding.

At a meeting of shareholders of the Resulting Issuer, each Resulting Issuer Share entitles the holder thereof to one vote in respect of each Resulting Issuer Share held at such meetings. The holders of Resulting Issuer Shares are entitled to receive dividends if, as and when declared by the Board of Directors of the Resulting Issuer. In the event of liquidation, dissolution or winding-up of the Resulting Issuer, the holders of the Resulting Issuer Shares are entitled to share rateably in any distribution of the property or assets of the Resulting Issuer.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions, which are capable of requiring a security holder to contribute additional capital.

10.2 Debt Securities

This section is inapplicable as the Resulting Issuer is not listing debt securities, and has no debt securities outstanding.

10.4 Other Securities

This section is inapplicable as the Resulting Issuer is not listing securities, other than the Resulting Issuer Shares, outlined in Section 10.1 – *Description of the Securities.*

10.5 **Modification of terms**

This section is inapplicable as there are no provisions relating to the modification, amendment, or variation of any rights attached to the Resulting Issuer Shares.

10.6 **Other attributes**

All the attributes of the Resulting Issuer Shares are set out above.

10.7 **Prior Sales of Common Shares**

Fairmont

The following table sets forth the issuance of Fairmont Shares within the last twelve (12) months before the date of this Listing Statement.

Date Issued	Number of Securities	Issue Price per Security ($)	Total funds received ($)	Nature of Consideration
June 29, 2020	40,000,000	$0.04	1,600,000	Debt Settlement(1)
June 29, 2020	7,000,000	$0.25	-	Securities for Services(2)

Notes:

(1) Refer to Section 2.4 – *Fundamental Change* for more information with respect to the issuance of Fairmont Units under the Fairmont Debt Transaction.

(2) Refer to Section 2.4 - Fundamental *Change* for more information with respect to the issuance of Finder's Fee Units.

Influencers

The following table sets forth the issuances of Influencers Shares within the last twelve (12) months before the date of this Listing Statement.

Date Issued	Number of Securities	Issue Price per Security ($)	Total funds received ($)	Nature of Consideration
September 23, 2019	200,000	$0.25	$50,000	Cash
November 5, 2019	134,800	$0.25	$33,700	Consulting services

Date Issued	Number of Securities	Issue Price per Security ($)	Total funds received ($)	Nature of Consideration
April 1, 2020	4,437,000	$0.02	-	Debt Settlement
April 1, 2020	2,500,000	$0.02	$50,000	Cash
April 1, 2020	4,807,555	$0.02	-	Consulting services (1)
April 1, 2020	1,250,000	$0.02	-	Consulting Services
June 16, 2020	12,729,333	$0.02	-	Collaboration Agreement
June 29, 2020	22,899,508	$0.25	$5,724,877	Cash (2)

Notes:
(1) Influencers Shares issued pursuant to the Bilzerian Agreements.
(2) Refer to Section 2.4 – Fundamental Change for more information with respect to the Influencers Shares issued under the Offering.

10.8 Stock Exchange Price

The Fairmont Shares were listed and posted for trading on the TSXV, with its last ticker symbol being "FMR". In October 2018, following receipt of the requisite shareholder approval, Fairmont voluntarily applied to the TSXV and received approval to delist the Fairmont Shares from the TSXV, and, effective October 26, 2018, the Fairmont Shares were delisted from the TSXV. The Fairmont Shares remain unlisted. The Resulting Issuer intends to obtain approval from the CSE to list the Resulting Issuer Shares on the CSE under the symbol "BETS".

The last trading price of the Fairmont Shares on the TSXV prior to the delisting was $0.14 per Fairmont Share.

11. Escrowed Securities

Immediately prior to the listing of the Resulting Issuer Shares on the CSE, securities held by the principals of the Resulting Issuer will be held in escrow, as required under National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**")(the "**Escrowed Securities**"). The form of the escrow agreement (the "**Escrow Agreement**") is as provided in NP 46-201. The Escrowed Securities will be released on scheduled periods specified in NP 46-201 for emerging issuers, that is, 10% will be released on the Listing Date, followed by six subsequent releases of 15% each every six months thereafter.

The following table sets forth details of the securities of the Resulting Issuer which are held in escrow as of the date of the Listing Statement:

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Resulting Issuer Shares	31,737,047	23.11%
Resulting Issuer Warrants	NIL	NIL
Resulting Issuer Options	NIL	NIL

The securities of the Resulting Issuer held in escrow are scheduled to be released according to the following schedule:

Date	Number of Escrowed Securities Released
Upon Listing on the CSE	10%
6 months from the Listing Date	15%
12 months from the Listing Date	15%
18 months from the Listing Date	15%
24 months from the Listing Date	15%
30 months from the Listing Date	15%
36 months from the Listing Date	15%

The Escrow Agreement covers 31,737,047 Resulting Issuer Shares or 23.11% of the issued and outstanding Resulting Issuer Shares as of the date of the listing of the Resulting Issuer on the CSE.

12. Principal Shareholders

Resulting Issuer

To the knowledge of the directors and senior officers of the Resulting Issuer, no person or company, other than Mr. Bilzerian, beneficially owns, directly or indirectly, or exercises control or direction over, Resulting Issuer Shares carrying more than 10% of the voting rights attached to all outstanding Resulting Issuer Shares. As of the date of this Listing Statement, Mr. Bilzerian owns 20,157,713 Resulting Issuer Shares, representing 15% of the outstanding Resulting Issuer Shares.

13. Directors and Officers

13.1 Directors and Officers

Current Officers and Directors

The Resulting Issuer's current management team is experienced in matters relating to i-Gaming, entertainment, and corporate finance, and possesses the necessary skill set to implement the Resulting Issuer's business plan. In the future, the Resulting Issuer may add to its management team people with significant experience and skills in marketing and regulatory matters to help the Resulting Issuer become a leader in the i-Gaming and sports betting industry.

Directors and Officers of the Resulting Issuer

The following table sets out the names, municipalities of residence of the directors and officers of the Resulting Issuer, the number of voting securities of the Resulting Issuer beneficially owned, directly or indirectly, or over which they exercise control or direction, the offices they hold in the Resulting Issuer, and the principal occupation of the directors and senior officers during the past five years.

Name & Municipality of Residence and Position	Principal Occupation for Past Five Years	Director or Officer of the Resulting Issuer Since	Number and Percentage of Resulting Issuer Shares Owned
Chris Neville, *Chief Executive Officer, Director, Corporate Secretary* Sydney, Nova Scotia	Real estate developer; Co-owner, enVie Restaurant; Founder, President and Chief Executive Officer, Lifeofsports Inc; Founding Partner and Chief Revenue Officer, Global Daily Fantasy Sports.	June 29, 2020	7,229,334[(1)] 5.26%
Binyomin Posen, *Director* Toronto, Ontario	Senior Analyst, Plaza Capital; Director, Sniper Resources Ltd.; Director and Senior Officer, Dixie Brands Inc.; Director and Senior Officer, Hinterland Metals Inc.; Director and Senior Officer, Agau Resources Inc.; Director, Prominex Resource Corp.; Director, Chief Executive Officer and Chief Financial Officer, Jiminex Inc.; Director, Fairmont Resources Inc.; Director, Red Light Holland Corp.; Director, The Hash Corporation; Director and Senior Officer, TransGlobe Internet and Telecom Co Ltd; Director, Enthusiast Gaming Inc.; Director and Senior Officer, Pacific Iron Ore Corporation; Director, High Tide Inc.; Director, Chief Financial Officer and Chief Executive Officer,	February 8, 2019	250,000[(2)] 0.18%

	Shane Resources Inc.; Director, World Class Extractions Inc.		
Troy James Grant, *Director* Bedford, Nova Scotia	Chief Executive Officer, Elcora Advanced Materials	June 29, 2020	4,350,000 3.17%
James Henning, *Chief Financial Officer* Vancouver, BC	President and Founder, Corpfinance Advisors Inc; Chief Financial Officer, Resinco Capital Partners; Chief Financial Officer, Global Care Capital Inc.; Consultant, Westcoast Sunset Holdings Corporation; Chief Financial Officer, True Resources Zone Inc.	June 29, 2020	NIL

(1) The Resulting Issuer Shares are held by companies controlled by Mr. Neville.
(2) The Resulting Issuer Shares are held by company controlled by Mr. Posen.

13.2 Period of Service of Directors

Pursuant to the Resulting Issuer's articles, each director holds office until the next annual meeting of the Resulting Issuer.

13.3 Directors and Executive Officers Resulting Issuer Common Share Ownership

The current directors and officers of the Resulting Issuer as a group, directly or indirectly, beneficially own or exercise control or direct 11,829,334 Resulting Issuer Shares, representing approximately 8.61% of the issued and outstanding Resulting Issuer Shares.

13.4 Committees

The Resulting Issuer has two committees, the audit committee (the "**Audit Committee**") and the compensation committee (the "**Compensation Committee**").

The Audit Committee is comprised of Troy Grant, Chris Neville and Binyomin Posen each of whom is a director and financially literate in accordance with section 1.6 of NI 52-110 – *Audit Committees*. The chairman of the Audit Committee is Troy Grant. The Compensation Committee is comprised of Troy Grant and Binyomin Posen.

13.5 Principal Occupation of Directors and Officers

Information on directors and executive officers' principal occupation is contained in the table in Section 13.1- *Directors and Executive Officers*.

13.6 Corporate Cease Trade Orders or Bankruptcies

Other than as described below relating to Mr. Henning, to the knowledge of the Resulting Issuer, no director, officer, or shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date hereof has been a director, or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. James Henning was a director of Cameo Industries Corp. ("**Cameo**") which was subject to a cease trade order issued to Cameo and its insiders for failure to file its comparative financial statements and related MD&A for the financial year ended April 30, 2013. The cease trade order was revoked on October 7, 2013 upon Cameo filed the necessary documents.

Mr. James Henning was a director of True Zone Resources Inc. ("**True Zone**") which was subject to a management cease trade order issued by the British Columbia Securities Commission dated September 10, 2015 for failure to file a comparative financial statement for the financial year ended April 31, 2015 and a management's discussion and analysis for the period ended April 30, 2015. On September 13, 2015, True Zone also became the subject of a cease trade order issued by the Alberta Securities Commission for failure to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended April 30, 2015. On September 18, 2015, True Zone also became the subject of a cease trade order issued by the Ontario Securities Commission for failure to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended April 30, 2015. As at the date of this Listing Statement the cease trade orders have not been lifted.

13.7, 13.8 **Penalties or Sanctions**

No director, officer, or Promoter of the Resulting Issuer, or any shareholder holding a sufficient amount of securities of the Resulting Issuer to materially affect control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 Personal Bankruptcies

No director, officer or Promoter of the Resulting Issuer, or a shareholder holding a sufficient amount of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

13.10 Conflicts of Interest

The Board of Directors of the Resulting Issuer is required under the BCBCA to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests which they may have in any project or opportunity of the Resulting Issuer. If a conflict arises, any director in a conflict will disclose his interest and abstain from voting on such matter at a meeting of the Board of Directors.

To the best of the Resulting Issuer's knowledge, there are no existing or potential conflicts of interest among the Resulting Issuer, its Promoters, directors, officers or other members of management of the Resulting Issuer.

Certain of the directors, officers, Promoters and other members of management serve as directors, officers, Promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, Promoter or member of management of such other companies and their duties as a director, officer, Promoter or member of management of the Resulting Issuer.

The directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Resulting Issuer will rely upon such laws in connection with any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

13.11 Management

A brief description of the biographies for all of the officers and directors of the Resulting Issuer are set out below. The Resulting Issuer's current management team is experienced in matters relating to i-Gaming, entertainment, and corporate finance, and possess the necessary skillsets to implement the Resulting Issuer's business plan. Key personnel of the Resulting Issuer's management team are highlighted below. At the current stage of development, the Resulting Issuer is focused on maintaining a lean corporate structure, utilizing sales agents for client acquisition when possible**.**

Following the Amalgamations, the Resulting Issuer may add to its management team people with significant experience and skills in marketing and regulatory matters to help the Resulting Issuer become a leader in the online sports betting industry.

Chris Neville, 42, Chief Executive Officer, Corporate Secretary, and Director

Mr. Neville has extensive executive and entrepreneurial experience in various industries including the gaming industry, hospitality services, and real estate development. Neville has built and sold three companies in various industries since graduating with his Masters in Finance from the University of New Brunswick in 2004. Most notably, Mr. Neville founded Lifeofsports Inc., an online poker company and as president and chief executive officer managed 116 employees across 6 countries. Lifeofsports Inc. was sold to GR88.com in 2010. Mr. Neville was also a founding partner and chief revenue officer of Global Daily Fantasy Sports, a TSXV listed company. As at the date of this Listing Statement, Mr. Neville was self-employed and involved in real estate development, and owns 50% of enVie, a vegan restaurant in Halifax, Nova Scotia.

As director and officer of the Resulting Issuer, Mr. Neville will focus his efforts full-time on developing and growing Influencers' business operations. Mr. Neville is not an employee of the Resulting Issuer; he will be working full time on an independent contractor basis for the Resulting Issuer. Mr. Neville is not a party to any written non-competition or confidentiality agreement with the Resulting Issuer.

Binyomin Posen, 29, Director

Mr. Posen is a Senior Analyst at Plaza Capital Limited, where he focuses on corporate finance, capital markets and helping companies to go public. After three and a half years of studies overseas, he returned to complete his baccalaureate degree in Toronto. Upon graduating (on the Dean's List) he began his career as an analyst at a Toronto boutique investment bank where his role consisted of raising funds for IPOs and RTOs, business development for portfolio companies and client relations. He is currently director and senior officer at Agau Resources Inc., director and senior officer at Shane Resources Ltd., and director of the Hash Corporation (manufacturer of cannabis products) and director at High Tide Inc. Mr. Posen is not an employee or independent contractor of the Resulting Issuer. Mr. Posen will not spend less than 10% of his available time on the affairs of the Resulting Issuer. Mr. Posen is not a party to any written non-competition or confidentiality agreement with the Resulting Issuer.

Troy James Grant, 46, Director

Mr. Grant, a graduate from Saint Francis Xavier University with a Bachelor of Commerce degree, has extensive experience in investment financing, predominantly focusing on raising significant funding across global platforms and management of strategic operations. As director of the Resulting Issuer, Mr. Grant is not an employee of the Resulting Issuer; he will focus his efforts full time in an independent contractor capacity as director to the Resulting Issuer. Mr. Grant is not a party to any written non-competition or confidentiality agreement with the Resulting Issuer.

Prior to this involvement with the Resulting Issuer, Mr. Grant was chief executive officer for eight (8) years at Elcora Advanced Materials. Elcora Advanced Materials was founded in 2011 and has been successfully structured as a vertical integrated graphite company with mining assets in Sri Lanka and Tanzania. As chief executive officer, in addition to being responsible for the overall strategic operations, including exploration, business development and implementation of the company vision, Mr. Grant worked diligently to raise equity and advance assets. Elcora Advanced Materials is not an affiliate of the Resulting Issuer, and continues to successfully operate as of the date of this Listing Statement.

James Henning, 71, Chief Financial Officer

Mr. Henning is a CPA, and is a founder and current president of Corpfinance Advisors Inc. Mr. Henning has solid expertise and practical experience in valuating businesses in a broad range of industries. He has assisted companies in financing, public offerings, and restructuring. Areas of expertise include manufacturing, telecommunications, software, biomedical, oil & gas services and renewable energy industries. Mr. Henning has served as a chief financial officer and director for a number of TSXV and CSE listed companies over the past several years. Mr. Henning is not an employee of the Resulting Issuer. As an independent contractor, he will dedicate approximately 10% of his time to the affairs of the Resulting Issuer. Mr. Henning is not a party to any non-competition or confidentiality agreement with the Resulting Issuer.

14. Capitalization

14.1 Securities Classes

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	137,321,254	218,220,762	100%	100%
Held by related persons or employees of the Resulting Issuer or related person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held) (B)	31,987,047	31,987,047	23.29%	14.66%
Total Public Float (A-B)	105,334,207	186,233,715	76.71%	85.34%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders, including Locked-Up Securities (C)	31,737,047	31,737,047	23.11%	14.54%
Total Tradeable Float (A-C)	105,584,207	186,483,715	76.89%	85.46%

Public Security holders (Registered)

Class of Security: Resulting Issuer Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	2	61
100 – 499 securities	6	1,017
500 – 999 securities	NIL	NIL
1,000 – 1,999 securities	1	1,000
2,000 – 2,999 securities	2	4,928
3,000 – 3,999 securities	NIL	NIL
4,000 – 4,999 securities	1	4,000
5,000 or more securities	123	137,310,248
Total:	135	137,321,254

Public Security holders (Beneficial)

Class of Security: Resulting Issuer Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	182	6,218
100 – 499 securities	124	29,942
500 – 999 securities	37	24,619
1,000 – 1,999 securities	32	39,467
2,000 – 2,999 securities	22	50,120
3,000 – 3,999 securities	11	37,297
4,000 – 4,999 securities	6	25,725
5,000 or more securities	138	105,120,819(1)
Total:	552	105,334,207

(1) Excludes 31,987,047 Resulting Issuer Shares over which the directors and senior officers of the Resulting Issuer as a group, beneficially own or exercise control or director over.

Non-Public Security holders (Registered)

Class of Security: Resulting Issuer Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	NIL	NIL

Size of Holding	Number of holders	Total number of securities
100 – 499 securities	NIL	NIL
500 – 999 securities	NIL	NIL
1,000 – 1,999 securities	NIL	NIL
2,000 – 2,999 securities	NIL	NIL
3,000 – 3,999 securities	NIL	NIL
4,000 – 4,999 securities	NIL	NIL
5,000 or more securities	5	31,987,047
Total:	**5**	**31,987,047**

14.2 Convertible / Exchangeable Securities

The following table sets out information with respect to securities outstanding that are convertible or exchangeable into Resulting Issuer Shares:

Type of Security	Conversion/Exercise Terms	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Resulting Issuer Options	Exercisable for one Resulting Issuer Share at $0.10 per share for three years post issuance	4,000,000	4,000,000
Resulting Issuer Warrants	22,899,508 Resulting Issuer Warrants, each convertible for one Resulting Issuer Share at $0.50 for two years post-issuance(1) 40,000,000 Resulting Issuer Warrants, each convertible for one Resulting Issuer Share at $0.25 for three years post-issuance(2) 7,000,000 Resulting Issuer Warrants, each convertible for one Resulting Issuer Share at $0.05 for a period of three years(3) 7,000,000 Resulting Issuer Warrants, each convertible for one	76,899,508	76,899,508

	Resulting Issuer Share at $0.25 for a period of three years(4)		

Notes:

(1) Influencers Warrants issued pursuant to the Offering, which converted into Resulting Issuer Warrants.

(2) Fairmont Warrants issued in the Fairmont Debt Transaction, which converted into Resulting Issuer Warrants.

(3) Influencers Compensation Warrants issued pursuant to Influencers Compensation Warrant Issuance.

(4) Resulting Issuer Warrants issued in Finder's Fee Units

14.3 Other Listed Securities

There are no listed securities reserved for issuance that are not included in section 14.2.

15. Executive Compensation

The following table sets forth the anticipated compensation to be paid or awarded to the NEOs and directors of the Resulting Issuer:

Table of Compensation Excluding Compensation Securities							
Name & position	**Year**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
James Henning, *Chief Financial Officer*	2020	6,000	Nil.	Nil.	Nil.	Nil.	6,000
Chris Neville, *Chief Executive Officer, Director, and Corporate Secretary* (1)	2020	120,000	Nil.	Nil.	Nil.	Nil.	120,000
Troy Grant, *Director* (2)	2020	120,000	Nil.	Nil.	Nil.	Nil.	120,000
Nicholas Kypreos, *Head of Hockey Content* (3)	2020	175,000	Nil.	Nil.	Nil.	Nil.	175,000
Binyomin Posen, *Director*	2020	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.

(1) Chris Neville will not receive any compensation for his services as director. On June 29, 2020 the Resulting Issuer entered into a consulting agreement with Chris Neville, pursuant to the terms of which the Resulting Issuer agreed to pay a fee of $10,000 per month to Chris Neville for his services as chief executive officer of the Resulting Issuer.

(2) On June 29, 2020, the Resulting Issuer entered into an advisory board agreement with Troy Grant, pursuant to the terms of which the Resulting Issuer agreed to pay a fee of $10,000 per month to Troy Grant for his services as a director of the Resulting Issuer.

(3) On June 29, 2020, the Resulting Issuer entered into a consulting agreement with Kyper Capital Corporation, a corporation controlled by Nicholas Kypreos. Pursuant to the terms of the consulting agreement, the Resulting Issuer paid Kyper Capital Corporation an aggregate of $175,000 for the services to be performed by Mr. Kypreos as Head of Hockey Content from September 15, 2020 to July 5, 2021.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Resulting Issuer's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

Compensation Committee

The Resulting Issuer has a Compensation Committee which is appointed by the Board of Directors and will meet at least annually to establish, administer and evaluate the compensation philosophy, policies and plans for NEOs and directors, to provide guidance to the Resulting Issuer on corporate governance matters, to make recommendations to the Board of Directors regarding NEO and director compensation and to review the performance and determine the compensation of the NEOs and directors, based on criteria including the Resulting Issuer's performance and accomplishment of long-term strategic objectives, each NEO's and director's performance and comparable compensation paid to similarly-situated NEOs and directors in comparable companies.

Oversight and Description of Director and NEO Compensation

Introduction

When determining the compensation arrangements for the NEOs and directors, the Compensation Committee will consider the objectives of: (i) retaining an executive critical to the success of the Resulting Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Resulting Issuer; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

Benchmarking

In determining the compensation level for each NEO and director, the Compensation Committee looks at factors such as the relative complexity of the NEO's and director's role within the organization, the NEO's and director's performance and potential for future advancement, the compensation paid by other companies in the same industry as the Resulting Issuer, and pay equity considerations. The Compensation Committee does not use peer groups to determine compensation, as there are no peer groups in the i-Gaming industry.

Elements of Compensation

The compensation paid to the NEOs and directors in any year consists of three (3) primary components:

(1) base salary;
(2) long-term incentives in the form of stock options granted under the Stock Option Plan; and
(3) incentive bonuses.

The Resulting Issuer believes that making a significant portion of the NEOs' directors' compensation based on a base salary, long-term incentives and incentive bonuses supports the Resulting Issuer's compensation philosophy, as these forms of compensation allow those most accountable for the Resulting Issuer's long-term success to acquire and hold Resulting Issuer Shares. The key features of these three primary components of compensation are discussed below:

Base Salary

Base salary recognizes the value of an individual to the Resulting Issuer based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which the Resulting Issuer competes for talent. Base salaries for the NEOs and directors are reviewed annually. Any change in the base salary of a NEO or a director is generally determined by an assessment of such NEO's or director's performance, a consideration of executive competitive compensation levels in companies similar to the Resulting Issuer and a review of the performance of the Resulting Issuer as a whole and the role such NEO or director played in such corporate performance.

Stock Option Awards

The Resulting Issuer provides long-term incentives to the NEOs and directors in the form of stock options as part of the its overall compensation strategy. The Board of Directors believe that stock option grants serve the Resulting Issuer's compensation philosophy in several ways: they help attract, retain, and motivate talent; they align the interests of the NEOs and directors with those of the shareholders by linking a specific portion of the officer's total pay opportunity to share price; and they provide long-term accountability for NEOs and directors.

Incentive Bonuses

Any bonuses paid to the NEOs and directors are allocated on an individual basis related to the review by the Compensation Committee of the work planned during the year and the work achieved during the year, including work related to administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations.

The Resulting Issuer does not have any policies which permit or prohibit a NEO or director to purchase financial instruments.

16. Indebtedness of Directors and Executive Officers

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Resulting Issuer, or any associate of any such individual (a) is, or at any time since the beginning of the most recently completed financial year of the Resulting Issuer has been indebted to the Resulting Issuer or any of its subsidiaries or (b) has or had indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries.

17. Risk Factors

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this Listing Statement, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Resulting Issuer consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

Activities of the Resulting Issuer may be impacted by the spread of the COVID-19

The Resulting Issuer's business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The Resulting Issuer cannot accurately predict the impact COVID-19 will have on the Resulting Issuer's sports betting and online casino gaming clients. Risks posed by COVID-19 include uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including that of the United States where the Resulting Issuer intends to operate its business, resulting in an economic downturn that could affect demand for the Resulting Issuer's services and likely impact operating results.

Regulation of Gaming Industry

The Resulting Issuer and its officers, directors, major shareholders, key employees, and business partners will be subject to the sports betting and gaming laws and regulations of the jurisdictions in which it will conduct business. In New Jersey, this includes the *Sports Wagering Law*, P.L. 2018, c. 33, which allows casinos and racetracks to introduce sports gambling without state regulations and licenses, as well as Bill A2578, which legalized online gambling within New Jersey's borders. In Pennsylvania this includes PA Act 42 of 2017 which expanded gaming and sports wagering in Pennsylvania and legalized sports wagering over the Internet.

In addition, the Resulting Issuer will be subject to the general laws and regulations that apply to all online, digital and e-commerce businesses, such as those related to privacy and personal information, data security, tax, and consumer protection. The laws and regulations vary in each jurisdiction and future legislative and regulatory action, court decisions, and/or other governmental action, which could be affected by, among other things, political pressures, attitudes and climates, may have a material impact on the Resulting Issuer's operations and financial outcomes. The jurisdictions where the Resulting Issuer will operate each have their own regulatory framework. More often than not these frameworks will require the Resulting Issuer to receive a licence. Each jurisdiction will normally require the Resulting Issuer to make detailed and extensive disclosures as to its beneficial ownership, source of funds, the probity and integrity of certain persons associated with its business, management competence, structure, and business plans, proposed geographical territories of operation and ability to operate a gaming business in a socially responsible manner in compliance with regulation. Such jurisdictions will also impose ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business.

The Resulting Issuer's gaming-related technology will also be subject to testing and certification by the regulators in the jurisdictions in which it operates or will operate. Such testing and certification is generally designed to confirm matters such as the fairness of the gaming products offered by the business, its ability to accurately generate settlement instructions, and recover from outages. Any gaming licence may be revoked, suspended, or conditioned at any time. The loss of a gaming licence in one jurisdiction could prompt the loss of a gaming licence, or affect the Resulting Issuer's eligibility for such a licence, in another jurisdiction. At the time of this Listing Statement, the Resulting Issuer has no intentions to apply for licences, and instead intends on partnering with licensed entities in order to operate its i-Gaming business. The potential loss of such entities' licences would cause the Resulting Issuer to cease offering some or all of its product offerings in the impacted jurisdiction(s). The Resulting Issuer may be unable to obtain or maintain access to the necessary registrations, licences, permits or approvals, which could adversely affect its operations. The delay or failure to obtain access to gaming licences in any jurisdiction may prevent the Resulting Issuer from offering its products in such jurisdiction, increasing its customer base and/or generating revenues.

In the event the Resulting Issuer fails to obtain access to the necessary gaming licence through partnership or joint venture agreements in a given jurisdiction, the Resulting Issuer would likely be prohibited from operating in that particular jurisdiction altogether. If a licensed entity with whom the Resulting Issuer depends on to conduct its business fails to seek, does not receive, or receives a suspension or revocation of a licence in a particular jurisdiction for its product offerings (including any related technology and software), then the Resulting Issuer may not be able to operate in that jurisdiction if the Resulting Issuer does not find an alternative licensed entity to collaborate with. The Resulting Issuer may not be able to secure access to licensed entities for all necessary gaming licences in a timely manner, or at all. These delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for its product offerings. The Resulting Issuer's operations and future prospects will be affected if it is unable to overcome these barriers to entry.

To the extent new sports betting jurisdictions are established or expanded, the Resulting Issuer cannot guarantee it will be successful in penetrating such new jurisdictions. As the Resulting Issuer directly or indirectly enters into new markets, it may encounter legal, regulatory, and political challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity. In the event the Resulting Issuer is unable to effectively develop and operate directly or indirectly within these new markets or if its competitors are able to successfully penetrate geographic markets that it cannot access or where it faces other restrictions, then the Resulting Issuer's business, operating results, and financial condition could be impaired. The Resulting Issuer's failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on its business, results of operations, financial condition and prospects. the Resulting Issuer may need to be licensed, obtain approvals of its products and/or seek licensure of its officers, directors, major shareholders, key employees or business partners to expand into new jurisdictions. This is a costly and time-consuming process.

Any delays in obtaining or difficulty in maintaining regulatory approvals needed for expansion within existing markets or into new jurisdictions can negatively affect the Resulting Issuer's opportunities for growth. Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on the Resulting Issuer's operations and financial results. There can be no assurance that legally enforceable and prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Resulting Issuer's business to prohibit, legislate, or regulate various aspects of the Internet, e-commerce, payment processing, or the online and mobile wagering and interactive entertainment industries (or that existing laws in those jurisdictions will not be interpreted negatively). Moreover, legislation may require the Resulting Issuer to pay certain fees in order to operate a sports betting-related business. Such fees may include integrity fees paid to sports leagues and/or fees required to obtain official sports-wagering related data. Compliance with any such legislation may have a material adverse effect on the Resulting Issuer's business, results of operations, financial condition and prospects. The success of online and mobile sports betting and product offerings may be also be affected by future regulatory and marketplace developments related to mobile platforms and application storefronts, social networks, advertising networks, payment processing and banking, data and information privacy, cloud and other infrastructure hosting, and other regulatory and marketplace developments that the Resulting Issuer may be unable to predict and is beyond its control. As a result, the Resulting Issuer’s future operating results relating to the Resulting Issuer’s sports betting products are difficult to anticipate, and the Resulting Issuer cannot provide assurance that its product offerings will grow as expected or with success in the long term. Adverse developments in these areas may have a material adverse effect on the Resulting Issuer’s business, results of operations, financial condition and prospects.

Additionally, the Resulting Issuer’s ability to successfully pursue its sports betting strategy depends on the laws and regulations relating to wagering through interactive channels. There is considerable debate and opposition to online and interactive real money gaming. There can be no assurance that this opposition will not succeed in preventing the legalization of online and mobile sports betting in jurisdictions where it is presently prohibited, prohibiting, or limiting the expansion of such activities where it is currently permitted or causing the repeal of legalized online or mobile sports betting in any jurisdiction. Any successful effort to limit the expansion of, or prohibit legalized online or mobile sports betting could have an adverse effect on the Resulting Issuer’s results of operations, cash flows and financial condition. Combatting such efforts to curtail expansion of, or limit or prohibit, legalized online and mobile sports betting can again be time-consuming and can be extremely costly.

The Resulting Issuer directly and indirectly participates in the constantly evolving online gaming industry through its online (including mobile) and social products. The Resulting Issuer intends to take advantage of the liberalization of online gaming within the United States however, expansion of online gaming involves significant risks and uncertainties, including legal, business and financial risks. The success of online gaming and the Resulting Issuer’s product offerings may be affected by future developments in social networks, mobile platforms, regulatory developments, payment processing laws, data and information privacy laws and other factors that the Resulting Issuer is unable to predict and are beyond its control. Consequently, the Resulting Issuer’s future operating results relating to its online gaming products are difficult to predict, and it cannot provide assurance that its product offerings will grow at expected rates or be successful in the long term.

Additionally, the Resulting Issuer’s ability to successfully pursue its online gaming business depends on the laws and regulations relating to wagering through interactive channels. Notwithstanding that the Resulting Issuer’s online gaming business operations will at all times be in full compliance with all laws and regulations, it is relevant to note that there is considerable debate over, and opposition to, online and interactive real money gaming. There can be no assurance that this opposition will not succeed in preventing the legalization of online gaming in jurisdictions where it is presently prohibited, prohibiting or limiting the expansion of online gaming where it is currently permitted or causing the repeal of legalized online gaming in any jurisdiction. Any successful effort to curtail the expansion of, or limit or prohibit, legalized online gaming could have an adverse effect on the Resulting Issuer’s results of operations, cash flows and financial condition. Combatting such efforts to curtail expansion of, or limit or prohibit, legalized online gaming can be time-consuming and can be extremely costly.

For example, there was uncertainty as to whether the Federal Wire Act (the "**Wire Act**") prohibited U.S. states from conducting intrastate lottery transactions via the Internet if the transmissions over the Internet during the transaction crossed state lines. The Wire Act makes it unlawful to use electronic communications to make interstate bets or wagers, or transmit information that assists in making such bets or wagers, on any sporting event or contest. In late 2011, the Office of Legal Counsel ("**OLC**") of the DOJ issued an opinion (the "**2011 DOJ Opinion**") to the effect that state lottery ticket sales over the Internet to in-state adults do not violate the Wire Act, and the Wire Act was limited to sports wagering. The opinion provided an impetus for states to authorize forms of online lottery or gaming in order to generate additional revenue. Certain states wishing to pursue online gaming, enacted appropriate enabling legislation, such as the actions taken by Delaware, Nevada, New Jersey and Pennsylvania to authorize various forms of online gaming.

However, on January 14, 2019, the Department of Justice ("**DOJ**") reversed the 2011 DOJ Opinion (the "**2018 DOJ Opinion**") and concluded that the prohibitions in the Wire Act were not limited to wire communications relating to bets or wagers on sporting events or contest, but rather extend to all forms of bets or wagers. Further, the 2018 DOJ Opinion detailed the OLC's position that the enactment of UIGEA did not modify the scope of the Wire Act. More specifically, the OLC determined that by excluding certain activities from UIGEA's definition of "unlawful Internet gambling", UIGEA did not exclude those same activities from the prohibitions of the Wire Act. The 2018 DOJ Opinion stated that anyone who reasonably relied on the 2011 DOJ Opinion may have a defense for actions taken in such reliance through November 2, 2018. On January 15, 2019, DOJ Deputy Attorney General Rod Rosenstein issued a memorandum to United States Attorneys, Assistant Attorneys General and the Director of the Federal Bureau of Investigations stating that the DOJ should exercise discretion in applying the new interpretation provided under the 2018 DOJ Opinion for a period of 90 days in order to "give businesses that relied on the [2011 DOJ Opinion] time to bring their operations into compliance with federal law." As of the date of this Listing Statement, the Resulting Issuer intends to operate its online gaming business in an intrastate manner and only in states where such online gaming activities are in full compliance with all relevant laws and regulations. It is unclear at this time the impact of the 2018 DOJ Opinion on the Resulting Issuer's future operations, should the Resulting Issuer wish to expand its business. However, if interpreted or enforced in a manner adverse to the Resulting Issuer, the Resulting Issuer's future operations, its business, results of operations, prospects or financial condition could be materially adversely harmed.

If the Resulting Issuer fails to comply with any existing or future laws, rules, regulations, approvals, registrations, permits, licences or other requirements, regulators may take action against it. Such action may include fines, the conditioning, suspension or revocation of approvals, registrations, permits or licences, and other disciplinary action. If the Resulting Issuer fails to adequately adjust to any such potential changes, its business, results of operations or financial condition could also be harmed.

Inaccuracy of Projections of United States Market

The Resulting Issuer has relied on third-party predictions with respect to the expected growth in the United States gaming market following the legalization of online sports betting. The Resulting Issuer has not conducted independent investigations into these predictions. If third party projects are inaccurate and the sports betting industry does not experience the anticipated growth, the Resulting Issuer's business, financial condition, and prospects may be adversely affected.

Failure to Enter into Joint Venture Agreements and Dependence on Joint Venture Agreements

In the forthcoming 12 months, the Resulting Issuer will rely on entering into joint venture agreements with licensed entities in New Jersey and Pennsylvania in order to launch the Real Money Gaming Offering. In the event that the Resulting Issuer is unable to enter into such joint venture agreements, or similar business arrangements, with licensed entities, the Resulting Issuer will not be able to launch the Real Money Gaming Offering in the aforementioned states. The Resulting Issuer's inability to enter into joint venture agreements and failure to launch the Real Money Gaming Offering may adversely affect its business, financial condition, and prospects as the Resulting Issuer's expected future revenue as of the date of this Listing Statement is almost entirely dependent on the Real Money Gaming Offering. As of the date of this Listing Statement, the Resulting Issuer has multiple providers with whom they could work with to potentially establish the needed joint venture agreements.

Support of Banks and Payment Processors

The Resulting Issuer will rely on payment processing and banking providers to facilitate the movement of funds between the Resulting Issuer and its intended customer base for its various online platforms. Anything that could interfere with the formation or otherwise harm the Resulting Issuer's future relationships with payment and banking service providers could have a material adverse effect on its business, results of operations, financial condition and prospects. The Resulting Issuer's ability to accept payment from its future customers or facilitate withdrawals by them may be restricted by any introduction of legislation or regulations restricting financial transactions with online or mobile sports betting operators or prohibiting the use of credit cards and other banking instruments for online or mobile sports betting transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the gambling industry in particular. Presently, no such restrictions exist in the Resulting Issuer's target markets for Pennsylvania and New Jersey. Stricter anti-money laundering regulations may also affect the quickness and accessibility of payment processing systems, resulting in added inconvenience to its customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which could also make an impact on acceptance rates. Card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the online or mobile sports betting industry as a whole or certain operators. This could be due to reputational and/or regulatory reasons or in light of increased compliance standards of such third parties that seek to limit their business relationships with certain industry sectors considered as “high risk”. It may also result in customers being dissuaded from accessing the Resulting Issuer’s product offerings if they cannot use a preferred payment option, or the quality or the speed of the supply is not suitable or accessible to the customers. Any such developments may have a material adverse effect on the Resulting Issuer’s business, results of operations, financial condition and prospects.

Losses with Respect to Individual Events or Betting Outcomes

Sports betting involves betting where winnings are paid on the basis of the stake placed and the odds quoted. Odds are determined with the objective of providing an average return to the bookmaker over a large number of events and therefore, over the long term. In contrast, there can be significant variation in gross win percentage event-by-event and day-by-day. The Resulting Issuer has systems and controls intended to reduce the risk of daily losses occurring on a gross-win basis, but there can be no assurance that these will be effective in reducing its exposure. As a result, in the short term, there is less certainty of generating a positive gross win, and the Resulting Issuer may experience significant losses with regard to individual events or betting outcomes, specifically if large, individual bets are placed on an event or betting outcome or series of events or betting outcomes. Odds compilers and risk managers are capable of human error, thus, even noting that a number of betting products are subject to capped pay-outs, significant volatility can occur. Any significant losses on a gross-win basis could have a material adverse effect on the Resulting Issuer’s business, results of operations, financial condition and prospects.

Competition in the Online and Mobile Sports Betting and Media Industry

The Resulting Issuer’s current and potential competitors in mobile sports betting include DraftKings, FanDuel, William Hill, FOX Bet, PointsBet, MGM/GVC, Bet 365, Caesars, and other online and mobile gaming operators. Certain competitors have more established relationships and greater financial resources and they can use their resources against the Resulting Issuer in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for strategic partners, advertisers, employees, technologies, digital media rights, websites and applications. These competitors also may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, or otherwise develop more commercially successful products or services than the Resulting Issuer’s, which could negatively impact its business by affecting its ability to attract and retain existing and new sports betting customers. Emerging start-ups may be able to innovate and provide products and services faster than the Resulting Issuer can. If competitors are more successful than the Resulting Issuer in developing compelling products and engaging content or in attracting and retaining users, advertisers and digital media rights, the Resulting Issuer’s revenues and growth rates and the value of the capitalized digital assets could be negatively affected. There is no assurance that the Resulting Issuer will be able to maintain the Resulting Issuer’s position in the marketplace.

The Resulting Issuer must continually introduce and successfully market new and innovative technologies, product offerings and product enhancements to remain competitive and effectively procure customer demand, acceptance, and engagement as a result of the intense industry competition, along with other factors. The process of developing new product offerings and systems is unclear and complexed, and new product offerings may not be well received by customers. Although the Resulting Issuer intends to continue investing in research and development, there can be no assurance that such investments will lead to successful new technologies or timely new product offerings or enhanced existing product offerings with product life cycles long enough to be successful. The Resulting Issuer may not recover the substantial up-front costs of developing and marketing new technologies and product offerings or recover the opportunity cost of diverting management and financial resources away from other technologies and product offerings.

Regulatory Investigations

The Resulting Issuer has, and may in future, receive formal and informal inquiries from government authorities and regulators from time to time, including securities authorities, tax authorities, privacy commissions and gaming regulators, regarding its compliance with laws and other matters. The Resulting Issuer expects to continue to be the subject of investigations and audits in the future as it continues to grow and expand its gaming operations. Violation of existing or future regulatory orders or consent decrees could subject the Resulting Issuer to substantial monetary fines and other penalties providing a negative effect on its financial condition and results of operations. In addition, there is a possibility that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities may cause the Resulting Issuer to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices that may have materially adverse effects on its business.

Shareholders Subject to Extensive Governmental Regulation

A number of jurisdictions' gaming laws may require any of the Resulting Issuer's shareholders to file an application, be investigated, and qualify or have their suitability determined by gaming authorities. Gaming authorities have very broad discretion when ruling on whether an applicant should be deemed suitable or not. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, revoke or suspend any gaming licence, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Any person found unsuitable by a gaming authority may not hold directly or indirectly ownership of any voting security or the beneficial or record ownership of any non-voting security or any debt security of any company that is licensed with the relevant gaming authority beyond the time prescribed by the relevant gaming authority. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licences in that specific jurisdiction and could impact the person's ability to associate or affiliate with gaming licence holders in other jurisdictions.

Many jurisdictions also require any person who obtains a beneficial ownership of more than a certain percentage, typically 5%, of voting securities of a publicly-traded gaming company or parent company thereof and, in some jurisdictions, non-voting securities to report the acquisition to gaming authorities. Gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions in certain jurisdictions for "institutional investors" that hold a company's voting securities for investment purposes only. Other jurisdictions may also limit the number of gaming licences with which a person may be associated.

Social Responsibility Concerns

Public opinion can meaningfully affect sports betting regulation. A negative shift in the perception of sports betting by the public, by politicians, or by others could impact future legislation or regulation in different jurisdictions. Moreover, such a shift could cause jurisdictions to abandon proposals to legalize sports betting, thereby limiting the number of new jurisdictions into which we could expand. Negative public perception can also lead to new, harsher restrictions on sports betting, including restrictions on marketing, betting product offerings, other restrictions on the Resulting Issuer's gaming operations and increased compliance costs. Such changes could have a material adverse effect on the Resulting Issuer's business, results of operations, financial condition and prospects.

Digital Sports Media Industry Reliant on Mobile Advertising

The digital sports media industry is a relatively new and rapidly evolving industry and as such it is difficult to predict the prospects for growth. There is no assurance that advertisers will continue to increase their purchases of online and mobile advertising, that the supply of advertising inventory will not exceed demand or that smartphone penetration in the United States will continue to grow. If the industry grows more slowly than anticipated or the Resulting Issuer's products and services fail to achieve market acceptance, the Resulting Issuer may be unable to achieve its strategic objectives, which could have a material adverse effect on its prospects, business, financial condition or results of operations.

User Data

The Resulting Issuer may require the registration of its users prior to accessing its products or services or certain features of its products or services and the Resulting Issuer may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Resulting Issuer's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Resulting Issuer's data or the Resulting Issuer's users' data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Resulting Issuer's terms of service or policies could damage its reputation and brand and diminish its competitive position.

In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Resulting Issuer in connection with such incidents, including in respect of new mandatory breach reporting and record-keeping obligations in certain states in the United States which will soon become effective, which could cause the Resulting Issuer to incur significant expense and liability or result in orders or consent decrees forcing the Resulting Issuer to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on its prospects, business, financial condition or results of operations. The Resulting Issuer will transmit and store a large volume of data in the course of supporting its website and mobile sports applications. The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk that these laws may be interpreted and applied in a manner that is not consistent with the Resulting Issuer's data protection practices and results in additional compliance or changes in its business practices, or both, and liability or sanction under these laws. In addition, because the Resulting Issuer's website and mobile sports applications is accessible in many jurisdictions, certain foreign jurisdictions may claim that the Resulting Issuer is required to comply with local laws, even where the Resulting Issuer has no local operating entity, employees, infrastructure or other physical presence in those jurisdictions. Furthermore, the Resulting Issuer may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that the Resulting Issuer is not able to reconcile such obligations, it may be required to change business practices or face liability or sanction.

Limited Operating History

The Resulting Issuer has a very limited history of operations and is in the early stage of development. As such, the Resulting Issuer is subject to many risks common to such businesses, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Resulting Issuer has no intention of paying any dividends in the near future.

The Resulting Issuer has limited financial resources, has not earned any revenue since commencing operations and has no source of operating cash flow. There can be no assurance that the Resulting Issuer will be able to obtain any financing in the future or that such financing will be on terms favourable to the Resulting Issuer and its shareholders. Failure to obtain such additional financing could result in delays to or indefinite postponement of further development of the Resulting Issuer's business.

The Resulting Issuer's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Resulting Issuer can obtain such revenues or financing on commercially favourable terms and there is therefore no guarantee that the Resulting Issuer will be able to sustain its ongoing operations in the future.

Influencers depends on third parties, including users and third-party licensors

The Resulting Issuer is reliant to an extent on third parties, including Mr. Bilzerian and Amelco. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of Influencers. Moreover, the Resulting Issuer’s financial performance will be significantly determined by its success in adding, retaining, and engaging active users of its services. If users do not perceive the Resulting Issuer’s services as interesting, unique and useful, the Resulting Issuer may not be able to attract or retain additional users, which could adversely affect the business.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While consulting agreements are customarily used as a primary method of retaining the services of key management members, these agreements cannot assure the continued services of such management members. Any loss of the services of such individuals could have a material adverse effect on Influencer’s business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Resulting Issuer is currently in the early development stage. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- Competitive conditions in the industry, including new products, product announcements and special pricing offered by competitors;
- Market acceptance of product offering;
- Ability to hire, train and retain sufficient qualified sales and professional services staff;
- Ability to complete service obligations related to subscriptions in a timely manner;
- Varying size, timing and contractual terms of marketing campaigns, which may delay the recognition of revenue;
- Ability to maintain existing relationships and to create new relationships to assist with sales and marketing efforts;
- The discretionary nature of advertising purchase and budget cycles and changes in their budgets for, and timing of, content production and related services;
- The length and variability of the sales cycles;

- Strategic decisions by the Resulting Issuer or competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

- General weakening of the economy resulting in a decrease in the overall demand for online and mobile gambling platforms;

- Changes in the Resulting Issuer's pricing policies and the pricing policies of the Resulting Issuer's competitors;

- Timing of product development and new product initiatives;

- Changes in the mix of revenue attributable to substantially lower-margin service revenue as opposed to higher margin managed service revenues; and

- Cancellation of recurring monthly software contracts.

As a result, there is a risk that the Resulting Issuer may not have product or sufficient product to meet the anticipated demand or to meet future demand when it arises.

Additional Financing

In order to execute the anticipated growth strategy, the Resulting Issuer will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms, which are acceptable. The Resulting Issuer's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Resulting Issuer's growth and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Historical Losses and Negative Operating Cash Flows

The Resulting Issuer has a history of operating losses and may generate continued operating losses and negative cash flows in the future while it carries out its current business plan to further develop and expand its network of mobile and online platforms. The Resulting Issuer has made significant up-front investments in acquiring significant assets, marketing, and general and administrative expenses in order to rapidly develop and expand its business. The successful development and commercialization of these operations will depend on a number of significant financial, logistical, technical, marketing, legal, competitive, economic and other factors, the outcome of which cannot be predicted. There is no guarantee that the Resulting Issuer's operations will be profitable or produce positive cash flow or that the Resulting Issuer will be successful in generating significant revenues in the future or at all. While the Resulting Issuer can utilize cash and cash equivalents to fund its operating and growth expenditures, it does not have access to significant committed credit facilities or other committed sources of funding. The Resulting Issuer's inability to ultimately generate sufficient revenues to become profitable and have positive cash flows could have a material adverse effect on its prospects, business, financial condition, results of operations or overall viability as an operating business.

Competition

The industry in which the Resulting Issuer operates is highly competitive and competition could intensify, or any technological advantages held by the Resulting Issuer may be reduced or lost, as a result of technological advances by its competitors.

If the Resulting Issuer does not compete effectively with these competitors, its revenue may not grow. The Resulting Issuer is likely to experience competition from a great number of online and mobile gambling and betting services. The Resulting Issuer's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and reduced growth in sales, any of which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. The Resulting Issuer faces substantial competition from established competitors, many of which may have greater financial, marketing, technical and monetary resources than it does. Many of these companies also have an installed base of users, longer operating histories and greater name recognition than the Resulting Issuer does. There can be no assurance that the Resulting Issuer will successfully differentiate its proposed products from the products of its competitors, or that the marketplace will consider the products of the Resulting Issuer to be superior to competing products.

Because of the early stage of the industry in which the Resulting Issuer operates, the Resulting Issuer expects to face additional competition from new entrants. To maintain the Resulting Issuer's competitive position, it is believed that the Resulting Issuer will be required to continue a high level of investment in research and development, marketing and customer service and support. There can be no assurance that the Resulting Issuer will have sufficient resources to continue to make these investments, that it will be able to make the technological advances necessary to maintain its competitive position, or that its products will receive market acceptance. The Resulting Issuer's competitors may be able to respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products. The Resulting Issuer may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand its development of new products.

Reliance on New Product and Service Offerings

The success of the business of the Resulting Issuer is dependent upon its ability to develop new products and enhance existing services. To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, the Resulting Issuer must continuously enhance and improve if products offerings, as well as continue to introduce new products and services. If the Resulting Issuer is unable to successfully develop its products or it fails to position and/or price its products to meet market demand, the business and operating results of the Resulting Issuer will be adversely affected. Any new products could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue.

Difficulty to Forecast

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Variable Revenues / Earnings

The revenues and earnings of the Resulting Issuer may fluctuate from quarter to quarter, which could affect the market price of the Resulting Issuer Shares. Revenues and earnings may vary quarter to quarter as a result of a number of factors, including the timing of substantial sales orders, activities of the Resulting Issuer's competitors, cyclical fluctuations related to the evolution of online and mobile gambling technologies.

The Market Price of the Resulting Issuer Shares may be subject to Wide Price Fluctuations

The market price of the Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Shares.

Technological Errors

Errors in the Resulting Issuer's products could result in significant costs to the Resulting Issuer and could impair its ability to sell its products. The Resulting Issuer's products are complex and, accordingly, they may contain errors, or "bugs", that could be detected at any point in their product life cycle. The reputation of the Resulting Issuer could be materially and adversely affected by errors in the products. These errors could result in significant costs to the Resulting Issuer, delay planned release dates and impair the ability to sell products in the future. The costs incurred in correcting any product errors may be substantial and could adversely affect operating margins. While the Resulting Issuer plans to continually test its products for errors and work with customers through maintenance support services to identify and correct bugs, errors in the products may be found in the future.

Third Party Licences

The Resulting Issuer licences software from third parties, including Amelco. The loss of rights to use this software could increase operating expenses and could adversely affect the Resulting Issuer's ability to operate. The termination of any of these licences, or the failure of the licensors to adequately maintain or update their products, could delay the Resulting Issuer's ability to provide its products, as the Resulting Issuer may need to seek to implement alternative technology offered by other sources. This may require unplanned investments by the Resulting Issuer. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licences relating to one or more products or relating to current or future technologies to enhance the Resulting Issuer's product offerings. There is a risk that the Resulting Issuer will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Common Share Market Price Volatility

The market price of the Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Shares.

Limited Market for Securities

Upon completion of the listing of the Resulting Issuer Shares, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Intellectual Property

The Resulting Issuer does not hold any patents and intends to rely substantially on trade secrets, copyright legislation, common law trademark protection and trademark applications and registrations, nondisclosure and other contractual agreements. The Resulting Issuer may consider filing patent applications in the future if strategically and commercially reasonable. The Resulting Issuer cannot assure that steps taken to protect its intellectual property will be adequate, that competitors will not independently develop or patent substantially equivalent or superior technologies or be able to design around any future patents that the Resulting Issuer may receive. Despite the Resulting Issuer's best efforts, filing patent applications may not result in enforceable patent rights in all jurisdictions that the Resulting Issuer does, or may, operate in. Further, any issued patents or third-party patents to which the Resulting Issuer has licensed rights, may be of a restricted scope that does not cover possible foundational technologies and/or technologies practiced by others. Unauthorized parties may attempt to copy aspects of our products or to obtain information we regard as proprietary. Policing unauthorized use of proprietary technology, if required, may be difficult, time-consuming and costly. If a third-party misappropriates the Resulting Issuer's intellectual property, the Resulting Issuer may be unable to enforce its rights. If it is unable to protect its intellectual property against unauthorized use by others, it could have an adverse effect on the Resulting Issuer's competitive position. The Resulting Issuer may be challenged by allegations of its infringement of the intellectual property of others. There is no assurance the Resulting Issuer will be successful in defending such claims and, if the Resulting Issuer is unsuccessful, there is no assurance that it will be successful in obtaining a licence for the intellectual property in question. Intellectual property claims are expensive and time consuming to defend and, even if they are without merit, may cause delay in the introduction of new products or services. In addition, the Resulting Issuer's managerial resources could be diverted in order to defend its rights, which could disrupt its operations.

Foreign Currency Exchange

The Resulting Issuer is exposed to foreign currency risk by reason of the Resulting Issuer completing the Offering in Canadian dollars, intending to collect all of its revenues in US dollars, and the Resulting Issuer having payment obligations to Amelco, Mr. Bilzerian and certain directors, officers, and consultants in both US and Canadian dollars. As the Resulting Issuer Shares are traded in Canadian dollars, the movement of the US dollar against the Canadian dollar could have a material adverse effect on the Resulting Issuer's prospects, business, financial condition, and results of operation.

Stock Price Volatility

In recent years, the securities markets in the United States have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer's securities will be affected by such volatility. The Resulting Issuer's stock price may also experience significant fluctuations due to operating performance, performance relative to analysts' estimates, disposition or acquisition by a large shareholder, a law suit against the Resulting Issuer, the loss or acquisition of a significant customer or distributor, industry-wide factors and factors other than the operating performance of Influencers. These factors, among others, may cause decreases in the value of the Resulting Issuer Shares.

Liquidity Risk

Liquidity risk is the risk that the Resulting Issuer will not be able to meet its financial obligations as they become due. The Resulting Issuer 's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they become due.

General Regulations

The Resulting Issuer is subject to general business regulations and laws as well as regulations and laws specifically governing collection of information and the internet. Existing and future laws and regulations may impede the Resulting Issuer’s growth strategies. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, consumer protection, web services, websites, and the characteristics and quality of products and services. Unfavourable changes in regulations and laws could decrease demand for Influencer’s mobile and online platforms and increase its cost of doing business or otherwise have a material adverse effect on the Resulting Issuer’s reputation, popularity, results of operations, and financial condition.

The requirements of being a public company may strain the Resulting Issuer’s resources, divert management’s attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the CSE and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer’s legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws require the Resulting Issuer to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. As a result, management’s attention may be diverted from other business concerns, which could harm the Resulting Issuer’s business and results of operations. To comply with these requirements, Influencers may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Resulting Issuer intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate administrative or legal proceedings against the Resulting Issuer and the Resulting Issuer's business may be adversely affected.

As a public company subject to these rules and regulations, the Resulting Issuer may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Resulting Issuer to attract and retain qualified members of its board of directors, particularly to serve on its audit committee and compensation committee, and qualified executive officers. Further, the Resulting Issuer may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Resulting Issuer cannot insure or which the Resulting Issuer may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Resulting Issuer's future cash flows, earnings, results of operations and financial condition.

As a result of disclosure of information in filings required of a public company, Influencers' business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Resulting Issuer's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Resulting Issuer's management and harm its business and results of operations.

Security of the Resulting Issuer's Platforms

The Resulting Issuer cannot guarantee absolute protection against unauthorized attempts to access its IT systems, including malicious third-party applications or denial of service attacks that may interfere with or exploit security flaws in its online and mobile platforms. For greater clarity, denial of service attack is a cyber-attack in which the perpetrator seeks to make a machine or network resource unavailable to its intended users by temporarily or indefinitely disrupting services of a host connected to the Internet. Viruses, worms, and other malicious software programs could jeopardize the security of information stored in a user's computer or in the Resulting Issuer's computer systems or attempt to change the internet experience of users by interfering with the Resulting Issuer's ability to connect with a user. If any compromise to the Resulting Issuer's security measures were to occur and the Resulting Issuer's efforts to combat this breach were unsuccessful, confidential user data may be compromised, and the Resulting Issuer's reputation may be harmed, and the Resulting Issuer could be sued. Such negative outcomes could have an adverse effect on the Resulting Issuer's financial condition and future prospects.

Management and Conflicts of Interest

The current directors, officers and promoters of the Resulting Issuer also serve as directors and/or officers of other companies which may compete with the Resulting Issuer. Accordingly, situations may arise where the directors, officers and promoters of the Resulting Issuer are in a position of conflict with the Resulting Issuer.

Tax Considerations Applicable to an Investment in the Resulting Issuer Shares

Each prospective investor should consult with their own tax advisor with respect to the Canadian and non-Canadian income tax consequences of acquiring, holding, and disposing of Resulting Issuer Shares, based on each prospective investor's particular circumstances.

18. Promoters

Chris Neville and Troy Grant may be considered to be promoters of the Resulting Issuer. Mr. Neville has ownership and control of 7,229,334 Resulting Issuer Shares, representing 5.26% of the issued and outstanding shares of the Resulting Issuer as of the date of this Listing Statement. Mr. Grant has ownership and control of 4,350,000 Resulting Issuer Shares, representing 3.17% of the issued and outstanding shares of the Resulting Issuer as of the date of this Listing Statement. Messers Neville and Grant are expected to receive compensation for services to be provided to the Resulting Issuer in their capacities as directors and officers. See "*Executive Compensation*" and "*Directors and Officers*"

Neither promoter is at the date hereof, nor has been within 10 years before the date hereof, a director, chief executive officer, or financial officer of any person or company that:

a) was subject to an Order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or

b) was subject to an Order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

Neither promoter:

a) is at the date hereof, nor has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets; or

b) has within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

Neither promoter is as at the date hereof, nor has been, subject to:

a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

19. Legal Proceedings

There are no legal proceedings material to the Resulting Issuer or any subsidiary of the Resulting Issuer to which it, or a subsidiary of the Resulting Issuer, is a party or of which any of their respective property is the subject matter, and no such proceedings are known by the Resulting Issuer to be contemplated.

There are no:

a) penalties or sanctions imposed against the Resulting Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement;

b) other penalties or sanctions imposed by a court or regulatory body against the Resulting Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and

c) settlement agreements the Resulting Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. Interest of Management and Others in Material Transactions

No director or executive officer of the Resulting Issuer or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class of the Resulting Issuer’s outstanding voting securities, or an associate or affiliate of any such persons or companies, has any material interest, direct or indirect, in any transaction within the three years preceding the date of this document, or any proposed transaction, that has materially affected or will materially affect the Resulting Issuer or a subsidiary of the Resulting Issuer.

21. Auditors, Transfer Agents and Registrars

21.1 Auditor

The auditor of the Resulting Issuer is D&H Group LLP, located at 10th floor, 1333 West Broadway, Vancouver, BC, V6H 4C1.

21.2 Transfer Agent

The transfer agent of the Resulting Issuer is TSX Trust Company, located at 650 West Georgia Street, Suite 2700 Vancouver, BC V6B 4N9.

22. Material Contracts

The Resulting Issuer has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business, except as follows:

1. the Business Combination Agreement and the Debtco Amalgamation Agreement (see *Item 2.4 – Fundamental Change*);
2. the Social Media Influencer Agreement (see *Item 3.1 – General Development of the Business*);
3. the Business Development Agreement (see *Item 3.1 – General Development of the Business*);
4. the Amelco Licensing Agreement (see Item 3.1 – *General Development of the Business*);
5. the Collaboration Agreement (see Item 3.1 – *General Development of the Business*); and
6. the Escrow Agreement (see Item 11 – *Escrowed Securities*)

Copies of these agreements are or will be made available upon request from Garfinkle Biderman LLP, 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9 at any time during ordinary business hours, and on SEDAR.

23 Interest of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement:

a) has received or will receive any direct or indirect interest in the property of the Resulting Issuer or of an associate, affiliate or Related Person of the Resulting Issuer;

b) has beneficial ownership, direct or indirect, in any securities or property of the Resulting Issuer or of an associate, affiliate or Related Person of the Resulting Issuer; or
c) is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate, affiliate or Related Person of the Resulting Issuer, nor is a director, officer or employee of a person or company referred to in this item, expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate, affiliate or Related Person of the Resulting Issuer.

24. Other Material Facts

There are no other material facts about the Resulting Issuer and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer and its securities.

25. Financial Statements

Schedule "A" contains a pro forma financial statement of the Resulting Issuer as at March 31, 2020 after giving effect to the Amalgamations as if it had been completed on that date.

Schedule "B" contains the audited financial statements of Fairmont for the years ended October 2019, 2018 and 2017, and the unaudited interim financial statements for the period ended April 30, 2020.

Schedule "C" contains Influencers' audited financial statements for the year ended December 31, 2019, and for the period from incorporation to December 31, 2018, and the unaudited interim financial statements for the period ended March 31, 2020.

Schedule "D" contains Fairmont's MD&A for the year ended October, 2017, 2018, and 2019 and the period ended April 30, 2020.

Schedule "E" contains Influencers' MD&A for the year ended December 31, 2019, and for the period from incorporation to December 31, 2018, and for the period ended March 31, 2020.

CERTIFICATE OF THE RESULTING ISSUER

Pursuant to a resolution duly passed by its Board of Directors, i3 Interactive Inc. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to i3 Interactive Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 29th day of June, 2020.

/s/ Chris Neville	*/s/* James Henning
Chris Neville Chief Executive Officer, Director, Promoter	James Henning Chief Financial Officer
/s/ Troy Grant	*/s/ Binyomin Posen*
Troy Grant Director, Promoter	Binyomin Posen Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Influencers Interactive Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 29th day of June, 2020.

/s/ Chris Neville

Chris Neville
Sole Director and Officer

SCHEDULE “A”
UNAUDITED PRO FORMA FINANCIAL STATEMENTS

(See attached)

INFLUENCERS INTERACTIVE INC.

UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Prepared by Management)
(Expressed in Canadian Dollars)

April 30, 2020

INFLUENCERS INTERACTIVE INC.
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at April 30, 2020
(Unaudited – Expressed in Canadian Dollars)

As at	Fairmont Resources Inc. April 30, 2020 $	Influencers Interactive Inc. March 31, 2020 $	Notes	Pro-forma Adjustments $	Pro-forma Consolidated $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	23,075	18,858	3c	5,724,877	**5,766,810**
Amounts receivable	29,205	56,154		-	**85,359**
Prepaid expenses and deposits	-	803,798		-	**803,798**
	52,280	878,810		5,724,877	**6,655,967**
Intangible Assets	-	334,750		-	**334,750**
TOTAL ASSETS	52,280	1,213,560		5,724,877	**6,990,717**
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	887,571	381,817	3a	(887,571)	**381,817**
Success fee liability	877,968	-	3a	(877,968)	**-**
Due to related party	418,719	-		-	**418,719**
Loans	-	697,610		-	**697,610**
TOTAL CURRENT LIABILITIES	2,184,258	1,079,427		(1,765,539)	**1,498,146**
TOTAL LIABILITIES	2,184,258	1,079,427		(1,765,539)	**1,498,146**
EQUITY					
Share capital	5,906,745	2,843,652			**20,430,806**
	-		3b	(5,906,745)	**-**
	-		3b	10,112,277	**-**
	-		3c	5,724,877	**-**
			3c	1,750,000	**-**
Subscriptions received in advance	(6,000)		3b	6,000	**-**
Reserves	1,133,998			(1,133,998)	**-**
Accumulated deficit	(9,166,721)	(2,709,519)			**(14,938,235)**
			3b	9,166,721	
			3b	(10,478,716)	
			3c	(1,750,000)	**-**
	(2,131,978)	134,133		7,490,416	**5,492,571**
TOTAL LIABILITIES AND EQUITY	52,280	1,213,560		5,724,877	**6,990,717**

1. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position of the Fairmont Resources Inc. (“Fairmont” or the “Company”) have been prepared by management of the Company and management of Influencers Interactive Inc. (“Influencers”) for inclusion in a Listing Application (the “Application”) the Canadian Securities Exchange (“CSE”). The Company has applied to list its common shares on the CSE and the listing will be subject to it fulfilling all of the listing requirements of the CSE.

The Unaudited Pro Forma Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ using accounting policies consistent with International Financial Reporting Standards (“IFRS”) appropriate in the circumstances and has been reported in Canadian dollars, unless otherwise stated.

The Unaudited Pro Forma Consolidated Financial Statements as at April 30, 2020, have been compiled from and include:

a) Unaudited pro forma consolidated statement of financial position as at April 30, 2020 combining:

    I. The audited statements financial position of the Company as at April 30, 2020, and;
    II. The interim statements of financial position of Influencers as at March 31, 2020.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Company’s consolidated financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- the Company’s interim financial statements as at and the period ended April 30, 2020;
- the Influencers interim financial statements as at and the period ended March 31, 2020; and
- the additional information set out in Note 3 of this unaudited pro-forma consolidated statement of financial position that are directly attributable to the Transaction or factually supportable.

2. BUSINESS COMBINATION AGREEMENT

On June 18, 2020, Fairmont, Numco 1 and Influencers entered into a business combination agreement (the "**Business Combination Agreement**"), pursuant to which the parties completed a business combination by way of a three-cornered amalgamation (the "**First Amalgamation**") under the BCBCA. The First Amalgamation resulted in (i) Numco 1 and Influencers amalgamating to form Amalco 1, a new entity which is a wholly-owned subsidiary of Fairmont (ii) a reverse take-over of Fairmont by the shareholders of Influencers, and (iii) Fairmont filing a notice of alteration of articles to change its name to "i3 Interactive Inc."

Concurrently, on June 18, 2020, Fairmont, Numco 2, and Debtco entered into an amalgamation agreement (the "**Debtco Amalgamation Agreement**"), pursuant to which the parties completed a three-cornered amalgamation (the "**Debtco Amalgamation**, and together with the First Amalgamation, the "**Amalgamations**") under the BCBCA. The Debtco Amalgamation resulted in Numco 2 and Debtco amalgamating to form Amalco 2, a new entity which is a wholly-owned subsidiary of Fairmont. As a result of the Amalgamations, Fairmont became the resulting issuer (the "**Resulting Issuer**").

In connection with the Amalgamations, Influencers completed a private placement of 22,899,508 units of Influencers ("**Influencers** Units") at a price of $0.25 per Influencers Unit for gross proceeds of $5,724,877 that closed on June 29, 2020 (the "**Offering**") Each Influencers Unit is comprised of one (1) Influencers Share and one (1) Influencers Warrant to acquire an additional Influencers Share at a price of $0.50 per additional Influencers Share for a period of two (2) years from the date of issuance of the Influencers Warrant. Following completion of the First Amalgamation (as a result of which each shareholder of Influencers received one (1) Resulting Issuer Share for every one (1) Influencers Share), and the listing of the Resulting Issuer Shares on the CSE, the Resulting Issuer may in its sole discretion issue a press release and provide a notice to the holder of Influencers Units notifying such holders that the exercise period of the Influencers Warrant will be reduced to 30 days if the closing price (or closing bid price on days where there are no trades) of the Resulting Issuer Shares on the CSE is at least $0.75 for a minimum of 10 consecutive trading days.

Prior to the Amalgamations, Fairmont and Influencers completed the following:

a) Fairmont completed a consolidation (the "**Fairmont Consolidation**") on the basis of ten (10) pre-Fairmont Consolidation Fairmont Shares for each one (1) post-Fairmont Consolidation Fairmont Share (each, a "**Resulting Issuer Share")**;
b) Fairmont converted $1,600,000 of debt (the "**Fairmont Debt**") into units (the "**Fairmont Units**") at a deemed price of $0.04 per Fairmont Unit. Each Fairmont Unit is comprised of one (1) Fairmont Share and one (1) Fairmont Warrant to acquire an additional Fairmont Share at a price of $0.25 per Fairmont Share (the "**Fairmont Debt Transaction**");
c) Influencers issued 7,000,000 Influencers Warrants as compensation to certain directors, officers, and consultants of Fairmont entitling the holder thereof to purchase one Resulting Issuer Shares at a price of $0.05 per share for a period of three (3) years following the issuance of such Influencers Warrants (the "**Influencers Warrant Issuance**");
d) Influencers issued 4,000,000 Influencers Options as compensation to certain directors, officers, and consultants of Fairmont, each such Influencers Options entitling the holder thereof to purchase one Resulting Issuer Share at a price of $0.10 per share for a period of three years following the issuance of such Resulting Issuer Options (the "**Influencers Option Issuance**"); and;
e) Fairmont issued 7,000,000 Resulting Issuer Units to certain finders, each such unit being comprised of one (1) Resulting Issuer Share and one (1) Resulting Issuer Warrant, each such Resulting Issuer Warrant being exercisable at a price of $0.25 for a period of three (3) years following the First Amalgamation (the "**Finder's Fee Units**")

2. BUSINESS COMBINATION AGREEMENT (continued)

Pursuant to the terms of the Business Combination Agreement and the Debtco Amalgamation Agreement, each shareholder of Influencers and Debtco received one (1) Resulting Issuer Share for every one (1) Influencers Share and one (1) Debtco Share, respectively. Each holder of an Influencers Unit received one Resulting Issuer Share and one Resulting Issuer Warrant. Each shareholder of a common share in the capital of Numco 1 ("**Numco 1 Share**") received one (1) common share in the capital of Amalco 1 ("**Amalco 1 Share**"). Each shareholder of a common share in the capital of Numco 2 ("**Numco 2 Share**") received one (1) common share in the capital of Amalco 2 ("**Amalco 2 Share**"). Resulting Issuer Warrants and Resulting Issuer Warrants were issued to the holders of Influencers Warrants and Influencers Options, repectively, on the basis of 1:1, and such Influencers Warrants and Influencers Options were thereby cancelled. As consideration for the issuance of Resulting Issuer Shares to the holders of Influencers Shares and Debtco Shares to effect the Amalgamations, Amalco 1 issued to Fairmont one (1) Amalco 1 Share for each one (1) Resulting Issuer Share issued, and Amalco 2 issued to Fairmont one (1) Amalco 2 Share for each one (1) Resulting Issuer Share issued.

Following the Amalgamations, there are an aggregate of 137,321,254 Resulting Issuer Shares issued and outstanding. Of these issued and outstanding Resulting Issuer Shares, former shareholders of Influencers hold 66,972,632 Resulting Issuer Shares, representing approximately 50% of the Resulting Issuer Shares; original shareholders of Fairmont, inclusive of former shareholders of Debtco hold [40,449,109] Resulting Issuer Shares, representing approximately 30% of the Resulting Issuer Shares; and the subscribers of the Offering hold 20,000,000 Resulting Issuer Shares, representing approximately 15% of the outstanding Resulting Issuer Shares.

As a result of the Amalgamations, the Resulting Issuer has three wholly-owned subsidiaries: Amalco 1, Amalco 2, and the Influencers Sub. In connection with the Amalgamations, the Issuer filed a notice of alteration of articles to change its name to "i3 Interactive Inc."

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated statement of financial position gives effect to the completion of the Transaction incorporating the assumptions within Notes 1 and 2, as if it had occurred on the date presented, April 30, 2020

a) Fairmont converted $1,600,000 of debt (the “Fairmont Debt”) into units (the “Fairmont Units”) at a deemed price of $0.04 per Fairmont Unit. Each Fairmont Unit is comprised of one (1) Fairmont Share and one (1) Fairmont Warrant to acquire an additional Fairmont Share at a price of $0.25 per Fairmont Share (the “Fairmont Debt Transaction”);

b) As consideration for 100% of the outstanding common shares of Influencers. the Company will issue 66,972,632 common shares in exchange for all outstanding common shares of Influencers. As a result of the share exchange, the former shareholders of Influencers will acquire control of the Company and the Transaction will be treated as an RTO. The Transaction will be accounted for as an acquisition of the net assets and the Company’s status as a Reporting Issuer by Influencers via a share-based payment.

   The excess of the estimated fair value of the equity instruments that Influencers is deemed to have issued to acquire the Company, plus the transaction costs (both the “Consideration) and the estimated fair value of the Company’s net assets, will be recorded as a charge to the accumulated deficit as a cost of obtaining the Company’s status as a Reporting Issuer.

   For the purposes of the pro-forma consolidated statement of financial position, management has estimated the fair value of the equity instruments deemed to be issued in regard to the Company. The fair value of the 40,449,110 common shares amounted to $10,112,277, based on a deemed price of $0.25.

   The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

Net assets acquired:	
Cash and cash equivalents	23,075
Amounts receivable	29,205
Due to related parties	-418,719
Net liabilities acquired	-366,439
Consideration	10,112,277
Cost of the Company's status as a Reporting Issuer charged to deficit	$10,478,716

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

c) In connection with the Amalgamations, Influencers completed a private placement of 22,899,508 units of Influencers ("**Influencers** Units") at a price of $0.25 per Influencers Unit for gross proceeds of $5,724,877 that closed on June 29, 2020 (the "**Offering**"). Each Influencers Unit is comprised of one (1) Influencers Share and one (1) Influencers Warrant to acquire an additional Influencers Share at a price of $0.50 per additional Influencers Share for a period of two (2) years from the date of issuance of the Influencers Warrant. Following completion of the First Amalgamation (as a result of which each shareholder of Influencers received one (1) Resulting Issuer Share for every one (1) Influencers Share), and the listing of the Resulting Issuer Shares on the CSE, the Resulting Issuer may in its sole discretion issue a press release and provide a notice to the holder of Influencers Units notifying such holders that the exercise period of the Influencers Warrant will be reduced to 30 days if the closing price (or closing bid price on days where there are no trades) of the Resulting Issuer Shares on the CSE is at least $0.75 for a minimum of 10 consecutive trading days. The Company also issued 7,000,000 Resulting Issuer Units to certain finders, each such unit being comprised of one (1) Resulting Issuer Share and one (1) Resulting Issuer Warrant, each such Resulting Issuer Warrant being exercisable at a price of $0.25 for a period of three (3) years following the First Amalgamation (the "Finder's Fee Units")

4. UNAUDITED PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the Shareholders' Equity of the combined entity as at April 30, 2020 is comprised of the following:

	Number of common shares	Amount
Fairmont Common Shares	40,449,110	10,112,277
Influencers Common Shares	66,972,632	2,843,652
Concurrent Private Placement	22,899,508	5,724,877
Finders fee	7,000,000	1,750,000
Pro forma balance at April 30, 2020	**137,321,250**	**20,430,806**

5. EFFECTIVE INCOME TAX RATE

The effective income tax rate for the resulting issuer is 27%.

SCHEDULE "B"
FINANCIAL STATEMENTS OF FAIRMONT

(See attached)

FAIRMONT RESOURES INC.

Financial statements

For the years ended October 31, 2019 and 2018

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fairmont Resources Inc.

Opinion

We have audited the financial statements of Fairmont Resources Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2019 ad 2018, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' deficiency for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Matthew Gosden.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 28, 2020

FAIRMONT RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		October 31, 2019		October 31, 2018
ASSETS				
CURRENT				
Cash	$	247	$	8,216
Marketable securities (Note 3)		–		67,500
Amounts receivable		9,445		3,777
Prepaid expenses		12,803		–
TOTAL ASSETS	$	22,495	$	79,493
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
CURRENT				
Accounts payable	$	694,059	$	452,690
Accrued liabilities		109,096		196,511
Success fee liability (Note 9)		844,158		856,118
Due to related parties (Note 6)		332,719		427,868
TOTAL CURRENT LIABILITIES		1,980,032		1,933,187
SHAREHOLDERS' DEFICIENCY				
Share capital (Note 5)		5,906,745		5,898,290
Equity reserves		1,133,998		1,133,998
Accumulated other comprehensive loss		–		(52,500)
Share Subscription receivable		(6,000)		(6,000)
Deficit		(8,992,280)		(8,827,482)
TOTAL SHAREHOLDERS' DEFICIENCY		(1,957,537)		(1,853,694)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	$	22,495	$	79,493

Nature and continuance of operations (Note 1)

Approved on behalf of the Board February 28, 2020:

"Binyomin Posen" — Director

"Michael Lerner" — Director

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

FAIRMONT RESOURCES INC

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Year ended October 31	
	2019	**2018**
OPERATING EXPENSES		
Administration (Note 6)	$ 12,000	$ 17,012
Advertising and promotion	–	885
Audit and accounting (Note 6)	83,189	71,480
Consulting	5,639	11,167
Foreign exchange gain	(12,103)	(7,359)
Investor Relations	–	2,167
Legal	15,866	36,288
Management (Note 6)	120,000	114,000
Office and miscellaneous	4,719	306
Registration and transfer fees	9,188	29,010
	(238,498)	(274,956)
OTHER INCOME		
Gain on sale of securities (Note 3)	(11,358)	–
Impairment of exploration and evaluation assets (Note 4)	–	(818,945)
Gain on sale of property	–	145,000
Gain on settlement of debt (Notes 5 and 6)	92,599	–
Reversal of legal fees	–	72,010
Other income	44,959	–
NET LOSS	$ (112,298)	$ (876,891)
OTHER COMPREHENSIVE LOSS		
Net change in fair value of marketable securities (Note 3)	–	(52,500)
COMPREHENSIVE LOSS	$ (112,298)	$ (929,391)
LOSS PER SHARE, basic and diluted	$ (0.03)	$ (0.24)
Weighted average number of shares outstanding	4,420,441	3,924,866

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

FAIRMONT RESOURCES INC.

STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Year ended October 31	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (112,298)	$ (876,891)
Adjustments		
Loss on sale of marketable securities	11,358	–
Impairment of exploration and evaluation assets	–	818,945
Gain on disposal of exploration and evaluation assets	–	(145,000)
Gain on settlement of debt	(92,599)	–
Changes in non-cash working capital items		
Amounts receivable	(5,668)	(3,186)
Accounts payable and accrued liabilities	229,390	23,862
Prepaid expense	(12,803)	-
Success fee liability	(11,960)	(7,187)
Due to related parties	(69,531)	172,942
Net cash used in operating activities	(64,111)	(16,515)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures, net	–	(1,419)
Sale of marketable securities	56,142	–
Funds received for settlement of exploration and evaluation assets	–	25,000
Net cash provided by investing activities	56,142	23,581
Increase (decrease) in cash	(7,969)	7,066
Cash, beginning of the year	8,216	1,150
Cash, ending of the year	$ 247	$ 8,216

NON-CASH TRANSACTIONS		
Shares of public company received on disposal of exploration and evaluation asset	$ –	$ 120,000
Shares issued for settlement of debt	$ 8,455	$ 165,708

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

FAIRMONT RESOURCES INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE YEARS ENDED OCTOBER 31, 2019 AND 2018

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscription receivable	Equity Reserves	Accumulated other comprehensive loss	Deficit	Total deficiency
Balance at October 31, 2017	3,736,912	$ 5,732,582	$ (6,000)	$1,133,998	$ -	$ (7,950,591)	$ (1,090,011)
Shares issued in settlement of debt	331,416	165,708	-	-	-	-	165,708
Net loss	-	-	-	-	-	(876,891)	(876,891)
Other comprehensive loss	-	-	-	-	(52,500)	-	(52,500)
Balance at October 31, 2018	4,068,328	5,898,290	(6,000)	1,133,998	(52,500)	(8,827,482)	(1,853,694)
Adoption of IFRS 9	-	-	-	-	52,500	(52,500)	-
Shares issued in settlement of debt	422,767	8,455	-	-	-	-	8,455
Net loss	-	-	-	-	-	(112,298)	(112,298)
Balance at October 31, 2019	4,491,095	$5,906,745	$(6,000)	$ 1,133,998	$ -	$ (8,992,280)	$ (1,957,537)

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office and registered and records office address is Suite 820 – 1130 west Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange (the "Exchange") under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. As at October 31, 2019, the Company does not hold an interest in any properties that it has determined to contain ore reserves that are economically recoverable or that it is actively exploring.

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

These financial statements were approved and authorized for issuance by the Board of Directors on February 28, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

c) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

d) Cash and cash equivalent

Cash and cash equivalents includes cash on hand, deposits held at financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2019 and October 31, 2018.

g) Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti- dilutive.

i) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

f)

j) Financial instruments

Changes in Accounting Policies

The Company adopted the following new standards issued by the IASB or the IFRIC:

<u>IFRS 9, Financial Instruments</u>

Effective November 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company adopted the standard retrospectively and prior periods were not restated. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities except for marketable securities (Note 3).

As a result of adopting this standard, the Company has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. An assessment has been made and the impact to the Company's financial statements was to reclassify its available-for-sale marketable securities to fair value through profit or loss. As the Company adopted IFRS 9 retrospectively without restatement of comparative amounts, this resulted in a reclassification of $52,500 from accumulated other comprehensive income to deficit on November 1, 2018. Future changes in the fair value of these marketable securities will be recorded directly in profit or loss. No other differences of any significance have been noted in relation to the adoption of IFRS 9.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance had no impact on the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Below is a summary showing the classification and measurement bases of the Company's financial instruments as at November 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash	Loans and receivables	Amortized cost
Marketable securities	Available-for-sale	FVTPL
Amounts receivable	Loans and receivables	Amortized cost
Prepaid expense	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Debt advances	Other financial liabilities	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments is as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

- Amortized cost Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following five categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

- Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in Accounting Policies (continued)

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements

The accounting pronouncements detailed in this note and those that have been issued but are not yet effective and may have an impact on the financial statements. The Company has not early adopted these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 16 – Leases ("IFRS 16") sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, the customer ("lessee") and the supplier ("lessor"). This will replace IAS 17, Leases and related Interpretations. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12 months, unless the underlying asset is of low value, and depreciation of lease assets separately from interest on lease liabilities in the income statement. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective to annual periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRS 16 will impact its financial statements.

3. MARKETABLE SECURITIES

The Company designates its investment in marketable securities as fair value through profit and loss.

On August 9, 2017 the Company agreed to sell the property to Jourdan Resources Inc. ("Jourdan Resources") and as part of the payment, on July 15, 2018, the Company received 1,500,000 shares of Jourdan Resources with a fair value of $120,000.

During the year ended October 31, 2018, the Company recognized the change in fair value of $52,500 as other comprehensive loss. Effective November 1, 2018, the Company adopted IFRS 9, this resulted in reclassification of $52,500 from accumulated other comprehensive loss to deficit.

During the year ended October 31, 2019, the Company sold these shares for proceeds of $56,142 and recorded a loss of $11,358.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

The following acquisition and deferred exploration costs were incurred on the Company's exploration and evaluation assets:

	Buttercup	**Forestville**	**Baie Comeau**	**Total**
	$	$	$	$
Balance, October 31, 2017	158,567	209,526	61,405	429,498
Impairment	(158,567)	(209,526)	(61,405)	(429,498)
Balance, October 31, 2018 and 2019	–	–	–	–
Deferred exploration costs				
Balance, October 31, 2017	146,071	241,957	–	388,028
Additions	1,419	–	–	1,419
Impairment	(147,490)	(241,957)	–	(389,447)
Balance, October 31, 2018 and 2019	–	–	–	–
Exploration and evaluation assets, October 31, 2017	**304,638**	**451,483**	**61,405**	**817,526**
Exploration and evaluation assets, October 31, 2018 and 2019	**–**	**–**	**–**	**–**

Buttercup Property (Quebec)

On January 28, 2014 the Company entered into a purchase agreement with an arm's length party (the "Vendor") to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $306,057 was recognized in the statement of loss and comprehensive loss during the year ended October 31, 2018.

Effective August 9, 2018, the Company terminated the purchase agreement.

Forestville – Baie Comeau Property (Quebec)

On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for various products such as: high purity glass, fibre optics, countertops, ferrosilicon and silica metal.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. Management had let the mineral claims lapse. As a result, an impairment of $512,888 was recognized in the statement of loss during the year ended October 31, 2018.

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the "Prospector") to acquire a 100% interest in the Rome Lithium property, near Val d'Or, Quebec (the "Property"). Accordingly, Fairmont (the "Optionee") will issue to the Optionor 500,000 shares (issued) and will pay the Optionor $25,000 (paid).

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources for the Rome Lithium property. Jourdan Resources is a related party due to a common director. The terms of the ROFR required an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, Jourdan would have paid an additional $25,000 cash and issued the Company an additional 1,500,000 shares. The Company would have also received a 2% Net Smelter Royalty.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss.

On July 15, 2018, the Company received remaining $25,000 and was issued 1,500,000 shares of Jourdan Resources with a fair value of $120,000 (Note 3). The Company recognized the payments received as a gain on disposal of property in the statement of loss and comprehensive loss.

5. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares without par value.

Share issuances:

Year ended October 31, 2019

On December 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $75,436 through the issuance of 422,767 common shares with a fair value of $8,455 and agreed to assignment of debt of $586,482 to a third-party creditor including $324,678 that was owed to related parties. The Company recognized a gain in settlement of debt of $66,981 resulting from this transaction.

Year ended October 31, 2018

On August 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $165,708 through the issuance of 331,416 common shares. 124,012 of the shares issued were to a former officer, or companies controlled by former directors and officers.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

Effective October 1, 2018, the Company its common shares on a 10 to 1 basis, which resulted in 4,068,328 shares outstanding post-consolidation. The consolidation was approved by the shareholders of the Company on September 21, 2018 and by the Exchange on September 28, 2018. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect this change.

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2017	181,500	$ 1.80
Expired	(86,500)	1.80
Balance at October 31, 2018 and 2019	95,000	$ 1.80

As at October 31, 2019, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	$ 1.80	June 16, 2021

Warrants

The following table summarizes the warrants and agent warrants activity.

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2017 and 2018	356,786	$ 1.50
Expired	(356,786)	$ 1.50
Balance at October 31, 2019	-	-

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (continued)

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, ("CEO") of the Company is the President of 1820546 Ontario Inc. ("1820546 Inc."), which has a contract with the Company. Fees and outstanding amounts due to 1820546 Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, ("CFO") of the Company is the president of Campus Alliance Inc., which has a service contract with the Company and is entitled to fees based on this contract relating to accounting services. These fees are expensed as accounting fees in the general and administrative expenses.

The table below details the fees incurred with the related parties:

	Year ended	
	October 31, 2019	**October 31, 2018**
1820546 Inc. - management fees	$ 120,000	$ 110,000
1820546 Inc. - administrative fees	12,000	11,000
Greg Ball (former CFO)	-	4,000
Campus Alliance Inc (accounting fees)	60,000	40,000
Harvey McKenzie (former Director)	-	2,500
Total related party transactions	**$ 192,000**	**$ 167,500**

The table below details the balances due to the related parties:

	October 31, 2019	**October 31, 2018**
1820546 Inc.	$ 239,869	$ 143,548
Campus Alliance Inc.	92,850	36,850
Avanti Management and consulting Ltd., company controlled by the former CEO	-	244,970
Harvey McKenzie (former Director)	-	2,500
Total Related party payables	**$ 332,719**	**$ 427,868**

In addition to the above balance, during the year ended October 31, 2019, $324,678 of balance due to related parties was assigned to a third party, and $25,618 of balance due was forgiven and recognized as a gain on settlement of debt. The amounts are non-interest bearing, unsecured and have no terms of repayments.

7. CAPITAL MANAGEMENT

The Company considers its capital to be a comprised of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS

a) Fair Values

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

c) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

The Company does not have significant foreign exchange risk as most of its transactions are in Canadian dollars.

e) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

(Expressed in Canadian Dollars)

9. SUCCESS FEE LIABILITY

In June 2016, the Company placed a deposit of $217,163 (€150,000) on the assets of Granitos de Badajoz S.A. (Grabasa) in Extremadura region of Spain. The total purchase price of the property was €3,700,000. Due to the inability to find suitable financing, the Spanish courts terminated the offer by the Company for the Grabasa assets on May 26, 2017. As a result, the €150,000 deposit on the property was forfeited.

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 ($844,158) in favor of Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2019, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($844,158) is owing to the third party. The Company reversed $72,010 in legal fees outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment.

Management continues to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at October 31, 2019 and 2018.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2019		**2018**
Net loss	$	(112,298)	$	(876,891)
Expected income tax (recovery)	$	(30,000)	$	(235,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		(2,000)		231,000
Share issuance cost		-		1,000
Change in unrecognized deductible temporary differences		32,000		3,000
Total income tax expense (recovery)	$	-	**$**	-

(Expressed in Canadian Dollars)

10. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

		2019		2018
Deferred Tax Assets				
Exploration and evaluation assets	$	381,000	$	381,000
Non capital losses		1,187,000		1,155,000
Unrecognized deferred tax assets		(1,568,000)		(1,536,000)
Net deferred income tax assets	**$**	**-**	**$**	**-**

The Company has non-capital losses for Canadian income tax purposes of approximately $4,400,000 which may be carried forward and applied against taxable income in the future. These losses, if not utilized, will expire starting in 2029 through 2039.

FAIRMONT RESOURCES INC.

Financial statements

For the years ended October 31, 2018 and 2017

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fairmont Resources Inc.

We have audited the accompanying financial statements of Fairmont Resources Inc., which comprise of the statements of financial position as at October 31, 2018 and 2017, and the statements of loss and comprehensive loss, cash flows and shareholders' deficiency for years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fairmont Resources Inc. as at October 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Fairmont Resources Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 28, 2019

FAIRMONT RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	October 31, 2018	October 31, 2017
ASSETS		
CURRENT		
Cash	$ 8,216	$ 1,150
Marketable securities (Note 4 and 5)	67,500	–
Amounts receivable	3,777	591
	79,493	1,741
Exploration and evaluation assets (Note 5)	–	817,526
TOTAL ASSETS	$ 79,493	$ 819,267
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Accounts payable	$ 452,690	$ 458,414
Accrued liabilities	196,511	270,627
Success fee liability (Note 11)	856,118	863,305
Due to related parties (Note 7)	427,868	316,932
TOTAL CURRENT LIABILITIES	1,933,187	1,909,278
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6)	5,898,290	5,732,582
Equity reserves	1,133,998	1,133,998
Share subscription receivable	(6,000)	(6,000)
Accumulated other comprehensive loss (Note 4)	(52,500)	–
Deficit	(8,827,482)	(7,950,591)
TOTAL SHAREHOLDERS' DEFICIENCY	(1,853,694)	(1,090,011)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	$ 79,493	$ 819,267

Nature and Continuance of Operations (Note 1)
Subsequent events (Notes 4, 5 and 13)

Approved on behalf of the Board, February 28, 2019:

"Michael Lerner"
Director

"Binyomin Posen"
Director

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

FAIRMONT RESOURCES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended October 31, 2018	2017
OPERATING EXPENSES		
Administration (Note 7)	$ 17,012	$ 41,676
Advertising and promotion	885	42,124
Audit and accounting	71,480	54,870
Consulting	11,167	48,500
Foreign exchange gain	(7,359)	–
Investor Relations	2,167	67,500
Legal	36,288	221,375
Management (Note 7)	114,000	102,000
Office and miscellaneous	306	39,899
Part XII tax	–	34,650
Registration and transfer fees	29,010	17,688
Share based compensation (Note 6)	–	3,573
Success fee (Note 11)	–	846,343
	(274,956)	(1,520,198)
OTHER INCOME		
Gain on disposal of property (Note 5)	145,000	–
Gain on settlement of debt (Note 6)	–	36,725
Impairment of exploration and evaluation assets (Note 5)	(818,945)	(352,875)
Impairment of Grabasa deposit (Note 10)	–	(217,163)
Reversal of legal fees (Note 11)	72,010	–
NET LOSS	(876,891)	(2,053,511)
OTHER COMPREHENSIVE LOSS		
Net change in fair value of marketable securities (Note 4)	(52,500)	–
COMPREHENSIVE LOSS	$ (929,391)	$ (2,053,511)
LOSS PER SHARE, basic and diluted	($0.24)	($0.56)
Weighted average number of shares outstanding – basic and diluted	3,924,866	3,643,467

The accompanying notes are an integral part of these financial statements

FAIRMONT RESOURCES INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended October 31, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (876,891)	$ (2,053,511)
Adjustments		
Share-based payments	–	3,573
Impairment of Grabasa deposit	–	217,163
Impairment of exploration and evaluation assets	818,945	352,875
Gain on settlement of debt	–	(36,725)
Gain on disposal of exploration and evaluation assets	(145,000)	–
Changes in non-cash working capital items		
Amounts receivable	(3,186)	1,993
Prepaid expenses	–	5,000
Accounts payable and accrued liabilities	23,862	216,201
Success fee liability	(7,187)	863,305
Due to related parties	172,942	118,256
Net cash used in operating activities	(16,515)	(311,870)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	–	339,000
Share issuance cost	–	(1,695)
Net cash from financing activities	–	337,305
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures, net	(1,419)	(43,026)
Funds received for settlement of exploration and evaluation assets	25,000	–
Net cash from (used in) investing activities	23,581	(43,026)
Change in cash	7,066	(17,591)
Cash, beginning	1,150	18,741
Cash, ending	$ 8,216	$ 1,150

SUPPLEMENTAL INFORMATION

	2018	2017
NON CASH TRANSACTIONS		
Shares issued for exploration and evaluation assets (Note 5)	$ -	$ 52,500
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ -	$ 56,500
Shares of public company received on disposal of exploration and evaluation asset (Note 5)	$ 120,000	$ -

The accompanying notes are an integral part of these financial statements

FAIRMONT RESOURCES INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

FOR THE YEARS ENDED OCTOBER 31, 2018 AND 2017

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Shares Subscription Receivable	Equity Reserves	Accumulated Other Comprehensive Loss	Deficit	Total Deficiency
Balance at October 31, 2016	3,148,626	$ 5,323,002	$ (6,000)	$ 1,130,425	$ –	$ (5,897,080)	$ 550,347
Shares issued for exploration and evaluation assets	100,000	52,500	–	–	–	–	52,500
Shares issued for cash	356,786	264,000	–	–	–	–	264,000
Share issuance costs	–	(1,695)	–	–	–	–	(1,695)
Shares issued on exercise of warrants	75,000	75,000	–	–	–	–	75,000
Shares issued on settlement of debt	56,500	19,775	–	–	–	–	19,775
Share based payments	–	–	–	3,573	–	–	3,573
Net loss	–	–	–	–	–	(2,053,511)	(2,053,511)
Balance at October 31, 2017	3,736,912	5,732,582	(6,000)	1,133,998	–	(7,950,591)	(1,090,011)
Shares issued on settlement of debt	331,416	165,708	–	–	–	–	165,708
Net loss	–	–	–	–	–	(876,891)	(876,891)
Other comprehensive loss	–	–	–	–	(52,500)	–	(52,500)
Balance at October 31, 2018	4,068,328	$ 5,898,290	$ (6,000)	$ 1,133,998	$ (52,500)	$ (8,827,482)	$ (1,853,694)

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The registered and records office address is Suite 820 – 1130 west Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. As at October 31, 2018, the Company had not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

b) Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Use of estimates (continued)

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, 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, but are not limited to the following:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position;
2) the inputs used in the accounting for the deferred tax assets / liabilities; and
3) the inputs used in the accounting for share-based payment expense included in profit or loss.

c) Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e) Impairment

The carrying amounts of the Company’s non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2018 and 2017.

g) Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

h) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti-dilutive.

i) Flow through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

j) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in net loss. The Company's amounts receivable are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

For all financial assets objective evidence of impairment could include:
• significant financial difficulty of the issuer or counterparty; or
• default or delinquency in interest or principal payments; or
• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

l) Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates and was determined to be the Canadian Dollar. The functional currency determination was conducted through an analysis of the factors identified in International Accounting Standard 21, The Effects of Changes in Foreign Exchange Rates (“IAS 21”). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3. FUTURE ACCOUNTING STANDARDS

The IASB issued a number of new and revised accounting standards that are not yet effective. These standards include the following:

IFRS 9, Financial Instruments – Classification and Measurement - IFRS 9 is replacing IAS 39, Financial Measurements: Recognition and Measurements. IFRS 9 retains but simplifies the mixed measure model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company’s fiscal period beginning November 1, 2018. The Company is still assessing the impact of the adoption of this new standard on its financial statements.

IFRS 15, Revenue - IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. A full retrospective application or a modified retrospective application was required for annual periods beginning on or after January 1, 2018. Currently, the Company does not have any contracts with customers and as such there has been no impact to the financial statements upon adoption.

3. FUTURE ACCOUNTING STANDARDS (CONTINUED)

IFRS 16, Leases – IFRS 16 was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company plans to continue to assess the potential effect of IFRS 16 on its financial statements.

4. MARKETABLE SECURITIES

The Company designates its investment in marketable securities as available-for-sale.

On August 9, 2017 the Company agreed to sell the property to Jourdan Resources Inc. ("Jourdan Resources") and as part of the payment, on July 15, 2018, the Company received 1,500,000 shares of Jourdan Resources with a fair value of $120,000.

During the year ended October 31, 2018, the Company recognized the change in fair value of $52,500 as other comprehensive loss.

Subsequent to October 31, 2018, the Company sold these shares for gross proceeds of $56,300.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The following acquisition and deferred exploration costs were incurred on the Company's exploration and evaluation assets:

	Rome Lithium	Buttercup	Lac Bouchette	Forestville	Baie Comeau	Total
	$	$	$	$	$	$
Acquisition costs						
Balance, October 31, 2016	120,000	158,567	205,375	209,526	61,405	754,873
Additions	52,500	–	–	–	–	52,500
ROFR payment	(25,000)	–	–	–	–	(25,000)
Impairment	(147,500)	–	(205,375)	–	–	(352,875)
Balance, October 31, 2017	–	158,567	–	209,526	61,405	429,498
Impairment	–	(158,567)	–	(209,526)	(61,405)	(429,498)
Balance, October 31, 2018	–	–	–	–	–	–
Deferred exploration costs						
Balance, October 31, 2016	–	131,844	–	188,158	–	320,002
Quebec tax credit	–	–	–	(619)	–	(619)
Additions during the period	–	14,227	–	54,418	–	68,645
Balance, October 31, 2017	–	146,071	–	241,957	–	388,028
Additions	–	1,419	–	–	–	1,419
Impairment	–	(147,490)	–	(241,957)	–	(389,447)
Balance, October 31, 2018	–	–	–	–	–	–
Exploration and evaluation assets, October 31, 2017	–	304,638	–	451,483	61,405	817,526
Exploration and evaluation assets, October 31, 2018	–	–	–	–	–	–

5. EXPLORATION AND EVALUATION ASSETS (continued)

Buttercup Property (Quebec)
On January 28, 2014 the Company entered into a purchase agreement with an arm's length party (the "Vendor") to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec. To acquire the 100% interest, the Company agreed to:

(i) pay $50,000 (paid) to certain suppliers of the Vendor,
(ii) issue a total of 1,000,000 common shares (issued at a value of $50,000); and
(iii) pay a total of $150,000 to the Vendor.

The $150,000 payment is to be paid in an installment of $50,000 within 60 days of receiving final permits to commence commercial production on the property and $100,000 to be paid on commencement of commercial production. Further the net profits from production will be split 80% to the Vendor and 20% to the Company until the Vendor has received a total payment of $3,000,000. Thereafter the Vendor will receive 5% of the net profits and the Company will receive 95%. The Company also issued 100,000 common shares in the capital stock of the Company (issued at a value of $5,000) as a finder's fee for the property.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $306,057 was recognized in the statement of loss and comprehensive loss during the year ended October 31, 2018.

Effective August 9, 2018, the Company terminated the purchase agreement.

Lac Bouchette Property (Quebec)
During the year ended October 31, 2017, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $205,375 was recognized in the statement of loss during the year ended October 31, 2017.

Forestville – Baie Comeau Property (Quebec)
On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for various products such as: high purity glass, fibre optics, countertops, ferrosilicon and silica metal.

To acquire 100% of the Properties, the Company will:
i) pay 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid),
ii) pay $6,000 on the Exchange Approval Date (paid),
iii) pay $100,000 in shares on or before January 21, 2016, (on November 29, 2015, 2,000,000 shares were issued at a price of $0.05 per share)
iv) pay $50,000 in shares on or before July 21, 2016, (issued August 8, 2016) and
v) incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

5. EXPLORATION AND EVALUATION ASSETS (continued)

The Company is responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction. Also, the Company will pay a 2% production royalty in connection with the sale of produced minerals on the Properties, and may repurchase the royalty at a price equal to $0.25 per tonne.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $512,888 was recognized in the statement of loss during the year ended October 31, 2018.

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the “Prospector”) to acquire a 100% interest in the Rome Lithium property, near Val d’Or, Quebec (the “Property”). Accordingly, Fairmont (the “Optionee”) will issue to the Optionor 500,000 shares (issued) and will pay the Optionor $25,000 (paid).

In order to exercise the balance of the option, Fairmont will be required to:
(i) issue 500,000 shares on or before December 10, 2016 (issued);
(ii) issue 500,000 shares on or before May 26, 2017(issued), (Note 12);
(iii) incur $50,000 of exploration expenditures before May 26, 2017; and
(iv) incur an additional $100,000 before May 26, 2019.

The Property will be subject to a 2% Production Royalty per tonne. The Optionee may purchase one half of the Production Royalty (1%) for one million dollars (Canadian) at any time. On June 14, 2016 the company issued 500,000 shares at $0.19 per share as the first payment for the Rome Lithium property.

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources for the Rome Lithium property. Jourdan Resources is a related party due to a common director. The terms of the ROFR required an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, Jourdan would have paid an additional $25,000 cash and issued the Company an additional 1,500,000 shares. The Company would have also received a 2% Net Smelter Royalty. On August 9, 2017, the ROFR was exercised, and the Company agreed to sell the property to Jourdan, subject to approval from the exchange. By July 22, 2017, no third party had presented a better offer on the property. On August 9, 2017 the Company agreed to sell the property to Jourdan Resources, subject to approval from the exchange.

In June 2017, the Company received the initial deposit of $25,000 from Jourdan Resources.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss

On July 15, 2018, the Company received remaining $25,000 and was issued 1,500,000 shares of Jourdan Resources with a fair value of $120,000 (Note 4). The Company recognized the payments received as a gain on disposal of property in the statement of loss and comprehensive loss.

6. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares without par value.

Share issuances

Year ended October 31, 2018

On August 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $165,708 through the issuance of 331,416 common shares. 124,012 of the shares issued were to a former officer, or companies controlled by former directors and officers.

Effective October 1, 2018, the Company consolidated its common shares on a 10 to 1 basis, which resulted in 4,068,328 shares outstanding post-consolidation. The consolidation was approved by the shareholders of the Company on September 21, 2018 and by the Exchange on September 28, 2018. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect this change.

Year ended October 31, 2017

On December 12, 2016, the Company issued a total of 50,000 common shares at a price of $0.70 as payment on the Rome property (Note 4).

On December 30, 2016 the Company issued a total of 142,500 Flow Through Units at a price of $0.80 for proceeds of $114,000. Each unit consists of one share and one share purchase warrant that can be exercised at $1.50 until December 30, 2018.

On January 20, 2017 the Company issued a total of 214,286 Non-Flow Through Units at a price of $0.70 for proceeds of $150,000. Each unit consists of one share and one share purchase warrant that can be exercised at $1.50 until January 20, 2019.

On March 2, 2017 the Company issued a total of 57,500 common shares at a price of $1.00 on exercise of 57,500 warrants.

On March 24, 2017 the Company issued a total of 17,500 common shares at a price of $1.00 on exercise of 17,500 warrants.

On June 13, 2017, the Company issued a total of 50,000 common shares at a price of $0.35 as payment on the Rome lithium property (Note 4)

On June 13, 2017, the Company issued a total of 56,500 common shares with a fair value of $19,775 as payment on debt of $56,500 owed to a vendor. The transaction resulted in a gain of $36,725.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2016	309,000	$ 2.40
Expired	(127,500)	3.30
Balance at October 31, 2017	181,500	$ 1.80
Expired	(86,500)	1.80
Balance at October 31, 2018	95,000	$ 1.80

As at October 31, 2018, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	1.80	June 16, 2021

Share-based compensation

In the year ended October 31, 2018, the Company expensed $nil (2017 – $3,573) in share based compensation.

Warrants

The following table summarizes the warrants and agent warrants activity (Note 11).

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2016	430,240	$ 1.00
Issued	356,786	1.50
Expired	(355,240)	1.50
Exercised	(75,000)	1.00
Balance at October 31, 2017 and 2018	356,786	$ 1.50

As at October 31, 2018 the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
142,500	$ 1.50	December 30, 2018
214,286	$ 1.50	January 20, 2019
356,786		

Subsequent to October 31, 2018, these warrants expired unexercised.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, ("CEO") of the Company is the President of 1820546 Ontario Inc. ('1820546 Inc."), (and by extension the CEO and President) has a contract with the Company. Fees and outstanding amounts due to 1820546 Ontario Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, ("CFO") of the Company is the president of Campus Alliance Inc., has a service contract with the Company and is entitled to fees based on this contract relating to accounting services in the normal course of business. These fees are expensed as accounting fees in the general and administrative expenses.

The table below details the fees and amounts due to related parties:

Related Party Fees	**October 31, 2018**	**October 31, 2017**
1820546 Inc. - management fees	$ 110,000	$ -
1820546 Inc. - administrative fees	11,000	-
Michael Dehn (former CEO)	-	87,522
Greg Ball (former CFO)	4,000	9,000
Campus Alliance Inc.	40,000	-
Harvey McKenzie (former Director)	2,500	-
Total related party transactions	**$ 167,500**	**$ 96,522**

Related party payables	**October 31, 2018**	**October 31, 2017**
1820546 Inc.	$ 143,548	$ -
Campus Alliance Inc.	36,850	-
Avanti Management and consulting Ltd., company controlled by the former CEO	244,970	282,338
Harvey McKenzie (former Director)	2,500	-
Fladgate exploration consulting corp., a company controlled by former directors	-	10,594
Greg Ball (former CFO)	-	24,000
Total Related party payables	**$ 427,868**	**$ 316,932**

8. CAPITAL MANAGEMENT

The Company considers its capital to be a component of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

a) Fair Value

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

c) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability (note 10) is denominated in Euros.

e) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

f) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

10. GRABASA DEPOSIT

In June 2016, the Company placed a deposit of $217,163 (€150,000) on the assets of Granitos de Badajoz S.A. (Grabasa) in Extremadura region of Spain. The total purchase price of the property was €3,700,000. Due to the inability to find suitable financing, the Spanish courts terminated the offer by the Company for the Grabasa assets on May 26, 2017. As a result, the €150,000 deposit on the property was forfeited.

11. SUCCESS FEE LIABILITY

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 ($856,118) in favor of Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2018, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($856,118) is owing to the third party. The Company reversed $72,010 in legal fees payables outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment.

Management continue to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at October 31, 2018.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2018	2017
Net loss	$ (876,891)	$ (2,053,511)
Expected income tax (recovery)	$ (235,000)	$ (534,000)
Change in statutory rates and other	-	-
Permanent Difference	-	2,000
Share issue cost	1,000	7,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	231,000	63,000
Change in unrecognized deductible temporary differences	3,000	462,000
Total income tax expense (recovery)	$ –	$ –

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2018	2017
Deferred Tax Assets		
Exploration and evaluation assets	$ 381,000	$ 110,000
Non-capital losses	1,155,000	1,423,000
Unrecognized deferred tax assets	(1,536,000)	(1,533,000)
Net deferred income tax assets	$ –	$ –

The Company has non-capital losses for Canadian income tax purposes of approximately $4,300,000 which may be carried forward and applied against taxable income in the future. These losses, if not utilized, will expire starting in 2029 through 2038.

13. SUBSEQUENT EVENTS

On December 31, 2018, the Company settled indebtedness of $288,135 through the issuance of 422,767 common shares.

On February 4, 2019 the Company announced that it has entered into a non-binding letter of intent with Full Spectrum Brands Canada Inc. ("Full Spectrum Brands") (the "LOI"). The LOI outlines certain mutual understandings and principal terms and conditions pursuant to which the Company and Full Spectrum Brands Canada intend to effect a possible transaction that will result in a reverse takeover of the Company by the shareholders of Full Spectrum Brands and the listing of the Company common shares on the Canadian Securities Exchange.

FAIRMONT RESOURCES INC.

Consolidated financial statements

For the years ended
October 31, 2017 and 2016

Expressed in Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fairmont Resources Inc.

We have audited the accompanying consolidated financial statements of Fairmont Resources Inc., which comprise the consolidated statements of financial position as at October 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fairmont Resources Inc., as at October 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Fairmont Resources Inc.'s ability to continue as a going concern.

(signed) "DMCL"

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 27, 2018

FAIRMONT RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	October 31, 2017	October 31, 2016
ASSETS		
CURRENT		
Cash	$ 1,150	$ 18,741
Amounts receivable	591	2,584
Grabasa deposit (Note 9)	–	217,163
Prepaid expenses	–	5,000
TOTAL CURRENT ASSETS	1,741	243,488
Exploration and evaluation assets (Note 4)	817,526	1,074,875
TOTAL ASSETS	$ 819,267	$ 1,318,363
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 729,041	$ 569,340
Success fee liability (Note 10)	863,305	–
Amounts due to related parties (Note 6)	316,932	198,676
TOTAL CURRENT LIABILITIES	1,909,278	768,016
SHAREHOLDERS' EQUITY(DEFICIENCY)		
Share capital (Note 5)	5,732,582	5,323,002
Equity reserves (Note 5)	1,133,998	1,130,425
Share Subscription receivable	(6,000)	(6,000)
Deficit	(7,950,591)	(5,897,080)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	(1,090,011)	550,347
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	$ 819,267	$ 1,318,363

Nature and continuance of operations (Note 1)

Approved on behalf of the Board February 27, 2018:

"Harvey McKenzie"	"Michael Lerner"
Director	Director

The accompanying notes are an integral part of these consolidated financial statements

FAIRMONT RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended October 31, 2017	Year ended October 31, 2016
EXPENSES		
Administration	$ 41,676	$ 38,000
Advertising and promotion (Note 5)	5,399	82,018
Audit and accounting	54,870	41,600
Consulting	48,500	72,500
Part XII.6 tax (Note 13)	34,650	–
Investor Relations	67,500	63,032
Legal	221,375	17,383
Management	102,000	102,000
Success fee (Note 10)	846,343	–
Office and miscellaneous	39,899	24,427
Registration and transfer fees	17,688	18,071
Share-based payments	3,573	338,772
Impairment of exploration and evaluation assets (Note 4)	352,875	4,380
Impairment of Grabasa deposit (Note 9)	217,163	–
Loss and comprehensive loss for the year	$ (2,053,511)	$ (802,183)
Loss per share, basic and diluted	$ (0.07)	$ (0.03)

The accompanying notes are an integral part of these consolidated financial statements

FAIRMONT RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Year ended October 31, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (2,053,511)	$ (802,183)
Adjustments		
Share-based payments	3,573	338,772
Impairment of Grabasa deposit	217,163	–
Impairment of exploration and evaluation assets	352,875	–
Gain on settlement of debt	(36,725)	–
Changes in non-cash working capital items		
Amounts receivable	1,993	(1,610)
Prepaid expenses	5,000	1,198
Accounts payable and accrued liabilities	216,201	333,899
Success fee liability	863,305	–
Due to related parties	118,256	109,188
Net cash used in operating activities	(311,870)	16,356
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	339,000	474,000
Share issuance cost	(1,695)	(28,311)
Net cash from financing activities	337,305	445,689
CASH FLOWS USED IN INVESTING ACTIVITIES		
Grabasa deposit	–	(217,163)
Exploration and evaluation asset expenditures, net	(43,026)	(255,819)
Quebec mineral tax credit received	–	47,835
Net cash used in investing activities	(43,026)	(425,147)
Change in cash during the year	(17,591)	4,186
Cash, beginning of the year	18,741	14,555
Cash, end of the year	$ 1,150	$ 18,741

SUPPLEMENTAL INFORMATION

	2017	2016
NON CASH TRANSACTIONS		
Shares issued for exploration and evaluation assets (Note 5)	$ 52,500	$ 284,706
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 56,500	$ 48,487

The accompanying notes are an integral part of these consolidated financial statements

FAIRMONT RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (DEFICIENCY)

FOR THE YEAR ENDED OCTOBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscription receivable	Equity Reserves	Deficit	Total Equity
Balance at October 31, 2015	18,692,147	$ 4,560,697	$ –	$ 757,269	$ (5,094,897)	$ 223,069
Shares issued for exploration and evaluation assets	4,794,117	345,000	–	–	–	345,000
Shares issued for cash	8,000,000	480,000	(6,000)	–	–	474,000
Share issuance costs	–	(62,695)	–	34,384	–	(28,311)
Stock-based compensation	–	–	–	338,772	–	338,772
Loss for the year	–	–	–	–	(802,183)	802,183)
Balance at October 31, 2016	31,486,264	5,323,002	(6,000)	1,130,425	(5,897,080)	550,347
Shares issued for exploration and evaluation assets	1,000,000	52,500	–	–	–	52,500
Shares issued for cash	3,567,857	264,000	–	–	–	264,000
Share issuance costs	–	(1,695)	–	–	–	(1,695)
Shares issued on exercise of warrants	750,000	75,000	–	–	–	75,000
Shares issued on settlement of debt	565,000	19,775	–	–	–	19,775
Share-based payments	–	–	–	3,573	–	3,573
Loss for the year	–	–	–	–	(2,053,511)	(2,053,511)
Balance at October 31, 2017	37,369,121	$ 5,732,582	$ (6,000)	$ 1,133,998	$ (7,950,591)	$ (1,090,011)

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The registered and records office address is Suite 820 – 1130 west Pender Street, Vancouver, BC V6E 4A4, Canada. The Company is listed on the TSX Venture Exchange under the symbol "FMR". The Company is primarily engaged in the acquisition, exploration and development of mineral properties. At October 31, 2017, the Company had not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

At October 31, 2017, the Company had an accumulated deficit of $7,950,591, a deficiency in shareholders' equity of $1,090,011, and a working capital deficiency of $1,907,537. The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International financial Reporting Interpretations Committee ("IFRIC").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Statement of compliance and basis of presentation (continued)

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

b) Use of estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, 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, but are not limited to the following:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position;

2) the inputs used in the accounting for the deferred tax assets / liabilities; and

3) the inputs used in the accounting for share-based payment expense included in profit or loss.

c) Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Exploration and evaluation assets (continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

d) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e) Impairment

The carrying amounts of the Company’s non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment (continued)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2017 and October 31, 2016.

g) Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

h) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

j) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

k) Financial instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in earnings. The Company's amounts receivable are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are classified as other financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments (continued)

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. FUTURE ACCOUNTING STANDARDS

New standards, interpretations and amendments not yet effective

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement.* IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards.

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Buttercup Property (Quebec)

On January 28, 2014 the Company entered into a purchase agreement to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec. To acquire the 100% interest, the Company agreed to:

(i) pay $50,000 (paid) to certain suppliers of the vendor;
(ii) issue a total of 1,000,000 common shares (issued at a value of $50,000); and
(iii) pay a total of $150,000.

The $150,000 payment is to be paid in an installment of $50,000 within 60 days of receiving final permits to commence commercial production on the property (paid) and $100,000 to be paid on commencement of commercial production. The net profits from production will be split 80% to the vendor and 20% to the Company until the vendor has received a total payment of $3,000,000. Thereafter the vendor will receive 5% of the net profits and the Company will receive 95%. The Company also issued 100,000 common shares in the capital stock of the Company (issued at a value of $5,000) as a finder's fee for the property.

Lac Bouchette Property (Quebec)

On October 24, 2014, the Company entered into an agreement to earn a 100% interest in certain mineral claims known as the Lac Bouchette property in the province of Quebec. Under the terms of the option agreement, the Company will be required to make the following payments in order to exercise its option:

(i) $50,000 (of which $25,000 may be settled in shares of the Company) within five days of TSX Venture Exchange acceptance of the agreement (paid $25,000 and issued 135,135 common shares at a price of $0.175 per share),

(ii) $50,000 on or before December 31, 2014 (issued 344,827 shares at a price of $0.155 per share);

(iii) $50,000 on or before June 1, 2015 (issued 263,158 shares at a price of $0.19 per share); and

(iv) $50,000 on or before December 1, 2015 (issued 1,000,000 shares at a value of $0.05 per share).

The optionor will also receive a $2 per tonne royalty for all ore currently stockpiled on the Lac Bouchette Quartz Property and a 2% production royalty for any new mined ore.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $205,375 was recognized in the statement of loss.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Forestville – Baie Comeau Property (Quebec)

On January 21, 2015 the Company entered into an option agreement to acquire a 100% interest in the Forestville Quartzite and Baie Comeau Quartzite properties (the "Properties") which are located near the town of Forestville and city of Baie Comeau, Quebec, respectively

To acquire 100% of the Properties, the Company will:

i) pay to the optionor 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid),
ii) pay $6,000 on the Exchange Approval Date (paid),
iii) pay $100,000 in shares on or before January 21, 2016, (on November 29, 2015, 2,000,000 shares were issued at a price of $0.05 per share)
iv) pay $50,000 in shares on or before July 21, 2016, (issued August 8, 2016) and
v) incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

The Company is responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction. Also, the Company will pay a 2% production royalty in connection with the sale of produced minerals on the Properties, and may repurchase the royalty at a price equal to $0.25 per tonne.

On March 20, 2017 the Company announced that it has signed a quartzite testing agreement with a European company to validate the chemical and thermal stability of Fairmont's Baie Comeau and Forestville Quartzite Projects, as well as to evaluate the commercial feasibility of a mining operation and logistics.

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the "Optionor") to acquire a 100% interest in the Rome Lithium property, near Val d'Or, Quebec (the "Property"). Accordingly, the Company will issue to the Optionor 500,000 shares (issued at $0.19 per share) and will pay the Optionor $25,000 (paid).

In order to exercise the balance of the option, the Company will be required to:
(i) issue 500,000 shares on or before December 10, 2016 (issued at $0.07 per share);
(ii) issue 500,000 shares on or before May 26, 2017(issued at $0.05 per share)(Note 5); and
(iii) incur $50,000 of exploration expenditures before May 26, 2017,
(iv) incur an additional $100,000 before May 26, 2019.

The Property will be subject to a 2% Production Royalty per tonne. The Company may purchase one half of the Production Royalty (1%) for $1,000,000 at any time. On June 14, 2016 the company issued 500,000 shares at $0.19 per share as the first payment for the Rome Lithium property.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Rome Lithium Property (Quebec) (continued)

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources Inc. ("Jourdan") for the Rome Lithium property. Jourdan is a related party due to a common director. The terms of the ROFR required an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, Jourdan would have paid an additional $25,000 cash and issued the Company an additional 1,500,000 shares. The Company would have also received a 2% Net Smelter Royalty. On August 9, 2017, the ROFR was exercised, and the Company agreed to sell the property to Jourdan, subject to approval from the exchange.

As at October 31, 2017 and currently to date, the remaining amounts under the option agreement had not been received.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Total exploration and evaluation assets

The following acquisition and deferred exploration costs were incurred on the Company's exploration and evaluation assets:

	Rome Lithium	Buttercup	Lac Bouchette
Acquisition costs, October 31, 2016	$ 120,000	$ 158,567	$ 205,375
Additions during the period	52,500	-	–
ROFR payment	(25,000)	–	–
Impairment	(147,500)		(205,375)
Acquisition costs, October 31, 2017	–	158,567	–
Deferred exploration costs, October 31, 2016	–	131,844	–
Additions during the period	–	14,227	–
Deferred exploration cost October 31, 2017	–	146,071	–
Total exploration and evaluation assets, October 31, 2017	**$ –**	$ 304,638	**$ –**

	Forestville	Baie Comeau	**Total**
Acquisition costs, October 31, 2016	$ 209,526	$ 61,405	$ 754,873
Additions during the Period	–	–	52,500
ROFR payment	–	–	(25,000)
Impairment	–	–	(352,875)
Acquisition costs, October 31, 2017	209,526	61,405	429,498
Deferred exploration costs, October 31, 2016	188,158	–	320,002
Quebec Tax Credit	(619)	–	(619)
Additions during the year	54,418	–	68,645
Deferred exploration costs, October 31, 2017	241,957	–	388,028
Total exploration and evaluation assets, October 31, 2017	$ 451,483	$ 61,405	$817,526

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Total exploration and evaluation assets (continued)

	Rome Lithium	Buttercup	Hearth
Acquisition costs, October 31, 2015	$ –	$ 107,672	$ 4,380
Additions during the year	120,000	50,895	–
Impairment	–	–	(4,380)
Acquisition costs, October 31, 2016	120,000	158,567	–
Deferred exploration costs, October 31, 2015	–	131,844	–
Additions during the year	–	–	–
Deferred exploration cost October 31, 2016	–	131,844	–
Total exploration and evaluation assets, October 31, 2016	$ 120,000	$ 290,411	$ –

	Lac Bouchette	Forestville	Baie Comeau	**Total**
Acquisition costs, October 31, 2015	$ 152,097	$ 59,526	$ 21,474	$ 345,149
Additions during the year	53,278	150,000	39,931	414,104
Impairment	–	–	–	(4,380)
Acquisition costs, October 31, 2016	205,375	209,526	61,405	754,873
Deferred exploration costs, October 31, 2015	–	109,167	13,255	254,266
Quebec Tax Credit	–	(47,835)	–	(47,835)
Additions (recovery) during the year	–	126,826	(13,255)	113,571
Deferred exploration costs, October 31, 2016	–	188,158	–	320,002
Total exploration and evaluation assets, October 31, 2016	$ 205,375	$ 397,684	$ 61,405	$ 1,074,875

5. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares without par value.

Share issuances

Year ended October 31, 2017

On December 12, 2016 the Company issued a total of 500,000 common shares at a price of $0.07 as payment on the Rome property (Note 4).

5. SHARE CAPITAL (continued)

Year ended October 31, 2017 (continued)

On December 30, 2016 the Company issued a total of 1,425,000 flow through units at a price of $0.08 for proceeds of $114,000. Each unit consists of one share and one share purchase warrant that can be exercised at $0.15 until December 30, 2018. The premium paid on the flow through shares was determined to be immaterial.

On January 20, 2017 the Company issued a total of 2,142,857 non-flow through units at a price of $0.07 for proceeds of $150,000. Each unit consists of one share and one share purchase warrant that can be exercised at $0.15 until January 20, 2019.

On March 2, 2017 the Company issued a total of 575,000 common shares at a price of $0.10 on exercise of 575,000 warrants.

On March 24, 2017 the Company issued a total of 175,000 common shares at a price of $0.10 on exercise of 175,000 warrants.

On June 13, 2017, the Company issued a total of 500,000 common shares at a price of $0.035 under the option agreement to purchase a 100% interest in the Rome lithium property (Note 4).

On June 13, 2017, the Company issued a total of 565,000 common shares with a fair value of $19,775 as payment on debt of $56,500 owed to a vendor. The resulting gain of $36,725 was recorded as a reduction to advertising and promotion where the original expense had been booked.

Year ended October 31, 2016

On November 29, 2015 the Company issued a total of 2,000,000 common shares at a price of $0.05 as the second payment for a 100% interest in the Forestville and Baie Comeau properties (Note 4).

On December 29, 2015 the Company issued a total of 1,000,000 common shares at a price of $0.05 as the final payment for a 100% interest in the Lac Bouchette property (Note 4).

On December 29, 2015 the Company issued a total of 1,000,000 common shares at a price of $0.05 as partial payment for a 100% interest in the Buttercup property (Note 4).

On June 8, 2016 the Company issued a total of 1,580,000 Units at a price of $0.06 for gross proceeds of $94,800.

On June 14, 2016 the Company issued a total of 6,420,000 Units at a price of $0.06 for gross proceeds of $385,200. Each Unit consists of one common share (a “Share”) and one half Share purchase warrant (a "Warrant"). Each full Warrant entitles the holder to purchase one Share for a period of 12 months at an exercise price of $0.10 per Share.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)
Year ended October 31, 2016 (continued)

On June 14, 2016, the Company issued a total of 500,000 shares at a price of $0.19 as payment on the Rome lithium property. (Note 4)

On August 8, 2016, the Company issued a total of 294,117 shares at a price of $0.17 as final payment on the Forestville and Baie Comeau properties. (Note 4)

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2015	1,287,500	0.33
Expired	(12,500)	1.24
Granted	1,815,000	0.18
Balance at October 31, 2016	3,090,000	$ 0.24
Expired	(1,275,000)	0.33
Balance at October 31, 2017	1,815,000	$ 0.18
Exercisable at October 31, 2017	1,815,000	$ 0.18

As at October 31, 2017, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
950,000	0.18	June 16, 2021
865,000	0.18	June 16, 2018
1,815,000		

Share-based payments

In the year ended October 31, 2017 the Company expensed $3,573 (2016 – $338,772) in share-based payments. The fair value of the stock options issued during the year ended October 31, 2016 was calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	October 31, 2016
Exercise Price	$0.18
Expected life	3.57 years
Annualized Volatility	200.8%
Expected Dividend yield	0%
Risk-free interest rate	0.53%

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

Warrants

The following table summarizes the warrants and agent warrants activity.

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2015	–	$ –
Issued	4,302,400	0.10
Balance at October 31, 2016	4,302,400	0.10
Issued December 30, 2016	3,567,857	0.15
Expired	(3,552,400)	0.10
Exercised	(750,000)	0.10
Balance at October 31, 2017	3,567,857	$ 0.15

As at October 31, 2017 the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,567,857	0.15	December 30, 2018

6. RELATED PARTY TRANSACTIONS

In the year ended October 31, 2017 and 2016 the following amounts were paid or accrued to related parties:

a) Paid or accrued $90,000 (2016 – $90,000) in management fees and $12,000 (2016 – $12,000) in administrative fees to a company controlled by the CEO and president of the Company. The company also accrued $14,736 (2016 - $16,269) in interest to this company.

b) Paid or accrued $12,000 (2016 – $12,000) in management fees to a director of the Company.

At October 31, 2017, the following amounts were outstanding to related parties:

a) $272,805 (October 31, 2016 – $176,082) in due to related parties was outstanding to a company controlled by a director of the Company. The amounts owing are unsecured, bear interest at 2% per month and have no stated payment date.

b) $24,000 (October 31, 2016 – $12,000) in due to related parties was outstanding to a director of the Company. The amounts owing are unsecured, non-interest bearing and have no stated payment date.

c) $10,594 (October 31, 2016 – $10,594) in due to related parties was outstanding to a company controlled by two directors of the Company. The amounts owing are unsecured, non-interest bearing and have no stated payment date.

d) $9,533 (October 31, 2016 - $nil) in accrued liabilities was outstanding to the CEO and director of the Company. The amounts owing are unsecured, non-interest bearing and have no stated payment date.

On June 22, 2017, the Company signed a Right of First Refusal contract with Jourdan for the Rome Lithium property (note 4).

7. CAPITAL MANAGEMENT

The Company considers its capital to be a component of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS

a) Fair Value

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	2017	2016
Loans and receivables (i)	$ 1,741	$ 21,325
Other financial liabilities (ii)	1,909,278	768,016

(i) Cash and amounts receivable
(ii) Accounts payable and accrued liabilities, and amounts due to related parties

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

c) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

8. FINANCIAL INSTRUMENTS (continued)

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability (note 10) is denominated in Euros.

e) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

f) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

9. GRABASA DEPOSIT

In June 2016, the Company placed a deposit of $217,163 (€150,000) on the assets of Granitos de Badajoz S.A. (Grabasa) in Extremadura region of Spain. The total purchase price of the property was €3,700,000.

Due to the inability to find suitable financing, the Spanish courts terminated the offer by the Company for the Grabasa assets on May 26, 2017. As a result the €150,000 deposit on the property was forfeited.

(Expressed in Canadian Dollars)

10. SUCCESS FEE LIABILITY

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A.. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 ($863,305) in favor of Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court.

Management continue to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at October 31, 2017.

11. SEGMENT INFORMATION

The Company conducts all of its business activities in Canada, in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss for the year	$ (2,053,511)	$ (802,183)
Expected income tax (recovery)	$ (534,000)	$ (209,000)
Change in statutory rates and other	-	12,000
Permanent Difference	2,000	88,000
Share issue cost	7,000	8,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	63,000	–
Change in unrecognized deductible temporary differences	462,000	101,000
Total income tax expense (recovery)	$ –	$ –

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2017	2016
Deferred Tax Assets (Liabilities)		
Exploration and evaluation assets	$ 110,000	$ 116,000
Share issue costs	-	11,000
Non-capital losses	1,423,000	944,000
Unrecognized deferred tax assets	(1,533,000)	(1,071,000)
Net deferred income tax assets	$ –	$ –

The Company has non-capital losses for Canadian income tax purposes of approximately $5,474,000 which may be carried forward and applied against taxable income in the future. These losses, if not utilized, will expire starting in 2029 through 2037.

13. COMMITMENTS

During the year ended October 31, 2017, the Company renounced $102,600 under the look-back rule. As at October 31, 2017, the Company has accrued $34,650 in part XII.6 taxes related to this renunciation (2016: $nil), and is committed to spending approximately $102,600 by December 31, 2017 in connection with its flow through offerings (2016: $nil).

i3 INTERACTIVE INC.
(formerly – Fairmont Resources Inc.)

Condensed Interim Financial statements

For the three and six months ended April 30, 2020 and 2019

Expressed in Canadian Dollars

(Unaudited)

i3 INTERATIVE INC.

(formerly – Fairmont Resources Inc.)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

		April 30, 2020		October 31, 2019
ASSETS				
CURRENT				
Cash	$	229	$	247
Amounts receivable		29,205		9,445
Prepaid expenses and deposits		22,846		12,803
TOTAL ASSETS	$	52,280	$	22,495
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
CURRENT				
Accounts payable	$	801,658	$	694,059
Accrued liabilities		85,913		109,096
Success fee liability (Note 6)		877,968		844,158
Due to related parties (Note 5)		418,719		332,719
TOTAL CURRENT LIABILITIES		2,184,258		1,980,032
SHAREHOLDERS' DEFICIENCY				
Share capital (Note 4)		5,906,745		5,906,745
Equity reserves		1,133,998		1,133,998
Share Subscription receivable		(6,000)		(6,000)
Deficit		(9,166,721)		(8,992,280)
TOTAL SHAREHOLDERS' DEFICIENCY		(2,131,978)		(1,957,537)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	$	52,280	$	22,495

Nature and continuance of operations (Note 1)

Approved on behalf of the Board June 26, 2020:

"Binyomin Posen" — Director

"Michael Lerner" — Director

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

i3 INTERATIVE INC.

(formerly – Fairmont Resources Inc.)

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended April 30, 2020	2019	Six months ended April 30, 2020	2019
OPERATING EXPENSES				
Administration (Note 5)	$ 3,000	$ 3,000	$ 6,000	$ 6,000
Audit and accounting (Note 5)	15,000	15,000	30,000	30,339
Foreign exchange (gain) loss	34,040	(230)	33,988	7,762
Legal	96,756	6,385	118,057	17,468
Management (Note 5)	30,000	30,000	60,000	65,640
Office and miscellaneous	–	48	18	4,683
Registration and transfer fees	1,378	5,043	1,378	7,310
	(180,174)	(59,246)	(249,441)	(139,202)
OTHER INCOME				
Other income (Note 7)	20,000	44,959	75,000	44,959
Loss on sale of securities (Note 3)	–	–	–	(63,858)
NET AND COMPREHENSIVE LOSS	$ (160,174)	$ (14,287)	$ (174,441)	$ (158,101)
LOSS PER SHARE, basic and diluted	$ (0.36)	$ (0.03)	$ (0.39)	$ (0.09)
Weighted average number of shares outstanding(1)	442,044	442,044	442,044	420,187

(1) The weighted average number of shares has been restated to reflect the share consolidation completed on May 8, 2020 (Note 8).

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

i3 INTERATIVE INC.

(formerly – Fairmont Resources Inc.)

CONDENSED INTERIM STATEMENTS OF ASH FLOWS

(Unaudited)

(Expressed in Canadian Dollars)

	Six months ended	
	April 30, 2020	**April 30, 2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (174,441)	$ (38,620)
Adjustments		
Gain on settlement of debt	–	(66,981)
Loss on sale of marketable securities	–	11,358
Changes in non-cash working capital items		
Amounts receivable	(19,760)	(1,492)
Prepaid expenses and deposits	(10,043)	-
Accounts payable and accrued liabilities	84,416	(33,951)
Success fee liability	33,810	7,762
Due to related parties	86,000	69,550
Net cash used in operating activities	(18)	(52,374)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Sale of marketable securities	–	56,142
Net cash provided by investing activities	–	56,142
Increase (decrease) in cash	(18)	3,768
Cash, beginning of the period	247	8,216
Cash, end of the period	$ 229	$ 11,984

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

i3 INTERATIVE INC.

(formerly – Fairmont Resources Inc.)

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE SIX MONTHS ENDED APRIL 30, 2020 AND 2019
(Unaudited)

(Expressed in Canadian Dollars)

	Number of Shares[(1)]	Share Capital	Share Subscription receivable	Equity Reserves	Accumulated other comprehensive loss	Deficit	Total deficiency
Balance at October 31, 2018	4,068,328	$ 5,898,290	$ (6,000)	$ 1,133,998	$ (52,500)	$ (8,827,482)	$ (1,853,694)
Adoption of IFRS 9	-	-	-	-	52,500	(52,500)	-
Shares issued in settlement of debt	422,767	8,455	-	-	-	-	8,455
Net loss	-	-	-	-	-	(38,620)	(38,620)
Balance at April 30, 2019	4,491,095	$ 5,906,745	$ (6,000)	$ 1,133,998	$ -	$ (8,918,602)	$ (1,883,859)
Balance at October 31, 2019	4,491,095	$ 5,906,745	$ (6,000)	$ 1,133,998	$ -	$ (8,992,280)	$ (1,957,537)
Net loss	-	-	-	-	-	(174,441)	(174,441)
Balance at April 30, 2020	4,491,095	$ 5,906,745	$ (6,000)	$ 1,133,998	$ -	$ (9,166,721)	$ (2,131,978)

(1) On May 8, 2020, the Company completed a share consolidation on the basis of one post-consolidation common share for each ten pre-consolidation common shares. The number of shares in this table has not been restated to reflect the share consolidation (Note 8).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office and registered and records office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange (the "Exchange") under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company was previously primarily engaged in the acquisition, exploration and development of mineral properties. As at April 30, 2020, the Company does not hold an interest in any properties that it has determined to contain ore reserves that are economically recoverable or that it is actively exploring. The Company is currently primarily engaged in the identification and evaluation of potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These interim condensed financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting. The unaudited condensed interim consolidated financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual condensed interim consolidated financial statements. Since the unaudited condensed interim consolidated financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual consolidated financial statements, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

b) Use of estimates

The preparation of condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

3. MARKETABLE SECURITIES

The Company designates its investment in marketable securities as fair value through profit and loss.

On August 9, 2017 the Company agreed to sell the property to Jourdan Resources Inc. ("Jourdan Resources") and as part of the payment, on July 15, 2018, the Company received 1,500,000 shares of Jourdan Resources with a fair value of $120,000.

During the year ended October 31, 2018, the Company recognized the change in fair value of $52,500 as other comprehensive loss. Effective November 1, 2018, the Company adopted IFRS 9, this resulted in reclassification of $52,500 from accumulated other comprehensive loss to deficit.

During the year ended October 31, 2019, the Company sold these shares for proceeds of $56,142 and recorded a loss of $11,358.

4. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares without par value.

Share issuances:

Six months ended April 30, 2020

There have been no share issuances in the first six months of 2020.

Year ended October 31, 2019

On December 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $75,436 through the issuance of 422,767 common shares with a fair value of $8,455 and agreed to assignment of debt of $586,482 to a third-party creditor including $324,678 that was owed to related parties. The Company recognized a gain in settlement of debt of $66,981 resulting from this transaction.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (continued)

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2018 and 2019	95,000	$ 1.80
Expired	-	-
Balance at April 30, 2020	95,000	$ 1.80

As at April 30, 2020, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	$ 1.80	June 16, 2021

5. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, ("CEO") of the Company is the President of 1820546 Ontario Inc. ("1820546 Inc."), which has a contract with the Company. Fees and outstanding amounts due to 1820546 Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, ("CFO") of the Company is the president of Campus Alliance Inc., which has a service contract with the Company and is entitled to fees based on this contract relating to accounting services. These fees are expensed as accounting fees in the general and administrative expenses.

(Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS (continued)

The table below details the fees incurred with the related parties:

	Six-month period ended	
	April 30, 2020	**April 30, 2019**
1820546 Inc. - management fees	$ 60,000	$ 60,000
1820546 Inc. - administrative fees	6,000	6,000
Campus Alliance Inc (accounting fees)	30,000	30,000
Harvey McKenzie (former Director)	-	700
Total related party transactions	**$ 96,000**	**$ 96,700**

The table below details the balances due to the related parties:

	April 30, 2020	**October 31, 2019**
1820546 Inc.	$ 300,869	$ 239,869
Campus Alliance Inc.	117,850	92,850
Total Related party payables	**$ 418,719**	**$ 332,719**

The amounts are non-interest bearing, unsecured and have no terms of repayments.

6. SUCCESS FEE LIABILITY

In June 2016, the Company placed a deposit of $217,163 (€150,000) on the assets of Granitos de Badajoz S.A. (Grabasa) in Extremadura region of Spain. The total purchase price of the property was €3,700,000. Due to the inability to find suitable financing, the Spanish courts terminated the offer by the Company for the Grabasa assets on May 26, 2017. As a result, the €150,000 deposit on the property was forfeited.

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 in favor of Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2019, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($877,968) is owing to the third party. The Company reversed $72,010 in legal fees outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment. Management continues to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at April 30, 2020 and October 31, 2019.

7. BREAK FEE

During the six-month period ended April 30, 2020, the Company's letter agreement pertaining to its proposed transaction with Full Spectrum Brands Canada Inc. was terminated. Pursuant to the letter agreement, the Company is entitled to a break fee of which $75,000 has been received to date and recognized as other income.

8. SUBSEQUENT EVENT

On May 8, 2020 the Company announced the consolidation (the "Consolidation") of the Company's issued and outstanding common shares (the "Common Shares") on the basis of one (1) post-Consolidation Common Share for each ten (10) pre-Consolidation Common Shares. The Consolidation is effective as of May 8, 2020. The Consolidation was approved by resolution of the Company's board of directors. Prior to the Consolidation, the Company had 4,491,094 Common Shares issued and outstanding. As a result of the Consolidation, the Company has approximately 449,109 Common Shares issued and outstanding. Any fractional post-Consolidation Common Shares shall be issued and the number of post-Consolidation Common Shares issuable to such shareholder shall be rounded up to the next higher whole number if the fraction is 0.5 or greater.

On June 11, 2020 the Company announced that, in anticipation of the closing of two three-cornered amalgamations (the "Amalgamations") to be completed by and among Fairmont and certain of its wholly-owned subsidiaries, including Influencers Interactive Inc. ("Influencers") and 1250312 B.C. Ltd. ("Debtco"), The Company has effected a change of its name to "i3 Interactive Inc." The Amalgamations, which remain subject to the satisfaction of certain conditions and receipt of all applicable regulatory and other approvals, are expected to result in a reverse takeover of the Company by the shareholders of Influencers and Debtco.

SCHEDULE "C"
FINANCIAL STATEMENTS OF INFLUENCERS

(See attached)

Influencers Interactive Inc.

(Formerly Blitzbet Sports Inc.)

Consolidated Financial Statements

For the year ended December 31, 2019 and for the period from incorporation on October 19, 2018 to December 31, 2018

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF INFLUENCERS INTERACTIVE INC.
(FORMERLY BLITZBET SPORTS INC.)

Opinion

We have audited the consolidated financial statements of Influencers Interactive Inc. (the "Company"), which comprise:

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of loss and comprehensive loss for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,497,995 for the year ended December 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the period from incorporation on October 19, 2018 to December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on April 3, 2019.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Herve Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
June 24, 2020

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(Expressed in Canadian Dollars)

	Notes		December 31, 2019		December 31, 2018
ASSETS					
Current assets					
Cash		$	19,318	$	17,871
GST receivable			56,154		5,604
Prepaid expenses	9		395,858		5,592
			471,330		29,067
Non-current assets					
Intangible assets	4		334,750		-
TOTAL ASSETS		**$**	**806,080**	**$**	29,067
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	5, 14	$	352,795	$	93,120
Due to shareholder	6		272,000		-
Due to related party	8		-		45,599
TOTAL LIABILITIES			**624,795**		138,719
SHAREHOLDERS' EQUITY					
Share capital	7		2,843,652		54,720
Deficit			(2,662,367)		(164,372)
TOTAL SHAREHOLDERS' EQUITY			**181,285**		(109,652)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**806,080**	**$**	29,067

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board on June 24, 2020:

"Chris Neville"

Chris Neville, Director

(Expressed in Canadian Dollars)

	Notes		For the year ended December 31, 2019		From incorporation on October 19, 2018 to December 31, 2018
Expenses					
Accounting and administration		$	2,415	$	4,418
Audit			34,825		6,000
Consulting	7, 8		1,300,925		21,695
Legal			505,444		88,298
Marketing and website design			357,048		21,636
Travel			281,240		22,325
Foreign exchange			16,098		-
Net loss and comprehensive loss for the period		$	(2,497,995)	$	(164,372)
Loss per share – basic and diluted		**$**	**(0.04)**	**$**	**(0.01)**
Weighted average number of common shares outstanding			**60,979,541**		**30,485,549**

Influencers Interactive Inc. (Formerly Blitzbet Sports Inc.)
Consolidated Statement of Changes in Shareholders' Equity
For the year ended December 31, 2019 and period from incorporation on October 19, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

	Share capital			
	Number of shares #	Amount $	Deficit $	Total $
Balance at October 19, 2018	**-**	**-**	**-**	**-**
Private placement	52,209,110	54,720	-	54,720
Loss for the period	-	-	(164,372)	(164,372)
Balance at December 31, 2018	**52,209,110**	**54,720**	**(164,372)**	**(109,652)**
Private placements	14,431,500	3,607,875	-	3,607,875
Share issuance costs	-	(70,504)	-	(70,504)
Share repurchase	(7,880,000)	(860,139)	-	(860,139)
Shares issued for services	446,800	111,700	-	111,700
Loss for the year	-	-	(2,497,995)	(2,497,995)
Balance at December 31, 2019	**59,207,410**	**2,843,652**	**(2,662,367)**	**181,285**

(Expressed in Canadian Dollars)

	Year ended December 31, 2019	From incorporation on October 19, 2018 to December 31, 2018
Operating activities		
Net loss for the period	$ (2,497,995)	$ (164,372)
Items not affecting cash		
Shares issued for services	111,700	-
Changes in non-cash working capital items:		
GST receivable	(50,550)	(5,604)
Prepaid expenses	(390,266)	(5,592)
Accounts payable and accrued liabilities	259,675	93,120
Net cash used in operating activities	(2,567,436)	(82,448)
Investing activity		
Acquisition of intangible assets	(334,750)	-
Net cash used by investing activity	(334,750)	-
Financing activities		
Private placements, net of share issuance costs	3,537,371	54,720
Share repurchase	(860,139)	-
Advances from shareholder	272,000	-
Advances from (repayment to) related parties	(45,599)	45,599
Net cash provided by financing activities	2,903,633	100,319
Increase in cash	1,447	17,871
Cash, beginning of period	17,871	-
Cash, end of period	**$ 19,318**	**$ 17,871**

Supplemental cash flow information

	2019	2018
Interest paid	$ -	$ -
Taxes paid	-	-
Total	$ -	$ -

1. Nature of operations and going concern

Influencers Interactive Inc. (formerly BlitzBet Sports Inc.) (the "Company") was incorporated on October 19, 2018 under the laws of the province of British Columbia. The Company was formed to provide a consumer facing online and mobile sports betting product in the emerging global regulated sports betting and casino markets. The Company's principal office is located at #810 - 789 West Pender Street, Vancouver, BC, V6C 2X1, Canada.

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the year ended December 31, 2019, the Company incurred a net loss of $2,497,995 (2018 - $164,372). The Company has no revenue from operations. In addition to its working capital requirements, the Company must secure sufficient funding to develop its sports betting and online casino business and to fund its general operating costs. As the Company develops its business, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

These consolidated financial statements do not reflect the adjustments to the amounts and classification of assets and liabilities that might be necessary were the going concern assumption determined to be inappropriate. Such adjustments could be material.

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, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on June 24, 2020.

Basis of measurement

The Company's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries, unless otherwise noted.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

2. Basis of presentation (Continued)

Basis of measurement (Continued)

		Percentage owned
	Country of incorporation	**December 31, 2019**
BlitzBet Sports Marketing Ltd	Malta	100%
BlitzBet Sports Malta Ltd	Malta	100%
BlitzBet Sports Holding Ltd	Malta	100%
Blitzbet Sports USA Inc.	United States	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. Summary of significant accounting policies

Critical judgements and sources of estimation uncertainty
The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expense during the period. Actual results may differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. These estimates are based on historical experience, current and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical estimates, judgments and assumptions that management has made in the process of applying accounting policies that have the most significant effect on the consolidated financial statements include, but are not limited to, the following:

Fair value measurement
The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management. Certain assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available.

Deferred income taxes
The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company’s estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

3. Summary of significant accounting policies (Continued)

Critical judgements and sources of estimation uncertainty (Continued)

Deferred income taxes (Continued)
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Intangible assets
Distinguishing the research and development phases of a technology and determining whether the recognition criteria for the capitalization of website development costs are met requires judgement. The amortization of intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of the assets. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may result in future impairments.

Going concern
Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the year ended December 31, 2019. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there are significant doubts as to the ability of the Company to meet its obligations as they fall due.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income (loss) ("FVTOCI") or amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

3. Summary of significant accounting policies (Continued)

Financial instruments (Continued)

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets at FVTOCI
A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost based on the effective interest rate method, less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized in profit or loss when incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

3. Summary of significant accounting policies (Continued)

Financial instruments (Continued)

<u>Financial liabilities</u>
The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

(v) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Intangible assets
The Company's intangible assets consist of the website and software development. Infinite life intangible assets are recorded at cost less accumulated impairment losses. Finite life intangible assets are recorded at cost less accumulated amortization and accumulated impairment loss.

Finite life intangibles are amortized once they are available for their intended use on a straight-line basis over their estimated useful lives. Upon sale or other disposition of an intangible asset, cost and accumulated amortization are removed from intangible asset and any gain or loss is reflected as a gain or loss from operations.

Current and deferred income taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax
Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3. Summary of significant accounting policies (Continued)

Loss per share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share earnings. The Company computes the dilutive impact of common shares assuming the proceeds received from the pro forma exercise of in-the-money share options and warrants are used to purchase common shares at average prices. As at December 31, 2019 there were no warrants or options issued or outstanding.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive income (loss).

Share-based payments

The Company grants share-based awards to employees, directors and non-employees as an element of compensation. The fair value of the awards granted to employees and directors is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management’s best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of comprehensive loss with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payment arrangements with non-employees in which the Company receives goods or services are measured based on the estimated fair value of the goods or services received, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

Adoption of accounting standard

IFRS 16 *Leases* (“IFRS 16”) supersedes the requirements of IAS 17 *Leases*, IFRIC 4 *Determining whether an arrangement contains a lease,* SIC-15 *Operating leases – incentives* and SIC-217 *Evaluating the substance of transactions involving the legal form of a lease.* IFRS 16 sets out standards for how leases will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. For leases where the Company is the lessee, it recognizes a right-of-use asset and a lease liability for its office premise leases previously classified as operating leases. The Company reviewed its current operations and noted no impact on the adoption of IFRS 16.

Accounting standards and interpretations issued but not yet effective

The Company has reviewed its current operations and noted no impact from new standards issued but not yet effective on the Company’s consolidated financial statements.

(Expressed in Canadian Dollars)

4. Intangible assets

The Company acquired certain software, website applications and licenses related to the Company's online platform from an unrelated party pursuant to a development agreement. The agreement is dated February 2019 and is for an initial period of 36 months with automatic 12-month extensions, unless terminated.

		Total
Balance, December 31, 2018 and October 19, 2018	$	-
Additions		334,750
Balance, December 31, 2019	$	334,750

The intangible assets are considered finite life assets, however, at December 31, 2019 are not ready for their intended use and therefore no amortization has been recorded for the year ended December 31, 2019.

5. Accounts payable and accrued liabilities

		December 31, 2019		**December 31, 2018**
Accounts payable	$	274,733	$	93,120
Accrued liabilities		78,062		-
	$	352,795	$	93,120

6. Due to shareholder

The amount reflected as due to shareholder of $272,000, consists of an amount payable for funds advanced to the Company for a repurchase of common shares. These amounts are unsecured, non-interest bearing and due on demand.

7. Share capital

Common shares
Authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the year ended December 31, 2019, the Company issued 446,800 common shares with a fair value of $111,700 to unrelated parties as payment for services, which are included in consulting in the consolidated statement of loss and comprehensive loss.

On March 29, 2019, the Company completed a private placement and issued 3,800,000 common shares and raised gross proceeds of $950,000.

On April 4, 2019, the Company completed a private placement and issued 9,631,500 common shares and raised gross proceeds of $2,407,875.

On May 22, 2019, the Company completed a private placement and issued 800,000 common shares and raised gross proceeds of $200,000.

On September 23, 2019, the Company completed a private placement and issued 200,000 common shares and raised gross proceeds of $50,000.

During the year ended December 31, 2019, the Company incurred share issuance costs of $70,504.

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Common shares (Continued)

During the year ended December 31, 2019, the Company repurchased 7,880,000 common shares which were subsequently returned to treasury for proceeds of $842,019. The Company incurred costs to repurchase shares of $18,120 which were recorded as an equity transaction against share capital.

During the period ended December 31, 2018, the Company issued 47,209,110 common shares at a price of $0.0001 per common share and 5,000,000 common shares at a price of $0.01 per common share. The aggregate gross proceeds from these issuances were $54,720.

8. Related party transactions

Transactions with key management personnel

Key management personnel include those who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and its executive officers.

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

		December 31, 2019		December 31, 2018
Consulting fees paid or accrued to a director of the Company	$	218,079	$	-
Consulting fees paid or accrued to a Company controlled by the former vice president		281,000		-
	$	499,079	$	-

As at December 31, 2019, no amounts are due to related parties (2018 - $45,599). Amounts due to related parties are non-interest bearing, unsecured and due on demand.

During the period ended December 31, 2018, the Company issued 14,000,000 common shares to companies controlled by directors for total proceeds of $1,400.

9. Commitments

On November 6, 2018, the Company entered into a Social Media Influencer Agreement (the "Agreement") with an arm's length party. This individual will promote the BlitzBet brand to prospective customers. The Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Following the commencement date, the Company will pay the individual US$1,200,000 per annum.

During the period ended December 31, 2018, 15,765,523 common shares were issued to this individual concurrent with the Agreement which is included in private placements in 2018.

As of December 31, 2019, the Company has paid $395,858 (2018 - $nil) to the third-party individual pursuant to the Agreement, which is included in prepaid expenses.

During the year ended December 31, 2019, $723,205 (2018 - $Nil) of marketing services were provided by a company controlled by this individual. These services are outside the terms of the Agreement and included in consulting in the consolidated statements of loss and comprehensive loss.

10. Financial instruments and risk management

The Company classifies its financial instruments into categories as follows: cash, due to shareholder, due to related party, and accounts payable and accrued liabilities at FVTPL.

Fair value

Cash is carried at fair market value based on quoted market prices in an active market. The carrying value of due from related party and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

(a) Overview

The Company examines various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Company has exposure to the following risks from its use of financial instruments:

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

10. Financial instruments and risk management (Continued)

(b) Market risk (Continued)

(i) Interest rate risk

The Company's cash is held in bank accounts, which have nominal interest rates attached to them; therefore, fluctuations in market interest rates would not have a material impact on their fair market values as at December 31, 2019 and December 31, 2018.

(ii) Foreign currency risk

The Company has cash denominated in United States dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the United States dollar. Therefore, exchange rate movements in the United States dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At December 31, 2019, a 4% strengthening (weakening) of the Canadian dollar against the United States dollar would not have any significant impact on the Company's financial performance for the year ended December 31, 2019.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risks.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit ratings.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company assesses its liquidity risk by forecasting cash flows required by operations and anticipated financing activities.

The Company has a working capital deficiency of $153,465 (2018 – $109,652). The Company relies upon financing to maintain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

The Company's accounts payable and accrued liabilities are due in the short-term (0 to 3 months)

(Expressed in Canadian Dollars)

11. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity, comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains the same for the years presented.

12. Income tax

The provision for income taxes reported differs from the amount computed by applying the applicable income tax rates to the net loss before tax provision due to the following:

		2019		2018
Loss before income taxes	$	(2,497,995)	$	(164,372)
Statutory income tax rate		27.00%		27.00%
Expected income tax recovery		(674,459)		(44,380)
Under (over) provided in prior years		(32,398)		-
Changes in deferred tax asset not recognized		706,857		44,380
Total income tax recovery	$	-	$	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets at December 31 are comprised of the following:

		2019		2018
Non-capital loss carryforwards	$	2,732,871	$	44,380
Share issue costs		56,403		-
Unrecognized deferred tax assets		(2,789,274)		(44,380)
Net deferred tax assets	$	-	$	-

As of December 31, 2019, the Company has available losses that may be carried forward against future years' income for income tax purposes. The approximate losses expire as follows:

Year of Expiry		Taxable Losses
2038	$	164,000
2039		2,568,000
Total	$	2,732,000

13. Legal proceedings

During the year ended December 31, 2019, a claim was made against the Company by a former lawyer for disputed legal fees. The Company and the Company's current legal counsel is currently in the process of defending the claim. As at year-end, the amount claimed by the former lawyer of $89,573 has been accrued and is included in accounts payable and accrued liabilities.

14. Segmented information

The Company has one reportable operating segment, the development and provision of online and mobile sports betting products. All of the Company's long-term assets are located in Canada.

15. Events after the reporting date

Subsequent to December 31, 2019:

1) The Company received US $300,000 in financing through the issuance of loans. Of this amount, US $200,000 is with a related party. These loans are non-interest bearing, due on demand and unsecured.

2) The Company amended the Social Media Influencer Agreement (the "Amended Agreement"). The original agreement is described in note 9. The Amended Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Under the terms of the Amended Agreement the Company will issue a further 4,807,555 common shares to arm's length parties.

Blitzbet Sports Inc.

Financial Statements

For the period from incorporation on
October 19, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

D&H

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

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Independent Auditor's Report

To the Shareholders of Blitzbet Sports Inc.

Opinion
We have audited the financial statements of Blitzbet Sports Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on October 19, 2018 to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the period from incorporation on October 19, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

D&H Group LLP

Vancouver, B.C.
April 3, 2019

Chartered Professional Accountants

Blitzbet Sports Inc.

Statement of Financial Position

December 31, 2018

(Expressed in Canadian Dollars)

	$
Assets	
Current assets	
Cash	17,871
Amounts receivable	5,604
Prepaid expenses	5,592
	29,067
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	93,120
Due to related party (Note 6)	45,599
	138,719
Shareholders' equity (deficiency)	
Share capital (Note 4)	54,720
Retained earnings (deficit)	(164,372)
	(109,652)
	29,067

Nature of operations (Note 1)

Commitment (Note 8)

Events after the reporting period (Note 9)

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

These financial statements were approved and authorized for issue by the Board of Directors on April 3, 2019 and are signed on its behalf by:

"Chris Neville", Director *"Scott Emerson"*, Director

Blitzbet Sports Inc.

Statement of Loss and Comprehensive Loss
For the period from incorporation on October 19, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

	$
Expenses	
Accounting and administration	4,418
Audit	6,000
Consultants	21,695
Legal	88,298
Marketing and website design	21,636
Travel and related	22,325
Net and comprehensive income (loss) for the period, being retained earnings (deficit), end of period	(164,372)
Basic and diluted net income (loss) per common share	(0.01)
Weighted average number of common shares outstanding	30,485,549

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

Blitzbet Sports Inc.

Statement of Changes in Shareholders' Equity
For the period from incorporation on October 19, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

	# Number of shares	$ Amount	$ Deficit	$ Total equity
Balance at October 19, 2018	-	-	-	-
Common shares issued	52,209,110	54,720	-	54,720
Comprehensive income (loss) for the period	-	-	(164,372)	(164,372)
Balance at December 31, 2018	52,209,110	54,720	(164,372)	(109,652)

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

Blitzbet Sports Inc.

Statement of Cash Flows

For the period from incorporation on October 19, 2018 to December 31, 2018

(Expressed in Canadian Dollars)

	$
Cash flows from (used in) operating activities	
Net income (loss) for the period	(164,372)
Changes in non-cash working capital:	
Amounts receivable	(5,604)
Prepaid expenses	(5,592)
Accounts payable and accrued liabilities	93,120
	(82,448)
Cash flows from financing activities	
Issuance of common shares	54,720
Advances from related party	45,599
	100,319
Increase in cash during the period, being cash, end of period	17,871

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

1. **Nature of operations**

BlitzBet Sports Inc. ("BlitzBet" or the "Company") was incorporated on October 19, 2018 under the laws of the province of British Columbia. The Company was formed to provide a consumer facing online and mobile sports betting product in the emerging global regulated sports betting and casino markets. The Company's principal office is located at #910 - 800 West Pender Street, Vancouver, BC, V6C 2V6, Canada.

These financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the period ended December 31, 2018, the Company incurred a net loss of $ 164,372. The Company has no revenue from operations. In addition to its working capital requirements, the Company must secure sufficient funding to develop its sports betting and online casino business and to fund its general operating costs. As the Company develops its business, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Subsequent to December 31, 2018 the Company secured additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient. See also Note 9.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

On November 6, 2018, the Company entered into a business development agreement with an arm's length party. The individual, a social media influencer, will promote the BlitzBet brand to prospective customers for a fee, conditional on certain events. The agreement will come into effect if the Company completes a public stock exchange listing within nine months of the agreement date and if the Company raises certain minimum equity financing. As of December 31, 2018 15,765,523 common shares were issued as part of the business development agreement.

2. **Basis of presentation**

Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of measurement
The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The financial statements are presented in Canadian dollars unless otherwise noted.

3. Summary of significant accounting policies

Critical judgements and sources of estimation uncertainty
The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expense during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical judgements
The following are critical judgments that management has made in the process of applying accounting policies that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. See Note 5.

Estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Cash and cash equivalents
Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk. As at December 31, 2018 the Company did not have any cash equivalents.

Accounts payable and accrued liabilities
Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3. **Summary of significant accounting policies** - continued

Financial instruments

(i) *Classification*

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) *Measurement*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Amounts receivable and accounts payable and accrued liabilities are classified as amortized cost.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Cash is classified as FVTPL.

Financial assets and liabilities carried at FVOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period in which they arise. As at December 31, 2018 the Company has not classified any financial assets as FVOCI.

(iii) *Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. Regardless of whether credit risk has increased significantly, the loss allowance for trade receivables without a significant financing component classified at amortized cost, are measured using the lifetime expected credit loss approach. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. **Summary of significant accounting policies** - continued

(iv) *Derecognition*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

Share capital
Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any related income tax effects.

Current and deferred income taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax
Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Loss per share
Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share earnings. The Company computes the dilutive impact of common shares assuming the proceeds received from the pro forma exercise of in-the-money share options and warrants are used to purchase common shares at average prices. As at December 31, 2018 there were no warrants or options issued or outstanding.

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive income (loss).

3. **Summary of significant accounting policies** - continued

Provisions
A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Accounting standards and interpretations issued but not yet effective
As of the date of these financial statements, the following standards have not been applied in these financial statements:

(i) IFRS 16, Leases, specifies how an IFRS reporter will recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, IFRS 16's approach to lessor accounting remains substantially unchanged from its predecessor, IAS 17.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

Management has assessed the effect of this new standard on the Company's accounting policies and financial statement presentation, and believes that no changes will be required.

4. **Share capital**

Common shares
Authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the period ended December 31, 2018, the Company issued 47,209,110 common shares at a price of $ 0.0001 per common share and 5,000,000 common shares at a price of $ 0.01 per common share. The aggregate gross proceeds from these issuances were $ 54,720.

(Expressed in Canadian Dollars)

5. **Income tax**

The significant components of the Company's deferred income taxes are as follows as at December 31, 2018:

	$
Deferred income tax asset	
Non-capital losses	44,380
Valuation allowance	(44,380)
Deferred income tax asset	-

The provision for income taxes reported differs from the amount computed by applying the applicable income tax rates to the net loss before tax provision due to the following:

	$
Loss before income taxes	(164,372)
Statutory rate	27.0%
Tax recovery at statutory rate	(44,380)
Tax recovery on losses and deductible temporary differences not recognized in the current period	44,380
Income tax recovery	-

6. **Related party transactions**

Transactions with key management personnel
Key management personnel include those who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and its executive officers.

During the period a director advanced $ 45,599 to the Company. As at December 31, 2018 the amount owing to the director was $ 45,599. As at December 31, 2018, there were no fixed terms of repayment; accordingly, the Company has classified the advance as a current liability.

During the period the Company issued 14,000,000 common shares to companies controlled by directors for total proceeds of $ 1,400.

7. Financial instruments and risk management

Categories of financial assets and financial liabilities
Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	$
Cash	FVTPL	17,871
Amounts receivable	Amortized cost	5,604
Accounts payable and accrued liabilities	Amortized cost	(93,120)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amount for cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and accounts receivable is remote as cash is held with large financial institutions, and receivables are from an agency of the Government of Canada for goods and services input tax credits.

Liquidity risk
Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

(Expressed in Canadian Dollars)

7. **Financial instruments and risk management** - continued

Contract maturity analysis at December 31, 2018 $

	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Cash	17,871	-	-	-	17,871
Amounts receivable	5,604	-	-	-	5,604
Accounts payable and accrued liabilities	(93,120)	-	-	-	(93,120)

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

Interest rate risk
The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Capital management
The Company does not have any externally imposed regulatory capital requirements for managing capital. The Company has defined its capital to mean working capital and shareholders equity, as determined at each reporting date. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing.

8. **Commitment**

On November 20, 2018, the Company entered into a consultancy agreement for marketing and web designer services for $ 8,000 per month for 24 months.

9. **Events after the reporting period**

Subsequent to December 31, 2018, the Company:

a) Raised $ 950,000 through the issue of 3,800,000 common shares at $ 0.25 per common share.

b) Made a US $ 250,000 payment to a sports betting software and service provider.

Influencers Interactive Inc.

(Formerly Blitzbet Sports Inc.)

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Expressed in Canadian Dollars)

	Notes		March 31, 2020		December 31, 2019
ASSETS					
Current assets					
Cash		$	18,858	$	19,318
GST receivable			56,154		56,154
Prepaid expenses	9		803,798		395,858
			878,810		471,330
Non-current assets					
Intangible assets	4		334,750		334,750
TOTAL ASSETS		**$**	**1,213,560**	**$**	**806,080**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	5, 8, 13	$	381,817	$	352,795
Loans	6, 8		697,610		272,000
TOTAL LIABILITIES			**1,079,427**		**624,795**
SHAREHOLDERS’ EQUITY					
Share capital	7		2,843,652		2,843,652
Deficit			(2,709,519)		(2,662,367)
TOTAL SHAREHOLDERS’ EQUITY			**134,133**		**181,285**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**$**	**1,213,560**	**$**	**806,080**

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board on June 24, 2020:

“Chris Neville”

Chris Neville, Director

(Expressed in Canadian Dollars)

	Notes		For the three months ended March 31, 2020		For the three months ended March 31, 2019
Expenses					
Accounting and administration		$	360	$	1,413
Consulting	7, 8		39,429		277,372
Legal			-		153,993
Marketing and website design			-		2,111
Travel			-		12,136
Foreign exchange			26,937		-
			(66,726)		(447,025)
Other items					
Gain on settlement	12		19,574		-
Net loss and comprehensive loss for the period		$	(47,152)	$	(447,025)
Loss per share – basic and diluted		**$**	**(0.00)**	**$**	**(0.01)**
Weighted average number of common shares outstanding			**59,207,410**		**52,331,689**

(Expressed in Canadian Dollars)

	Share capital				
	Number of shares	Amount	Obligation to issue shares	Deficit	Total
	#	$	$	$	$
Balance, December 31, 2018	**52,209,110**	**54,720**	**-**	**(164,372)**	**(109,652)**
Private placement	3,800,000	950,000	-	-	950,000
Shares issued for services	312,000	78,000	-	-	78,000
Share issuance costs	-	(3,300)	-	-	(3,300)
Subscriptions received	-		1,757,875	-	1,757,875
Loss for the period	-	-	-	(447,025)	(447,025)
Balance at March 31, 2019	**56,321,110**	**1,079,420**	**1,757,875**	**(611,397)**	**2,225,898**
Balance, December 31, 2019	**59,207,410**	**2,843,652**	**-**	**(2,662,367)**	**181,285**
Loss for the period	-	-	-	(47,152)	(47,152)
Balance at March 31, 2020	**59,207,410**	**2,843,652**	**-**	**(2,709,519)**	**134,133**

(Expressed in Canadian Dollars)

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Operating activities		
Net loss for the period	$ (47,152)	$ (447,025)
Items not affecting cash		
Foreign exchange	19,440	-
Gain on settlement	19,574	-
Shares issued for services	-	78,000
Changes in non-cash working capital items:		
Prepaid expenses	(407,940)	(404,158)
GST receivable	-	(9,178)
Accounts payable and accrued liabilities	9,448	248,598
Net cash used in operating activities	(406,630)	(533,763)
Financing activities		
Private placement	-	950,000
Share issuance costs	-	(3,300)
Share subscriptions received	-	1,757,875
Repayment to related parties	-	(45,599)
Loan advances	406,170	-
Net cash provided by financing activities	406,170	2,658,976
Increase (decrease) in cash	(460)	2,125,213
Cash, beginning of period	19,318	17,871
Cash, end of period	**$ 18,858**	**2,143,084**

Supplemental cash flow information

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Interest paid	$ -	$ -
Taxes paid	-	-
Total	$ -	$ -

1. Nature of operations and going concern

Influencers Interactive Inc. (formerly BlitzBet Sports Inc.) (the "Company") was incorporated on October 19, 2018 under the laws of the province of British Columbia. The Company was formed to provide a consumer facing online and mobile sports betting product in the emerging global regulated sports betting and casino markets. The Company's principal office is located at #810 - 789 West Pender Street, Vancouver, BC, V6C 2X1, Canada. The Company's year end is December 31.

These condensed interim consolidated financial statements (the "Financial Statements") have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the three months ended March 31, 2020, the Company incurred a net loss of $47,152 (2019 - $447,025). The Company has no revenue from operations. In addition to its working capital requirements, the Company must secure sufficient funding to develop its sports betting and online casino business and to fund its general operating costs. As the Company develops its business, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

These Financial Statements do not reflect the adjustments to the amounts and classification of assets and liabilities that might be necessary were the going concern assumption determined to be inappropriate. Such adjustments could be material.

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, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. Basis of presentation

Statement of compliance

These Financial Statements have been prepared in accordance with the accounting policies described in Note 3 of the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2019. Accordingly, these Financial Statements should be read together with the annual audited consolidated financial statements as at and for the year ended December 31, 2019.

These Financial Statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These Financial Statements were approved by the Board of Directors and authorized for issuance by the Board of Directors on June 24, 2020.

Basis of measurement

The Company's Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which have been measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries, unless otherwise noted.

(Expressed in Canadian Dollars)

2. Basis of presentation (Continued)

Basis of measurement (Continued)

Consolidation
The Financial Statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

		Percentage owned
	Country of incorporation	**March 31, 2020**
BlitzBet Sports Marketing Ltd	Malta	100%
BlitzBet Sports Malta Ltd	Malta	100%
BlitzBet Sports Holding Ltd	Malta	100%
Blitzbet Sports USA Inc.	United States	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. Summary of significant accounting policies

In preparing these Financial Statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2019.

Accounting standards and interpretations issued but not yet effective
The Company has reviewed its current operations and noted no impact from new standards issued but not yet effective on the Financial Statements.

4. Intangible assets

The Company acquired certain software, website applications and licenses related to the Company's online platform from an unrelated party pursuant to a development agreement. The agreement is dated February 2019 and is for an initial period of 36 months with automatic 12 month extensions, unless terminated.

		Total
Balance, December 31, 2018	$	-
Additions		334,750
Balance, December 31, 2019 and March 31, 2020	$	334,750

The intangible assets are considered finite life assets, however, at March 31, 2020 are not ready for their intended use and therefore no amortization has been recorded for the three months ended March 31, 2020 (2019 - $Nil).

5. Accounts payable and accrued liabilities

		March 31, 2020		**December 31, 2019**
Accounts payable	$	243,146	$	274,733
Accrued liabilities		138,671		78,062
	$	381,817	$	352,795

(Expressed in Canadian Dollars)

6. Loans

During the three months ended March 31, 2020, the Company received a loan (the "Loan") of $283,740 (US $200,000) from a director of the Company. The Loan is non-interest bearing, due on demand and unsecured.

During the three months ended March 31, 2020, the Company received a loan (the "Arm's Length Loan") of $141,870 (US $100,000) from a non-related party. The Arm's Length Loan is non-interest bearing, due on demand and unsecured.

During the year ended December 31, 2019, the Company received a loan (the "Shareholder Loan") of $272,000 from a shareholder for a repurchase of common shares. The Shareholder Loan is non-interest bearing, due on demand and unsecured.

7. Share capital

Common shares
Authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the three months ended March 31, 2020, the Company did not issue any common shares.

During the three months ended March 31, 2019, the Company completed a private placement and issued 3,800,000 common shares and raised gross proceeds of $950,000. The Company incurred share issuance costs of $3,300.

During the three months ended March 31, 2019, the Company issued 312,000 common shares with a fair value of $78,000 as payment for advisory services with a fair value of $78,000, which is included in consulting in the condensed interim consolidated statement of loss and comprehensive loss.

During the three months ended March 31, 2019, the Company recorded an obligation to issue shares of $1,757,875 for private placement proceeds received for shares not yet issued. The private placement closed in April 2019, and the shares were issued at that time.

8. Related party transactions

Transactions with key management personnel
Key management personnel include those who have authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and its executive officers.

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

		March 31, 2020		March 31, 2019
Consulting fees paid or accrued to a director of the Company	$	39,429	$	-
	$	39,429	$	-

As at March 31, 2020, the Company owed $39,429 to related parties (December 31, 2019 - $Nil), which is included in accounts payable and accrued liabilities. Amounts due to related parties are non-interest bearing, unsecured and due on demand.

As at March 31, 2020, the Company owes $283,740 for a Loan from a director (note 6).

9. Commitments

On November 6, 2018, the Company entered into a Social Media Influencer Agreement (the "Agreement") with an arm's length party. This individual will promote the BlitzBet brand to prospective customers. The Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Following the commencement date, the Company will pay the third-party individual US$1,200,000 per annum.

As of March 31, 2020, the Company has paid $803,780 (2018 - $nil) to the third-party individual, which is included in prepaid expenses.

Subsequent to March 31, 2020, the Company amended the Agreement (note 14).

10. Financial instruments and risk management

The Company classifies its financial instruments into categories as follows: cash at fair value through profit or loss and accounts payable and accrued liabilities and loans at amortized cost.

Fair value

Cash is carried at fair market value based on quoted market prices in an active market. The carrying value of due from related party and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

(a) Overview

The Company examines various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Company has exposure to the following risks from its use of financial instruments:

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash is held in bank accounts, which have nominal interest rates attached to them; therefore, fluctuations in market interest rates would not have a material impact on their fair market values as at March 31, 2020 and December 31, 2019.

10. Financial instruments and risk management (Continued)

(ii) Foreign currency risk

The Company has cash denominated in United States dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the United States dollar. Therefore, exchange rate movements in the United States dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At March 31, 2020, a 4% (2019 – 4%) strengthening (weakening) of the Canadian dollar against the United States dollar would have decreased/increased the Company's loss and comprehensive loss by approximately $12,000 (2019 - $Nil).

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risks.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit ratings.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company assesses its liquidity risk by forecasting cash flows required by operations and anticipated financing activities.

As at March 31, 2020, the Company has a working capital deficiency of $200,617 (December 31, 2019 - $153,465). The Company relies upon financing to maintain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

The Company's accounts payable and accrued liabilities are due in the short-term (0 to 3 months).

11. Capital management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity, comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains the same for the periods presented.

12. Legal proceedings

During the year ended December 31, 2019, a claim was made against the Company by a former lawyer for disputed legal fees. The amount claimed by the former lawyer was $89,573. Subsequent to period end, the Company settled this legal proceeding for $70,000. As of March 31, 2020, the $70,000 is recorded in accounts payable and accrued liabilities. A gain of $19,574 was recorded on the settlement, representing the difference between the amount accrued in previous periods and the amount for which the legal proceeding was settled.

13. Segmented information

The Company has one reportable operating segment, the development and provision of online and mobile sports betting products. All of the Company's long-term assets are located in Canada.

14. Event after the reporting date

Subsequent to March 31, 2020, the Company amended the Social Media Influencer Agreement (the "Amended Agreement"). The original agreement is described in note 9. The Amended Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Under the terms of the Amended Agreement the Company will issue a further 4,807,555 common shares to arm's length parties.

SCHEDULE "D"
MD&A OF FAIRMONT

(See attached)

FAIRMONT RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

For the Year Ended October 31, 2019

This MD&A is dated February 28, 2020

Introduction

The following Management Discussion and Analysis ("MD&A") of Fairmont Resources Inc. (the "Company" or "Fairmont") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of February 28, 2020, and should be read in conjunction with the financial statements for the year ended October 31, 2019 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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 Fairmont's common shares; or (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 of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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 Fairmont's common shares; or (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 of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

All financial information in this MD&A related to 2019, 2018 and 2017 has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of iron ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, iron ore prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The**

Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement. The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Neil Pettigrew, P.Geo, a director of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis. Mr. Roger Ouellet, P. Geo, consultant to Fairmont Resources and a Qualified Person ("QP") under NI 43-101 regulations, reviews and approves technical work on our Quebec Projects.

Description of Business

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The registered and records office address is Suite 820 – 1130 west Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company was primarily focused on the exploration and development of one iron-titanium-vanadium property and three quartz properties. The iron-titanium-vanadium property is called the Buttercup Property and is located in south central Quebec, 250 km North of Quebec City. Near this property we had an option on a quartz property called Lac Bouchette. We also owned two more quartz properties located about 400 km North East of Quebec City and named Forestville and Baie Comeau. The Company has decided to abandon its interest in these mineral properties and during the year ended October 31, 2018, wrote-off the carrying values of the assets.

Overall Performance

For the year ended October 31, 2019, the Company had a comprehensive loss of $112,298 (2018 – loss of $929,391). This decrease in loss is mainly due to impairment of exploration and evaluation assets in the prior year and also due to significant change in the nature of the business in that management has decided to eliminate any non-essential expense in the current year.

At October 31, 2019, the Company had cash of $247 (October 31, 2018 – $8,216). At October 31, 2019 the Company had a working capital deficit of $1,957,537 (October 31, 2018 – $1,853,694). To date, the Company's sole source of financing has been derived from the issuance of common shares.

<u>Financings</u>

On February 23, 2016, the Company signed a letter of intent, conditional on securing financing, with the courts in Spain to purchase the assets of Granitos de Badajoz S.A. ("Grabasa"). Grabasa is a manufacturer of polished granite slabs, which are used for flooring, building cladding, countertops and other purposes. The assets of Grabasa included 23 premium quality dimension stone licenses, and a 42,000 square metre processing facility for cutting and polishing with an annual production capacity in excess of 250,000 square metres (the "Grabasa Assets). The Company was unable to secure the necessary financing for the acquisition and the option to purchase the Grabasa Assets expired on May 26, 2017. Consequently, the Company wrote off the €150,000 deposit being held by the courts in Spain. In addition to the deposit being held, the Company owes a €575,000 success fee to an unrelated third party

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 ($844,158) in favor of Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2019, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($844,158) is owing to the third party. The Company reversed $72,010 in legal fees payables outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment.

Management continue to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at October 31, 2019.

Share capital

Effective October 1, 2018, the Company consolidated its common shares on a 10 to 1 basis, which resulted in 4,068,328 shares outstanding post-consolidation. The consolidation was approved by the shareholders of the Company on September 21, 2018 and by the Exchange on September 28, 2018. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect this change.

Share issuances

On December 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $75,436 through the issuance of 422,767 common shares with a fair value of $8,455 and agreed to assignment of debt of $586,482 to a third-party creditor including $324,678 that was owed to related parties. The Company recognized a gain in settlement of debt of $66,981 resulting from this transaction.

On August 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $165,708 through the issuance of 331,416 common shares at a deemed price of $0.50 per common share.

Stock options

During the year ended October 31, 2019, no options were granted and expired.

During the year ended October 31, 2018, no options were granted and on June 16, 2018, 86,500 options at $1.80 per share expired.

Warrants

During the year ended October 31, 2019, no warrants, were issued and 356,786 warrants expired.

During the year ended October 31, 2018, no warrants, were issued and no warrants expired.

Mineral Properties

Buttercup Property (Quebec)

On January 28, 2014 the Company entered into a purchase agreement with an arm's length party (the "Vendor") to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $306,057 was recognized in the statement of loss and comprehensive loss during the year ended October 31, 2018.

Effective August 9, 2018, the Company terminated the purchase agreement.

Lac Bouchette Property (Quebec)

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. Management had let the mineral claims lapse. An impairment of $205,375 was recognized in the statement of loss during the year ended October 31, 2017.

Forestville – Baie Comeau Property (Quebec)

On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for various products such as: high purity glass, fibre optics, countertops, ferrosilicon and silica metal.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. Management had let the mineral claims lapse. As a result, an impairment of $512,888 was recognized in the statement of loss during the year ended October 31, 2018.

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the "Prospector") to acquire a 100% interest in the Rome Lithium property, near Val d'Or, Quebec (the "Property"). Accordingly, Fairmont (the "Optionee") will issue to the Optionor 500,000 shares (issued) and will pay the Optionor $25,000 (paid).

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources for the Rome Lithium property. Jourdan Resources is a related party due to a common director. The terms of the ROFR required an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, Jourdan would have paid an additional $25,000 cash and issued the Company an additional 1,500,000 shares. The Company would have also received a 2% Net Smelter Royalty.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss.

On July 15, 2018, the Company received remaining $25,000 and was issued 1,500,000 shares of Jourdan Resources with a fair value of $120,000. The Company recognized the payments received as a income on disposal of property in the statement of loss and comprehensive loss.

Selected Annual Information

The Company is the providing the following selected information with respect to the Company's audited financial statements for the fiscal years ended October 31, 2019, 2018 and 2017. The audited financial statements for these fiscal years were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

This section should be read in conjunction with the Statements of Comprehensive Loss for the year ended October 31, 2019 and the audited Statements of Comprehensive Loss for the year ended October 31, 2018, and 2017, and the notes associated therewith.

	Year ended October 31, 2019	**Year ended October 31, 2018**	**Year ended October 31, 2017**
	$	$	$
Total Revenue	Nil	Nil	Nil
Operating expenses	(238,498)	(274,956)	(1,520,198)
Loss Before Other Items and Income Tax	(238,498)	(274,956)	(1,520,198)
Income on disposal of property	-	145,000	-
Income on sale of securities	(11,358)	-	-
Gain on settlement of debt	92,599	-	36,725
Impairment of exploration and evaluation assets	-	(818,945)	(352,875)
Impairment of Grabasa deposit	-	-	(217,163)
Other income	44,959	-	-
Reversal of legal fees	-	72,010	-
Net loss	(112,298)	(876,891)	(2,053,511)
Other comprehensive loss			
Net change in fair value of marketable securities	-	(52,500)	-
Net and comprehensive loss	(112,298)	(929,391)	(2,053,511)
Basic and Diluted Loss Per Share	(0.03)	(0.24)	(0.56)

	As at October 31, 2019	**As at October 31, 2018**	**As at October 31, 2017**
	$	$	$
Balance sheet data			
Total assets	22,495	79,493	819,267
Total liabilities	1,980,032	1,933,187	1,909,278
Total equity (deficit)	(1,957,537)	(1,853,694)	(1,090,011)

Results of operations

During the three months ended October 31, 2019, the Company incurred a net income of $66,702 (2018 – $910,128). The expenses for the three months ended October 31, 2019 include the following items:

- Management and consulting fees for the three months ended October 31, 2019 was $30,000 (2018-$32,500).
- Shareholders, investor relations and promotion for the three months ended October 31, 2019 was $nil (2018-$nil).
- Registration, transfer fees and promotion for the three months ended October 31, 2019 was $1,274 (2018-$21,674).
- Audit and accounting expense for the three months ended October 31, 2019 was $37,850 (2018 - $37,813).
- Administrative expense for the three months ended October 31, 2019 was $3,000 (2018 - $345).
- Office and miscellaneous expense for the three months ended October 31, 2019 was $18 (2018 - $174).
- Unrealized foreign exchange income for the three months ended October 31, 2019 was $5,055 (2018- loss of $18,399). This is mainly due to the foreign exchange income in converting the euro liability.
- Legal expenses for the three months ended October 31, 2019 was $1,200 (2018 - $11,076). Legal expense for the comparative period was high due to the litigation with the Spanish authorities.
- In Q4 2018, the mineral properties were written down by $818,945.

During the year ended October 31, 2019, the Company had a net loss of $112,298 (2018 – loss of $876,891). The expenses for the year ended October 31, 2019 when compared to the comparative year ended October 31, 2018 has declined by $764,593. This decrease is mainly due to the impairment of exploration and evaluation assets of $818,945 in the year ended October 31, 2018, gain on settlement of debt of $92,599 and offset by income on sale of securities of $11,358 in the year ended October 31, 2019 and also due to a significant change in the nature of the business in that management has decided to eliminate any non-essential expense.

- Management and consulting fees for the year ended October 31, 2019 was $125,639 (2018 - $125,167).
- Shareholders and investor relations for the year ended October 31, 2019 was $nil (2018 - $2,167). This decrease of $2,167 was a result of management eliminating third party expenses.
- Registration, transfer fees and promotion for the year ended October 31, 2019 was $9,188 (2018 - $29,895). This decrease was also as a result of management eliminating third party expenses.
- Audit and accounting expense for the year ended October 31, 2019 was $83,189 (2018 - $71,480).
- Administrative expense for the year ended October 31, 2019 was $12,000 (2018 - $17,012). This reduction in expense can also be attributed to management getting the work done at competitive rates.
- Office and miscellaneous expense for the year ended October 31, 2019 was $4,719 (2018 - $306).
- Unrealized foreign exchange income for the year ended October 31, 2019 was $12,103 (2018- $7,359). This is due to foreign exchange loss in converting the euro liability.
- Legal expenses for the year ended October 31, 2019 was $15,866 (2018 - $36,288). Legal expense for the comparative period was high due to the litigation with the Spanish authorities.
- Write off of expenses for the year ended October 31, 2019 was $nil (2018 - $72,010). The management decided to write off some of the liabilities related to legal expenses in the previous year.
- Impairment of exploration and evaluation assets for the year ended October 31, 2019 of $nil (2018 - $818,945).
- There were no share-based payments in the year ended October 31, 2019 (2018-$nil).

Summary of quarterly results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

General and administrative costs

For the three months ended	**Oct 31, 2019**	**Jul 31, 2019**	**Apr 30, 2019**	**Jan 31, 2019**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net income (loss) for the period	66,702	(20,900)	(14,287)	(143,813)
Basic & diluted (loss) per share	0.00	(0.00)	(0.00)	(0.23)
Cash and cash equivalents	247	13,767	11,984	26,460
Total Assets	22,495	19,116	17,253	31,550
Working capital deficiency	(1,957,537)	(1971,737)	(1950,840)	(1,936,551)
Shareholder's equity	(1,957,537)	(1,971,737)	(1,950,840)	(1,936,551)
For the quarter ended	**Oct 31, 2018**	**Jul 31, 2018**	**Apr 30, 2018**	**Jan 31, 2018**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net income (loss) for the period	(910,128)	103,949	(9,652)	(46,060)
Basic & diluted (loss) per share	(0.23)	0.00	(0.00)	(0.00)
Cash and cash equivalents	8,216	11,132	1,508	57
Exploration and evaluation assets	-	807,622	807,622	818,945
Total Assets	79,493	953,764	809,130	819,341
Working capital deficiency	(1,853,694)	(1,849,396)	(1,953,345)	(1,955,016)
Shareholder's equity	(1,853,694)	(1,041,774)	(1,145,723)	(1,136,071)

A summary of selected financial information of the Company for recently completed periods is provided below:

During the three months ended October 31, 2019, the Company had a net and comprehensive income of $66,702 (2018 – loss of $910,128). For the quarter ended October 31, 2019, the total assets stayed relatively same compared to the previous quarter while shareholders equity decreased due to the loss for the quarter. Cash and cash equivalents stayed the same compared to previous quarter.

For the quarter ended October 31, 2018, the total assets decreased from the previous quarter by $874,271 primarily due to impairment of exploration and evaluation assets.

Financial Statements Going Concern Assumption

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	October 31, 2019	October 31, 2018	October 31, 2017
Working capital (deficiency)	$ (1,957,537)	$ (1,853,694)	$ (1,907,538)
Deficit	$ (8,992,280)	$ (8,827,482)	$ (7,950,592)

Net cash used in operating activities during the year ended October 31, 2019, was $64,111 (2018 – net cash of $16,515).

Net cash provided by financing activities during the year ended October 31, 2019, was $nil (2018 – $nil).

Net cash from investing activities during the year ended October 31, 2019, was $56,142 (2018 – net cash used $23,581).

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company’s shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, (“CEO”) of the Company is the President of 1820546 Ontario Inc. (‘1820546 Inc.”), (and by extension the CEO and President) has a contract with the Company. Fees and outstanding amounts due to 1820546 Ontario Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, (“CFO”) of the Company is the president of Campus Alliance Inc., has a service contract with the Company and is entitled to fees based on this contract relating to accounting services in the normal course of business. These fees are expensed as accounting fees in the general and administrative expenses.

The table below details the fees and amounts due to related parties:

	Year ended	
Related Party Fees	**October 31, 2019**	**October 31, 2018**
1820546 Ontario Inc. - management fees	$ 120,000	$ 110,000
1820546 Ontario Inc. - administrative fees	12,000	11,000
Greg Ball (former CFO)	-	4,000
Campus Alliance Inc.	60,000	40,000
Harvey McKenzie (former Director)	-	2,500
Total related party transactions	**$ 192,000**	**$ 167,500**

Related party payables	**October 31, 2019**	**October 31, 2018**
1820546 Ontario Inc.	$ 239,869	$ 143,548
Campus Alliance Inc.	92,850	36,850
Avanti Management and consulting Ltd., company controlled by the former CEO	-	244,970
Harvey McKenzie (former Director)	-	2,500
Total Related party payables	**$ 332,719**	**$ 427,868**

In addition to the above balance, during the year ended October 31, 2019, $324,678 of balance due to related parties was assigned to a third party, and $25,618 of balance due was forgiven and recognized as a gain on settlement of debt. The amounts are non-interest bearing, unsecured and have no terms of repayments.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a. Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

b. Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

c. Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available aincomest which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

d. Cash and cash equivalent

Cash and cash equivalents includes cash on hand, deposits held at financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

e. Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f. Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2018 and 2017.

g. Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

h. Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti-dilutive.

i. Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

j. Financial instruments

Changes in Accounting Policies

The Company adopted the following new standards issued by the IASB or the IFRIC:

IFRS 9, Financial Instruments

Effective November 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company adopted the standard retrospectively and prior periods were not restated. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities except for marketable securities.

As a result of adopting this standard, the Company has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. An assessment has been made and the impact to the Company's financial statements was to reclassify its available-for-sale marketable securities to fair value through profit or loss. As the Company adopted IFRS 9 retrospectively without restatement of comparative amounts, this resulted in a reclassification of $52,500 from accumulated other comprehensive income to deficit on November 1, 2018. Future changes in the fair value of these marketable securities will be recorded directly in profit or loss. No other differences of any significance have been noted in relation to the adoption of IFRS 9.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance had no impact on the Company's unaudited condensed interim financial statements. Financial assets:

Below is a summary showing the classification and measurement bases of the Company's financial instruments as at November 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash	Loans and receivables	Amortized cost
Marketable securities	Available-for-sale	FVTPL
Amounts receivable	Loans and receivables	Amortized cost
Prepaid expense	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Debt advances	Other financial liabilities	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments is as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Incomes or losses on these items are recognized in profit or loss.

- Amortized cost Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following five categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

- Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized incomes and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized incomes and losses recognized in other comprehensive income.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Incomes and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial Instruments

a) Fair Value

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

c) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability is denominated in Euros.

e) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Adopted and Future Accounting Standards

New accounting policies adopted

The IASB issued a number of new and revised accounting standards that are not yet effective. These standards include the following:

IFRS 16, Leases – IFRS 16 was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRS 16 will impact its financial statements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at October 31, 2019.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 4 in the financial statements for the year ended October 31, 2019 for a description of the capitalized exploration and development costs on the Buttercup, Lac Bouchette, Baie Commeau, Rome and Forestville properties. For a description of the general and administrative expenses, please refer to the condensed interim statements of comprehensive loss contained in the financial statements for the year ended October 31, 2019.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of Shares
Balance, October 31, 2017	**3,736,912**
Shares issued on settlement of debt	331,416
Balance, October 31, 2018	**4,068,328**
Shares issued on settlement of debt	422,767
Balance, October 31, 2019	**4,491,095**

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company’s stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2017	181,500	$ 1.80
Expired	86,500	–

Exercisable at October 31, 2018	95,000	$ 1.80
Expired	–	–
Balance at October 31, 2019	95,000	$ 1.80

As at October 31, 2019, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	1.80	June 16, 2021
95,000		

Warrants

The following table summarizes the warrants and agent warrants activity.

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2016	430,240	$ 1.00
Issued	356,786	1.50
Expired	(355,240)	1.50
Exercised	(75,000)	1.00
Balance at October 31, 2017 and 2018	356,786	$ 1.50
Expired	(356,786)	1.50
Balance at October 31, 2019	-	-

SHARE CAPITAL – ISSUED AND OUTSTANDING

Issued and outstanding: October 31, 2019 – 4,491,095
Issued and outstanding: February 28, 2020 (date of this report) – 4,491,095

Warrants outstanding: October 31, 2019 – nil
Warrants outstanding: February 28, 2020 – nil

Options outstanding: October 31, 2019 – 95,000
Options outstanding: February 28, 2020 – 95,000

Subsequent Events

As at the data thereof, there are no subsequent events.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured aincomest all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canada / United States exchange rate, all of which are beyond the Company's control.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Corporate update and change of directors

On January 11, 2019, the Company announced that the Board of Directors have appointed Binyomin Posen as a director of the Company. On February 8, 2019, the Company announced that the Board of Directors have appointed Jack Wortzman as a director of the Company.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Further Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

FAIRMONT RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

For the Year Ended October 31, 2018

This MD&A is dated February 28, 2019

Introduction

The following Management Discussion and Analysis ("MD&A") of Fairmont Resources Inc. (the "Company" or "Fairmont") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of February 28, 2019, and should be read in conjunction with the financial statements for the year ended October 31, 2018 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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 Fairmont's common shares; or (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 of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

All financial information in this MD&A related to 2018, 2017 and 2016 has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of iron ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, iron ore prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.** The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Neil Pettigrew, P.Geo, a director of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis. Mr. Roger Ouellet, P. Geo, consultant to Fairmont Resources and a Qualified Person ("QP") under NI 43-101 regulations, reviews and approves technical work on our Quebec Projects.

Description of Business

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The registered and records office address is Suite 820 – 1130 west Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company was primarily focused on the exploration and development of one iron-titanium-vanadium property and three quartz properties. The iron-titanium-vanadium property is called the Buttercup Property and is located in south central Quebec, 250 km North of Quebec City. Near this property we had an option on a quartz property called Lac Bouchette. We also owned two more quartz properties located about 400 km North East of Quebec City and named Forestville and Baie Comeau.

The Company has decided to abandon its interest in these mineral properties and during the year ended October 31, 2018, wrote-off the carrying values of the assets.

On February 4, 2019, the Company announced that it has entered into a non-binding letter of intent with Full Spectrum Brands Canada Inc. ("Full Spectrum Brands") (the "LOI"). The LOI outlines certain mutual understandings and principal terms and conditions pursuant to which the Company and Full Spectrum Brands Canada intend to effect a possible transaction that will result in a reverse takeover of the Company by the shareholders of Full Spectrum Brands and the listing of the Company common shares on the Canadian Securities Exchange (the "CSE") (the "Transaction").

Overall Performance

For the year ended October 31, 2018, the Company had a comprehensive loss of $929,391 (2017 – $2,053,511). This decrease in loss is mainly due to success fee of $846,343 in 2017 and also due to a significant change in the nature of the business in that management has decided to eliminate any non-essential expense in the current year.

At October 31, 2018, the Company had cash of $8,216 (October 31, 2017 – $1,150). At October 31, 2018 the Company had a working capital deficit of $1,853,694 (October 31, 2017 – $1,907,537). To date, the Company's sole source of financing has been derived from the issuance of common shares.

<u>Financings</u>

On February 23, 2016, the Company signed a letter of intent, conditional on securing financing, with the courts in Spain to purchase the assets of Granitos de Badajoz S.A. ("Grabasa"). Grabasa is a manufacturer of polished granite slabs, which are used for flooring, building cladding, countertops and other purposes. The assets of Grabasa included 23 premium quality dimension stone licenses, and a 42,000 square metre processing facility for cutting and polishing with an annual production capacity in excess of 250,000 square metres (the "Grabasa Assets). The Company was unable to secure the necessary financing for the acquisition and the option to purchase the Grabasa Assets expired on May 26, 2017. Consequently, the Company wrote off the €150,000 deposit being held by the courts in Spain. In addition to the deposit being held, the Company owes a €575,000 success fee to an unrelated third party.

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 ($856,118) in favor of

Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2018, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($856,118) is owing to the third party. The Company reversed $72,010 in legal fees payables outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment.

Management continue to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at October 31, 2018.

Share capital

Effective October 1, 2018, the Company consolidated its common shares on a 10 to 1 basis, which resulted in 4,068,328 shares outstanding post-consolidation. The consolidation was approved by the shareholders of the Company on September 21, 2018 and by the Exchange on September 28, 2018. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect this change.

Share issuances

On August 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $165,708 through the issuance of 331,416 common shares at a deemed price of $0.50 per common share.

On December 12, 2016, the Company issued a total of 50,000 common shares at a price of $0.70 as payment on the Rome property.

On December 30, 2016 the Company issued a total of 142,500 Flow Through Units at a price of $0.80 for proceeds of $114,000. Each unit consists of one share and one share purchase warrant that can be exercised at $1.50 until December 30, 2018.

On January 20, 2017 the Company issued a total of 214,286 Non-Flow Through Units at a price of $0.70 for proceeds of $150,000. Each unit consists of one share and one share purchase warrant that can be exercised at $1.50 until January 20, 2019.

On March 2, 2017 the Company issued a total of 57,500 common shares at a price of $1.00 on exercise of 57,500 warrants.

On March 24, 2017 the Company issued a total of 17,500 common shares at a price of $1.00 on exercise of 17,500 warrants.

On June 13, 2017, the Company issued a total of 50,000 common shares at a price of $0.35 as payment on the Rome lithium property.

On June 13, 2017, the Company issued a total of 56,500 common shares with a fair value of $19,775 as payment on debt of $56,500 owed to a vendor. The transaction resulted in a gain of $36,725.

Stock options

During the year ended October 31, 2018, no options were issued and on June 16, 2018, 86,500 options at $1.80 per share expired.

On February 6, 2017, 100,000 options at $2.50 per share expired.

On February 8, 2017, 26,250 options at $6.00 per share expired.

On February 14, 2017 1,250 options at $6.00 per share expired.

Warrants

During the year ended October 31, 2018, no warrants, were issued and no warrants expired.

On March 3, 2017, 57,500 warrants were exercised at $1.00 per warrant for gross proceeds of $5,750 in exchange for 57,500 shares of common stock.

On March 24, 2017, 17,500 warrants were exercised at $1.00 per warrant for gross proceeds of $1,750 in exchange for 17,500 shares of common stock.

On June 8, 2017 the remaining 355,240 warrants that were issued on June 8, 2016 expired.

Mineral Properties

Buttercup Property (Quebec)

On January 28, 2014 the Company entered into a purchase agreement with an arm's length party (the "Vendor") to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec. To acquire the 100% interest, the Company agreed to:

i. pay $50,000 (paid) to certain suppliers of the Vendor,
ii. issue a total of 1,000,000 common shares (issued at a value of $50,000); and
iii. pay a total of $150,000 to the Vendor.

The $150,000 payment is to be paid in an installment of $50,000 within 60 days of receiving final permits to commence commercial production on the property and $100,000 to be paid on commencement of commercial production. Further the net profits from production will be split 80% to the Vendor and 20% to the Company until the Vendor has received a total payment of $3,000,000. Thereafter the Vendor will receive 5% of the net profits and the Company will receive 95%. The Company also issued 100,000 common shares in the capital stock of the Company (issued at a value of $5,000) as a finder's fee for the property.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $306,057 was recognized in the statement of loss and comprehensive loss during the year ended October 31, 2018.

Effective August 9, 2018, the Company terminated the purchase agreement.

Lac Bouchette Property (Quebec)

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $205,375 was recognized in the statement of loss during the year ended October 31, 2017.

Forestville – Baie Comeau Property (Quebec)

On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for various products such as: high purity glass, fibre optics, countertops, ferrosilicon and silica metal.

To acquire 100% of the Properties, the Company will:

i. pay 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid),
ii. pay $6,000 on the Exchange Approval Date (paid),
iii. pay $100,000 in shares on or before January 21, 2016, (on November 29, 2015, 2,000,000 shares were issued at a price of $0.05 per share)
iv. pay $50,000 in shares on or before July 21, 2016, (issued August 8, 2016) and
v. incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

The Company is responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction. Also, the Company will pay a 2% production royalty in connection with the sale of produced minerals on the Properties, and may repurchase the royalty at a price equal to $0.25 per tonne.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $512,888 was recognized in the statement of loss during the year ended October 31, 2018.

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the "Prospector") to acquire a 100% interest in the Rome Lithium property, near Val d'Or, Quebec (the "Property"). Accordingly, Fairmont (the "Optionee") will issue to the Optionor 500,000 shares (issued) and will pay the Optionor $25,000 (paid).

In order to exercise the balance of the option, Fairmont will be required to:

(i) issue 500,000 shares on or before December 10, 2016 (issued);
(ii) issue 500,000 shares on or before May 26, 2017(issued), (Note 12);
(iii) incur $50,000 of exploration expenditures before May 26, 2017; and
(iv) incur an additional $100,000 before May 26, 2019.

The Property will be subject to a 2% Production Royalty per tonne. The Optionee may purchase one half of the Production Royalty (1%) for one million dollars (Canadian) at any time. On June 14, 2016 the company issued 500,000 shares at $0.19 per share as the first payment for the Rome Lithium property.

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources for the Rome Lithium property. Jourdan Resources is a related party due to a common director. The terms of the ROFR required an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, Jourdan would have paid an additional $25,000 cash and issued the Company an additional 1,500,000 shares. The Company would have also received a 2% Net Smelter Royalty. On August 9, 2017, the ROFR was exercised, and the Company agreed to sell the property to Jourdan, subject to approval from the exchange. By July 22, 2017, no third party had presented a better offer on the property. On August 9, 2017 the Company agreed to sell the property to Jourdan Resources, subject to approval from the exchange.

In June 2017, the Company received the initial deposit of $25,000 from Jourdan Resources.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss

On July 15, 2018, the Company received remaining $25,000 and was issued 1,500,000 shares of Jourdan Resources with a fair value of $120,000 (Note 4). The Company recognized the payments received as a gain on disposal of property in the statement of loss and comprehensive loss.

Selected Annual Information

The Company is the providing the following selected information with respect to the Company's audited financial statements for the fiscal years ended October 31, 2018, 2017 and 2016. The audited financial statements for these fiscal years were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Year ended October 31, 2018	Year ended October 31, 2017	Year ended October 31, 2016
Total revenue	$ -	$ -	$ -
Operating expenses	(274,956)	(1,520,198)	(797,803)
Loss Before Other Items and Income Tax	(274,956)	(1,520,198)	(797,803)
Gain on disposal of property	145,000	-	-
Gain on settlement of debt	-	36,725	-
Impairment of exploration and evaluation assets	(818,945)	(352,875)	(4,380)
Impairment of Grabasa deposit	-	(217,163)	-
Reversal of legal fees	72,010	-	-
Net and comprehensive loss	$ (876,891)	$ (2,053,511)	$ (802,183)
Basic and Diluted Loss Per Share	$ (0.24)	$ (0.56)	$ (0.32)

	As at October 31, 2018	As at October 31, 2017	As at October 31, 2016
Balance Sheet Data			
Total assets	$ 79,493	$ 819,267	$ 1,318,363
Total liabilities	1,933,187	1,909,278	768,016
Total equity (deficit)	$ (1,853,694)	$ (1,090,011)	$ 550,347

Results of Operations

During the three months ended October 31, 2018, the Company incurred a net loss of $910,128 (2017 – $578,468). The expenses for the three months ended October 31, 2018 include the following items:

- Management and consulting fees for the three months ended October 31, 2018 was $32,500 (2017-$32,000).
- Shareholders, investor relations and promotion for the three months ended October 31, 2018 was $nil (2017-$11,250). This decrease was a result of management eliminating third party expenses.
- Registration, transfer fees and promotion for the three months ended October 31, 2018 was $21,674 (2017-$529).
- Audit and accounting expense for the three months ended October 31, 2018 was $37,813 (2017 - $21,500). The increase in expense was due to the Company taking on all accounting, administrative and other related expenditures and eliminating third parties.
- Administrative expense for the three months ended October 31, 2018 was $345 (2017 - $nil).
- Office and miscellaneous expense for the three months ended October 31, 2018 was $174 (2017 - $3,821).
- Unrealized foreign exchange gain for the three months ended October 31, 2018 was $18,399 (2017- loss of $592). This is mainly due to the foreign exchange gain in converting the euro liability.
- Legal expenses for the three months ended October 31, 2018 was $11,076 (2017 - $10,446). Legal expense for the comparative period was high due to the litigation with the Spanish authorities.
- In Q4, 2018, the mineral properties were written down by $818,945 (2017 – $570,038)
- Unrealized loss from marketable securities for the three months ended October 31, 2018 was $52,500 (2017- $nil)

During the year ended October 31, 2018, the Company had a net loss of $876,891 (2017 – loss of $2,053,511).

The expenses for the year ended October 31, 2018 when compared to the comparative year ended October 31, 2017 has declined by $1,124,120. This decrease is mainly due to a success fee of $846,343 in the year ended October 31, 2017 and also due to a significant change in the nature of the business in that management has decided to eliminate any non-essential expense.

- Management and consulting fees for the year ended October 31, 2018 was $125,167 (2017-$150,500).
- Shareholders and investor relations for the year ended October 31, 2018 was $2,167 (2017-$67,500). This decrease of $65,333 was a result of management eliminating third party expenses.
- Registration, transfer fees and promotion for the year ended October 31, 2018 was $29,895 (2017-$59,812). This decrease was also as a result of management eliminating third party expenses.
- Audit and accounting expense for the year ended October 31, 2018 was $71,480 (2017 - $54,870). The decrease in expense is as a result of management bringing the services inhouse.
- Administrative expense for the year ended October 31, 2018 was $17,012 (2017 - $41,676). This reduction in expense can also be attributed to management getting the work done at competitive rates.
- Office and miscellaneous expense for the year ended October 31, 2018 was $306 (2017 - $39,899). The decrease is mainly due to the management eliminating expenses.
- Unrealized foreign exchange gain for the year ended October 31, 2018 was $7,359 (2017- $nil). This is due to foreign exchange loss in converting the euro liability.
- Legal expenses for the year ended October 31, 2018 was $36,288 (2017 - $221,375). Legal expense for the comparative period was high due to the litigation with the Spanish authorities.
- Write off of expenses for the year ended October 31, 2018 was $72,010 (2017 - $nil). The management decided to write off some of the liabilities related to legal expenses in the current year.
- Impairment of exploration and evaluation assets for the year ended October 31, 2018 of $818,945 (2017 - $352,875).
- There were no share-based payments in the year ended October 31, 2018 (2017-$3,573).

Summary of Quarterly Results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

General and administrative costs

For the three months ended	**Oct 31, 2018**	**Jul 31, 2018**	**Apr 30, 2018**	**Jan 31, 2018**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net gain (loss) for the period	(910,128)	103,949	(9,652)	(46,060)
Basic & diluted (loss) per share	(0.23)	0.00	(0.00)	(0.00)
Cash and cash equivalents	8,216	11,132	1,508	57
Exploration and evaluation assets	-	807,622	807,622	818,945
Total Assets	79,493	953,764	809,130	819,341
Working capital deficiency	(1,853,694)	(1,849,396)	(1,953,345)	(1,955,016)
Shareholder's equity	(1,853,694)	(1,041,774)	(1,145,723)	(1,136,071)
For the three months ended	**Oct 31, 2017**	**Jul 31, 2017**	**Apr 30, 2017**	**Jan 31, 2017**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net gain (loss) for the period	(578,468)	(1,131,720)	(145,835)	(197,488)
Basic & diluted (loss) per share	(0.03)	(0.03)	(0.00)	(0.01)
Cash and cash equivalents	1,150	4,780	6,712	32,366
Exploration and evaluation assets	817,526	1,172,840	1,180,340	1,221,273
Total Assets	819,267	1,188,684	1,413,645	1,535,942
Working capital deficiency	(1,907,537)	1,684,383	597,438	(568,848)
Shareholder's equity	(1,090,011)	(511,543)	582,902	652,325

A summary of selected financial information of the Company for recently completed periods is provided below:

During the three months ended October 31, 2018, the Company had a net and comprehensive loss of $910,128 (2017 – loss of $578,468).

For the quarter ended October 31, 2018, the total assets decreased from the previous quarter by $874,271 primarily due to impairment of exploration and evaluation assets. Exploration and evaluation assets decreased by $807,622 from the prior quarter. The decrease in shareholders equity is due to the impairment loss for the period and there is minimal change in the working capital for the period.

For the quarter ended July 31, 2018, the total assets increased from the previous quarter by $144,634 primarily due to addition of marketable securities. Cash and cash equivalents increased due to amounts received from sale of a property. Exploration and evaluation assets remained the same as the prior quarter. The increase in shareholders equity is due to the income for the period and there is minimal change in the working capital for the period.

For the quarter ended April 30, 2018, the total assets decreased from the previous quarter by $10,211 primarily due to the cancellation of an amount due to a supplier. Cash and cash equivalents increased slightly due to a GST refund the Company received in the current quarter. Exploration and evaluation assets also decreased by $11,323 due to the cancellation of an amount due to the supplier. The decrease in shareholders equity is due to the loss for the period and there is minimal change in the working capital for the period.

For the quarter ended January 31, 2018, the total assets increased slightly mainly due to a small addition to evaluation and exploration assets offset by a decrease in cash and cash equivalents. Exploration and evaluation assets increased by $1,419 and cash and cash equivalents decreased by $1,093. Shareholders equity decreased by $46,060 during this quarter as a result of the loss for the quarter.

For the quarter ended October 31, 2017, the total assets decreased by $369,417 primarily due to an impairment of exploration of evaluation assets. Exploration and evaluation assets decreased by $355,314. Cash and cash equivalents decreased by $3,630 during the quarter.

For the quarter ended July 31, 2017, the total assets decreased by $224,961 primarily due to the write off of Grabasa deposit. Net Exploration and evaluation assets decreased by $7,500 during the quarter. Cash and cash equivalents decreased by $1,932 and prepaid expenses decreased by $2,561 during the quarter.

For the quarter ended April 30, 2017, the total assets decreased by $122,307. Net Exploration and evaluation assets decreased by $40,933 during the quarter. Cash and cash equivalents decreased by $25,654 and accounts receivable decreased by $5,820 during the quarter.

For the quarter ended January 31, 2017, the total assets increased by $217,579 primarily due to an increase in exploration of evaluation assets. Exploration and evaluation assets increased by $146,398. Proceeds from issuance of shares in the quarter amounted to $262,680.

Financial Statements Going Concern Assumption

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	October 31, 2018	October 31, 2017	October 31, 2016
Working capital (deficiency)	$ (1,853,694)	$ (1,907,538)	$ (524,528)
Deficit	$ (8,827,482)	$ (7,950,592)	$ (5,897,080)

Net cash used in operating activities during the year ended October 31, 2018, was $16,515 (2017 – net cash used of $311,870).

Net cash provided by financing activities during the year ended October 31, 2018, was $nil (2017 – $337,305).

Net cash used in investing activities during the year ended October 31, 2018, was $23,581 (2017 – net cash used $43,026).

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, ("CEO") of the Company is the President of 1820546 Ontario Inc. ('1820546 Inc."), (and by extension the CEO and President) has a contract with the Company. Fees and outstanding amounts due to 1820546 Ontario Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, ("CFO") of the Company is the president of Campus Alliance Inc., has a service contract with the Company and is entitled to fees based on this contract relating to accounting services in the normal course of business. These fees are expensed as accounting fees in the general and administrative expenses.

The table below details the fees and amounts due to related parties:

Related Party Fees	**Year ended Oct. 31, 2018**	**Year ended Oct. 31, 2017**
1820546 Ontario Inc. (M. Lerner) management fees	$ 110,000	$ -
1820546 Ontario Inc. (M. Lerner) administrative fees	11,000	-
Avanti Management and consulting Ltd (Mgmt. & Adm fees)	-	102,000
Greg Ball (Ex-CFO)	4,000	12,000
Campus Alliance Inc.-Balu Gopalakrishnan	40,000	-
Harvey McKenzie	2,500	-
Total related party transactions	**$ 167,500**	**$ 96,522**

Related party payables	**As at Oct 31, 2018**	**As at Oct. 31, 2017**
1820546 Ontario Inc. (M. Lerner) (All fees and expenses)	$ 143,548	$ -
Campus Alliance Inc. (Balu Gopalakrishnan)	36,850	-
Avanti Management and consulting Ltd	244,970	282,338
Fladgate exploration consulting corp.	-	10,594
Harvey McKenzie	2,500	-
Greg Ball (Ex-CFO)	-	24,000
Total Related party payables	**$ 427,868**	**$ 316,932**

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a. Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

b. Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, 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, but are not limited to the following:

- the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position;
- the inputs used in the accounting for the deferred tax assets / liabilities; and
- the inputs used in the accounting for share-based payment expense included in profit or loss.

c. Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

d. Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e. Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f. Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2018 and 2017.

g. Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

h. Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti-dilutive.

i. Flow through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

j. Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

k. Financial instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in net loss. The Company's amounts receivable are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

l. Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or

• default or delinquency in interest or principal payments; or

• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

m. Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates and was determined to be the Canadian Dollar. The functional currency determination was conducted through an analysis of the factors identified in International Accounting Standard 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

n. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Financial Instruments

a) Fair Value

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

c) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability (note 10) is denominated in Euros.

e) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

f) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Adopted and Future Accounting Standards

New accounting policies adopted

The IASB issued a number of new and revised accounting standards that are not yet effective. These standards include the following:

IFRS 9, Financial Instruments – Classification and Measurement - IFRS 9 is replacing IAS 39, Financial Measurements: Recognition and Measurements. IFRS 9 retains but simplifies the mixed measure model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company's fiscal period beginning November 1, 2018. The Company is still assessing the impact of the adoption of this new standard on its financial statements.

IFRS 15, Revenue - IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. A full retrospective application or a modified retrospective application was required for annual periods beginning on or after January 1, 2018. Currently, the Company does not have any contracts with customers and as such there has been no impact to the financial statements upon adoption.

IFRS 16, Leases – IFRS 16 was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company plans to continue to assess the potential effect of IFRS 16 on its financial statements

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at October 31, 2018.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 4 in the financial statements for the year ended October 31, 2018 for a description of the capitalized exploration and development costs on the Buttercup, Lac Bouchette, Baie Commeau, Rome and Forestville properties. For a description of the general and administrative expenses, please refer to the condensed interim statements of comprehensive loss contained in the financial statements for the year ended October 31, 2018.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of Shares
Balance, October 31, 2016	3,148,626
Shares issued for exploration and evaluation assets	100,000
Shares issued for cash	356,786
Share issued on exercise of warrants	75,000
Shares issued for settlement of debt	56,500
Balance, October 31, 2017	**3,736,912**
Shares issued on settlement of debt	331,416
Balance, October 31, 2018	**4,068,328**

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2016	309,000	$ 2.40
Expired	(127,500)	3.30
Balance at October 31, 2017	181,500	$ 1.80
Expired	86,500	–
Exercisable at October 31, 2018	95,000	$ 1.80

As at October 31, 2018, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	1.80	June 16, 2021
95,000		

Warrants

The following table summarizes the warrants and agent warrants activity:

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2016	430,240	$ 1.00
Issued	356,786	1.50
Expired	(355,240)	1.50
Exercised	(75,000)	1.00
Balance at October 31, 2017 and 2018	356,786	$ 1.50

SHARE CAPITAL – ISSUED AND OUTSTANDING

Issued and outstanding: October 31, 2018 – 4,068,328
Issued and outstanding: February 28, 2019 (date of this report) – 4,491,095

Warrants outstanding: October 31, 2018 – 356,786
Warrants outstanding: February 28, 2019, 2018 – nil

Options outstanding: October 31, 2018 – 95,000
Options outstanding: February 28, 2019, 2018 – 95,000

Subsequent Events

On December 31, 2018, the Company settled indebtedness of $288,135 through the issuance of 422,767 common shares.

On February 4, 2019 the Company announced that it has entered into a non-binding letter of intent with Full Spectrum Brands Canada Inc. (“Full Spectrum Brands”) (the “LOI”). The LOI outlines certain mutual understandings and principal terms and conditions pursuant to which the Company and Full Spectrum Brands Canada intend to effect a possible transaction that will result in a reverse takeover of the Company by the shareholders of Full Spectrum Brands and the listing of the Company common shares on the Canadian Securities Exchange.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canada / United States exchange rate, all of which are beyond the Company's control.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Corporate update and change of directors

On December 13, 2017, the Company announced the appointment of Michael Lerner as the new President, CEO and Director. On January 24, 2018, the Company announced that the Board of Directors have appointed Harvey McKenzie as a director of the Company. Effective December 31, 2018, the Company announced that Harvey McKenzie has resigned as director of the Company and he has been replaced by Binyomin Posen, subject to regulatory approval.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Further Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

FAIRMONT RESOURCES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2017

The following Management Discussion and Analysis ("MD&A") of Fairmont Resources Inc. (the "Company" or "Fairmont") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of February 27, 2018, and should be read in conjunction with the financial statements for the year ended October 31, 2017 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A related to 2017, 2016 and 2015 has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of iron ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, iron ore prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.** The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Neil Pettigrew, P.Geo, a director of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis. Mr. Roger Ouellet, P. Geo, consultant to Fairmont Resources and a Qualified Person ("QP") under NI 43-101 regulations, reviews and approves technical work on our Quebec Projects.

Description of Business

Fairmont Resources Inc. (the "Company") is primarily focused on the exploration and development of one iron-titanium-vanadium property and three quartz properties. The iron-titanium-vanadium property is called the Buttercup Property and is located in south central Quebec, 250 km North of Quebec City. Near this property we have an option on a quartz property called Lac Bouchette. We also own two more quartz properties located about 400 km North East of Quebec City and named Forestville and Baie Comeau.

The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties.

Overall Performance

For the year ended October 31, 2017, the Company incurred a net loss of $2,053,511, (2016 – $802,183). The increased loss was primarily caused by writing off the deposit on the Grabasa assets and expensing the success fee for the Grabasa assets. There were also higher costs for financing and legal fees relating to the Grabasa acquisition. The additional costs were partially offset by lower costs for share based compensation

During the year ended October 31, 2017, 275,000 options, at an exercise price of $0.60 per share expired and 1,000,000 options, at an exercise price of $0.25 per share expired.

During the year ended October 31, 2017, 750,000 warrants were exercised at an exercise price of $0.10 per share.

During the year ended October 31, 2017, 3,552,400 warrants, at an exercise price of $0.10 per share expired

During the year ended October 31, 2016, 12,500 options, at an exercise price of $1.24 per share expired.

The Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties") pursuant to the terms of an option agreement. The Forestville Quartzite property is located 20 kilometres north-northwest of the town of Forestville, Quebec. The Baie Comeau Quartzite property is 8 kilometres northwest of Baie Comeau, Quebec, and partially crosses highway 389. The properties were acquired as potential raw material source of high purity glass, fibre optics, ferrosilicon and silica metal.

The Company acquired a 100% of the Properties by completing the following:

- i) pay to the Optionor 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid);
- ii) pay $6,000 on the Exchange Approval Date (paid);
- iii) pay $100,000 in shares on or before January 21, 2016 (issued 2,000,000 common shares at a price of $0.05 per share);
- iv) pay $50,000 in shares on or before July 21, 2016 (issued 294,117 common shares at a price of $0.17 per share on August 8, 2016); and
- v) incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

The Optionee shall be responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction.

On February 23, 2016, the Company signed a letter of intent, conditional on securing financing, with the courts in Spain to purchase the assets of Granitos de Badajoz S.A. (“Grabasa”). Grabasa is a manufacturer of polished granite slabs, which are used for flooring, building cladding, countertops and other purposes. The assets of Grabasa included 23 premium quality dimension stone licenses, and a 42,000 square metre processing facility for cutting and polishing with an annual production capacity in excess of 250,000 square metres (the “Grabasa Assets). The Company was unable to secure the necessary financing for the acquisition and the option to purchase the Grabasa Assets expired on May 26, 2017. Consequently, the Company wrote off the €150,000 deposit being held by the courts in Spain. In addition to the deposit being held, the Company owes a €575,000 success fee to the Spanish company Eureka Trading.

At October 31, 2017, the Company had cash of $1,150 (October 31, 2016 – $18,741). At October 31, 2017 the Company had a working capital deficit of $1,907,538 (October 31, 2016 – $524,528). To date, the Company’s sole source of financing has been derived from the issuance of common shares.

On June 8, 2016 the Company issued 8 million units (the “Units”) at a price of $0.06 per Unit for gross proceeds of $480,000. Each Unit consists of one common share (a “Share”) and one half Share purchase warrant (a "Warrant"). Each full Warrant entitled the holder to purchase one Share for a period of 12 months at an exercise price of $0.10 per Share (the “Warrant Term”).

On June 14, 2016 the Company issued 500,000 common shares at $0.19 per share as the first payment for the Rome Lithium property.

On June 17, 2016 the Company issued a total of 1,815,000 stock options to its directors, officer and consultants. The options are exercisable at a price of $0.18 per share. The options issued to directors and officers expire on June 17, 2021 and the options for consultants expire on June 17, 2018.

On December 12, 2016 the Company issued 500,000 common shares at a price of $0.075 as the second payment on the Rome Lithium property.

On December 30, 2016 the Company issued a total of 1,425,000 Flow Through Units at a price of $0.08 for proceeds of $114,000. Each unit consists of one share and one share purchase warrant that can be exercised at $0.15 until December 30, 2018.

On January 20, 2017 the Company issued a total of 2,142,857 Non-Flow Through Units at a price of $0.07 for proceeds of $150,000. Each unit consists of one share and one share purchase warrant that can be exercised at $0.15 until January 20, 2019.

On February 6, 2017 1,000,000 options at $0.25 per share expired.

On February 8, 2017 262,500 options at $0.60 per share expired.

On February 14, 2017 12,500 options at $0.60 per share expired.

On March 3, 2017, 575,000 warrants were exercised at $0.10 per warrant for gross proceeds of $57,500 in exchange for 575,000 shares of common stock.

On March 24, 2017, 175,000 warrants were exercised at $0.10 per warrant for gross proceeds of $17,500 in exchange for 175,000 shares of common stock.

On June 8, 2017 the remaining 3,552,400 warrants that were issued on June 8, 2016 expired.

On June 13, 2017, the Company issued a total of 500,000 shares at a price of $0.05 as payment on the Rome lithium property.

On June 13, 2017, the Company issued a total of 565,000 shares at a price of $0.10 as payment on debt owed to a vendor.

Commitments

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the "Optionor") to acquire a 100% interest in the Rome Lithium property, near Val d'Or, Quebec (the "Property"). Accordingly, Fairmont (the "Optionee") issued to the Optionor 500,000 shares and paid the Optionor $25,000.

In order to exercise the balance of the option, Fairmont will be required to:

- issue 500,000 shares on or before December 10, 2016 (issued);
- issue 500,000 shares on or before June 10, 2017 (issued); and
- incur $50,000 of exploration expenditures before May 26, 2017 (by mutual consent, the deadline for this exploration expense was extended to May 26, 2019)
- Incur an additional $100,000 of exploration expenditures before May 26, 2019.

The Property will be subject to a 2% Production Royalty per tonne. The Optionee may purchase one half of the Production Royalty (1%) for one million dollars (Canadian) at any time.

Grabasa Assets (Spain)

Following the Company's failed acquisition of the Grabasa Assets, Eureka Trading filed an action against the Company in the courts in Spain. Eureka Trading was seeking a success fee associated with their alleged assistance of the Company acquiring the Grabasa Assets. The courts in Spain have ordered the Company to make a payment of €575,000 to Eureka Trading.

In addition, the Company had to provide a €150,000 deposit to the courts in Spain when they were granted the right to acquire the Grabasa Assets. The total cost of the acquisition was to be €2,700,000. When the Company failed to secure financing and the ability to acquire was terminated, the Company was required to forfeit that deposit.

The Company is no longer pursuing the Grabasa Assets.

Buttercup Property (Quebec)

On January 28, 2014, the Company signed a Mineral Property Purchase Agreement with two prospectors (the Vendors) to acquire 100% interest in the 25 claim, Buttercup Property, located near Saguenay, Quebec.

The Company issued 1,000,000 shares to acquire the property the Property. The Company will also be required to pay a further $150,000 in cash. The schedule for the cash payments are: $50,000 within 60 days of Fairmont receiving final permits to conduct commercial production (settled by the issuance of 1,000,000 common shares at a price of $0.05 per share), and $100,000 on the commencement of commercial production. The first $3 million in net profits are to be split 80% to the Vendors and 20% to Fairmont, thereafter the net profits shall be split 95% to Fairmont and 5% to the Vendors. In the event the Vendors do not receive proceeds totaling $3 million prior to the 6th anniversary of the definitive agreement, then Fairmont shall issue up to a maximum 20 million shares based on standard dilution pro rata to top up what the vendors received prior to the 6th anniversary. On June 27, 2017 the Vendors agreed to remove clause 5.2, of the Buttercup Purchase Agreement which stated that if commercial production does not occur within three years of entering the definitive agreement, the Property will revert back to the Vendors.

Lac Bouchette Quartz Property (Quebec)

In December 2015, Fairmont acquired a 100% interest in the 435 hectare Lac Bouchette Quartz Property pursuant to the terms of an agreement with two prospectors (the "Optionor"). Under the terms of the Agreement, Fairmont:

(i) paid to the Optionor $25,000 cash and $25,000 in shares of Fairmont within five days of TSX Venture Exchange acceptance of the agreement.
(ii) paid $50,000 in shares of Fairmont on or before December 31, 2014, (issued 344,827 common shares at a price of $0.155 per share)
(iii) paid $50,000 in shares of Fairmont on or before June 1, 2015 (issued 263,158 common shares at a price of $0.19 per share), and
(iv) paid $50,000 in shares of Fairmont on or before December 1, 2015 (issued 1,000,000 shares at a price of $0.05 per share).

The Property will be subject to a $2 per tonne royalty for all ore currently stockpiled on the property and a 2% gross royalty for any new mined ore in favor of the Optionor.

Forestville and Baie Comeau Properties (Quebec)

On January 21, 2015 the Company optioned a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The Forestville Quartzite property is located 20 kilometres north-northwest of the town of Forestville, Quebec. The Baie Comeau Quartzite property is 8 kilometres northwest of Baie Comeau, Quebec, and partially crosses highway 389. The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for use in products such as: high purity glass, fibre optics, ferrosilicon and silica metal.

To acquire 100% of the Properties, the Company:

i) paid to the Optionor 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid);
ii) paid $6,000 on the Exchange Approval Date (paid);
iii) paid $100,000 in shares on or before January 21, 2016 (issued 2,000,000 shares at a price of $0.05 per share);
iv) paid $50,000 in shares on or before July 21, 2016 (issued 500,000 shares at a price of $0.19 per share on August 8, 2016); and
v) incurred $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

The Optionee shall be responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction.

On March 20, 2017 the Company announced that it has signed a quartzite testing agreement with a European company to validate the chemical and thermal stability of Fairmont's Baie Comeau and Forestville Quartzite Projects, as well as to evaluate the commercial feasibility of a mining operation and logistics.

Selected Annual Information

The Company is the providing the following selected information with respect to the Company's audited financial statements for the fiscal years ended October 31, 2016, 2015 and 2014. The audited financial statements for these fiscal years were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Year ended October 31, 2017	**Year ended October 31, 2016**	**Year ended October 31, 2015**
Total Revenue	–	–	–
Operating Expenses	$ (2,053,511)	$ (797,803)	$ (418,954)
Loss Before Other Items and Income Tax	(2,053,511)	(797,803)	(418,954)
Write-off Exploration and Evaluation Assets	–	(4,380)	(59,874)
Interest Income	–	–	–
Future Income Tax Recovery	–	–	–
Other income on settlement of flow-through share premium liability	–	–	–
Net Loss	$ (2,053,511)	$ (802,183)	$ (478,828)
Basic and Diluted Loss Per Share	$ (0.07)	$ (0.3)	$ (0.03)

	As at October 31, 2017	**As at October 31, 2016**	**As at October 31, 2015**
Balance Sheet Data			
Total assets	$ 819,267	$ 1,318,363	$ 621,142
Total liabilities	1,909,278	768,016	398,073

Total equity (deficit)................................	($ 1,090,011)	$ 550,347	$ 223,069

Results of Operations

During the three months ended October 31, 2017, the Company incurred a net comprehensive loss before income taxes, interest and other income of $578,468 (2016 – $168,343). The expenses for the three months ended October 31, 2017 include the following items:

- Accounting and audit of $21,500 (2016 – $14,500).
- Consulting $6,500 (2016 – $29,000). The consulting fees decreased from the three months ended October 31, 2016 to the three months ended October 31, 2017 because of an decrease in work done for the Company by outside contractors.
- Management fees were $25,500 (2016 – $25,500).
- Investor relation $11,250 (2016 - $21,782) decreased in the three months ended October 31, 2017 from the prior year as we did less work on investor relations..
- Advertising and promotion was $529 (2016 - $43,601) which is a decrease from the prior year due to decreased work done by advertising contractors
- Legal fees were $10,446 (2016 - $(25)). Legal fees increased from the prior year's three month period due to costs associated with the Grabasa property in Spain.
- Loss on write off of Grabasa deposit $217,163 (2016 – $nil). As suitable financing was not found for the Grabasa project we were forced to forfeit our deposit to the Spanish courts.

During the year ended October 31, 2017, the Company incurred a net comprehensive loss before income taxes, interest and other income of $1,836,348 (2016 – $802,183). The expenses for the year ended October 31, 2017 include the following items:

- Success fee of $863,305 (2016 – $nil) for mediation with the receiver on the Grabasa project.
- Accounting and audit of $54,870 (2016 – $41,600).
- Management fees were $102,000 (2016 – $102,000).
- Investor relation were $62,500 (2016 - $63,032).
- Advertising and promotion was $39,824 (2016 - $82,018) The reduction in advertising and promotion was due to the Company reducing the number of outside contractors hired for this purpose.
- Loss on write off of Grabasa deposit $217,163 (2016 – $nil). As suitable financing was not found for the Grabasa project we were forced to forfeit our deposit to the Spanish courts.
- Legal fees were $74,117 (2016 - $17,408). Legal fees increased from the prior year due to costs associated with the Grabasa property in Spain.

Project Updates

Rome Lithium

The Rome Lithium property is located approximately 60 km north of Val d'Or Quebec and consists of 15 claims.

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources, a related party, for the Rome Lithium property. The terms of the ROFR require an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, the related party will pay an additional $25,000 and 1,500,000 shares, valued at $0.16 per share on June 22, 2017, for rights to the Rome Lithium property. Fairmont will also receive a 2% Net Smelter Royalty.

By July 22, 2017, no third party had presented a better offer on the property. On August 9, 2017 the Company agreed to sell the property to Jourdan, subject to approval from the exchange.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss.

Buttercup

In two places on the Buttercup property, stripping has shown that the south west ends of low lying ridges are composed of, medium grained titaniferous magnetite. These two occurrences lie close to the base line at 3N and 9N. At the latter locality the exposure measures about 150 feet by 170 feet. An outcrop of titaniferous magnetite was un-covered close to the base line some 15 feet east of an exposure of brecciated anorthosite. Other trenches and test pits were attempted in the area which only obtained bedrock in two locations near 18N 4 250tE and 15N + 500'E. In both cases, ore was encountered.

The deposits appear to lie along a major N.M. trending structure as indicated by a preliminary dip needle survey and brecciation in the surrounding anorthosite. A zone, one mile long and up to 1000 feet wide, has been roughly suggested within which dip needle readings are erratic and no outcrop of anorthosite has been found.

The Company announced in August, 2014 that it has received permits from the Ministère des Forêts, de la Faune et des Parcs (MFFP) for the Buttercup “BEX 1270” claim. These permits allow for the site preparation including tree removal as well as road construction to the site.

WSP Canada Inc. (http://www.wspgroup.com/en/WSP-Canada/), formerly Genivar has been engaged by the Company and it has undertaken additional site, hydrological and biological work requested by the Ministère du Développement durable, de l’Environnement et des Parcs (MDDEP) (formerly the Ministère du Développement durable, de l’Environnement et de la Lutte aux changements climatiques (MDDELCC)).

Subsequent to receiving the permits, the Company announced that it has commenced site preparation and road construction. Approximately 600m of new road to the Buttercup site from the existing and well-maintained secondary access road has been initiated. In addition to road construction, logging companies have been on site to assess the removal of timber from the Buttercup site, utilizing the site plans prepared by WSP Canada Inc.

Sécuritech Forêt commenced fieldwork in the second half of August, 2014, related to the road traffic and safety assessment on the secondary access road to the Buttercup deposit. This fieldwork is the basis for the report that will address visibility and obstructions, existing and recommended signage and general road condition on the secondary access road.

In December 2014, the Company received the Certificate of Authorization for the Buttercup Project. The Certificate of Authorization allows 300,000 tonnes annually of aggregate production from the property. The current plan is to produce titano-magnetite aggregate from Lens A, and quarry towards Lens B thereafter. Pursuant to the Certificate of Authorization, the Company’s plan is to extract 300,000 tonnes per year of titano-magnetite aggregate from the Buttercup Property.

A test blast was completed this spring. Potential customers have visited the site to assess logistics for crusher locations to complete custom crushing on site.

The commencement of production on the Buttercup Property will not be based on a NI 43-101 mineral resource or reserve estimate, a preliminary economic assessment, pre-feasibility study or feasibility study. As a result, there is no assurance that the Company will be able to economically extract the titano-magnetite aggregate from the Buttercup Property. The commencement of production on the Buttercup Property is subject to the Company obtaining sales contracts for the purchase of titano-magnetite aggregate and sufficient financing.

Description of the Ore

The titaniferous magnetite is a glistening black mineral on fresh surface weathering to 'polished shoe' black. In hand specimen obtained from the surface, the break is characteristically a rusty yellow colour, an occasional small crystal of a green mineral can be seen. The mineralization is often quite granular in appearance exhibiting well developed crystals. No apatite or sulphides were seen in any of the specimens examined.

Results of analyses carried out by the Quebec Department of Natural Resources on chip samples taken from three of the main exposures are tabulated as follows:

Sample	Fe %	TiO2 %	SiO2 %	Al2O3%	MgO%	CaO %	P2O5%	S %	V2)5%
BM 30	51.14	19.51	0.61	6.38	3.44	0.14	0.01	0.002	0.65

BM 31	51.14	19.19	0.57	6.72	3.20	0.14	0.01	0.012	0.64
BM 32	50.75	20.10	0.69	6.53	2.87	0.17	0.01	0.002	0.67
Average	51.0	19.60	0.63	6.55	3.17	0.15	0.01	0.003	0.65

A Davis tube magnetic separation test of a composite sample powered to minus 200 mesh gave the following results.

	West Percentage	Fe %	TiO2
Magnetic Portion	77.8%	57.46%	15.94%
Non Magnetic Portion	22.1%	27.15%	32.06%

This information combined with an examination of a polished section under high magnification by Mr. J. P. Giraud of the Quebec Department of Natural Resources indicates that the ore is an Ulvo Spinal with a certain amount of intergrown ilmenite and very similar to La Blache mineralization.

Hearth Claims

On January 10, 2014 the Company staked 96 claims near our Buttercup property called the Hearth Property. The Hearth Property contains the apparent strike extensions of the Buttercup mineralized zones and consolidates the area so that Fairmont should be able to continue exploration unencumbered.

While being underexplored, it is apparent from regional airborne magnetic surveys that the lithological package of rocks that occur on both the Buttercup Property extend onto the Hearth Property, although at this time it is inconclusive if any economic mineralization continues onto the Hearth Property.

On October 31, 2016 the Company abandoned the Hearth mineral claims so that it could focus its resources on those properties that show more promising results. All capitalized costs were written-off as of October 31, 2016

Lac Bouchette

The past producing Lac Bouchette Mine, which Fairmont's Lac Bouchette Property surrounds, was in production as early as 1933. In Quebec Government updates on Silica Exploration, historic production of 62,000 tonnes at an average grade of 99.8% SiO_2, 0.06% Al_2O_3, 0.03% Fe_2O_3, and nil TiO_2 were reported. Quartz masses in granitic pegmatites and quartz lenses also constitute potential sources of silica in the Grenville geological Province. Quartz masses associated with granitic pegmatites, hydrothermal quartz veins or lodes injected in quartzites, marbles and granitic gneisses locally exhibit high silica grades ranging from 97.6% to 99.2% SiO_2. The Lac Bouchette Mine was producing from a hydrothermal quartz vein, and was of higher purity than typical deposits in the region.
(Source : http://www.mern.gouv.qc.ca/mines/industrie/mineraux/mineraux-exploration-silice.jsp)

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $205,375 was recognized in the statement of loss.

Forestville

The Grenville Province hosts numerous silica deposits associated with quartzites derived from metasedimentary assemblages. The Forestville Property contains this type of quartzite. These consist of pure to very pure quartzite horizons, where the average silica content ranges from 98.2% to 99.5% SiO_2. Certain high purity quartzite horizons locally exhibit grades up to 99.7% SiO_2. (http://www.mern.gouv.qc.ca/mines/industrie/mineraux/mineraux-exploration-silice.jsp). From the Sigeom database a total of 162 surface samples were collected from the Forestville Quartzite Property. These samples were dominantly collected in a north to south transect along the western portion of the claims covering more than 4 kilometres. The highest grade SiO_2 sample listed in the Sigeom database of the Forestville claims is sample 1989027907 which assayed **99.91% SiO_2.** Historical assay information was provided by the Quebec government through Sigeom Systèmed'information géominière du Québec.

During the year ended October 31, 2017 drilling on the Forestville property was carried out to confirm the size and quality of the SiO2 deposits. Assay work has not yet been completed on the drilling. A total of 10 holes have now been completed below the surface outcrop where samples were collected and sent for industrial testing. Analysis by independent third party industrial users have confirmed the quartzite tested from Zone A on Fairmont's Forestville Quartzite Property (the "property') in Quebec is suitable for ferro-silicon. It should also be noted that testing to date on quartzite from the property would require additional upgrading for metallurgical silicon. .

Baie-Comeau

As is the case with the Forestville Property, the Baie-Comeau Property contains a quartzite derived from a metasedimentary package. Although chemically very similar to the Forestville property, the physical characteristics of the quartzite is quite different at Baie-Comeau. From the Sigeom database a total of 3 samples were found on the Baie-Comeau Quartzite Property. These samples occur within 300m of each other. The highest grade SiO2 sample listed in the Sigeom database of the Baie-Comeau claims is sample 1906012870 which assayed 99.09% SiO2. The site was visited by potential customers in the quartz countertop industry, and by producers of Silicon Metal and Ferro-Silica. On August 2, 2016, Fairmont announced that it had consolidated a historic resource of 12.3 million short tons (11.2 million tonnes) of 99.20% SiO2, 0.41% Al2O3, and 0.36% Fe2O3 (from GM Report 39387, 1982, page 6) by staking. The two additional claims staked which contain the historic resource and are contiguous to the original Baie-Comeau Property

Summary of Quarterly Results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Three Months Ended October 31, 2017	Three Months Ended July 31, 2017	Three Months Ended April 30, 2017	Three Months Ended January 31, 2017
Total assets	$ 819,267	1,188,684	1,413,635	$ 1,535,942
Working capital (deficiency)	(1,907,537)	1,684,383	597,438	(568,848)
Shareholders' (deficiency) equity	(1,090,011)	(511,543)	582,902	652,325
Net loss	578,468	1,131,720	145,835	197,488
Loss per share	(0.03)	(0.03)	(0.00)	(0.01)

	Three Months Ended October 31, 2016	Three Months Ended July 31, 2016	Three Months Ended April 30, 2016	Three Months Ended January 31, 2016
Total assets	$ 1,318,363	1,217,857	$ 821,319	$ 851,525
Working capital (deficiency)	(524,528)	(487,655)	(524,225)	(471,423)
Shareholders' equity	550,347	671,264	261,831	362,468
Net loss	168,343	472,602	100,637	60,601
Loss per share	(0.01)	(0.02)	(0.00)	(0.00)

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the

Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	October 31, 2017	October 31, 2016	October 31, 2015
Working capital (deficiency)	$ (1,907,537)	$ (524,528)	$ (376,346)
Deficit	$ (7,950,591)	$ (5,897,080)	$(5,094,897)

Net cash used in operating activities during the year ended October 31, 2017, was $311,870 (2016 – $16,356). The increase in cash for the period was due to a loss of $2,053,511 (2016 – $802,183), which was offset by an increase in accounts payable and accrued liabilities of $216,201(2016 – 333,899), an increase in due to related parties of $118,256 (2016 – $109,188), a loss on the write off of the Grabasa deposit of $217,163 (2016 – $nil) and an increase in success fee liability of $863,305 (2016 – $nil).

Net cash provided by financing activities during the year ended October 31, 2017, was $337,305 (2016 – $445,689).

Net cash used in investing activities during the year ended October 31, 2017, was 43,026 (2016 – $425,147). The net cash used included a recovery of $618 (2016 – $47,835) for a tax credit refund from the province of Quebec.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

Related Party Transactions

At October 31, 2017, there was a balance of $10,594 (October 31, 2016 – $10,594), owed to a company controlled by two of the Company's directors, Michael Thompson and Neil Pettigrew.

At October 31, 2017 there was a balance of $272,805 (October 31, 2016 – $134,300), owed to a company controlled by one of the Company's directors, Michael Dehn.

At October 31, 2017, there was a balance of $24,000 (October 31, 2016 – $14,000), owed to one of the Company's directors, Greg Ball.

At October 31, 2017, there was a balance of $9,533 (October 21, 2016 - $ nil), owed to the CEO and director, Michael Dehn.

In the year ended October 31, 2017, the following amounts were paid or accrued to related parties:

a) Paid or accrued $90,000 (2016 –$90,000) in management fees and $12,000 (2016 –$12,000) in administrative fees to a company controlled by Michael Dehn, CEO and president of the Company.

b) Paid or accrued $12,000 (2016 –$12,000) in management fees to Greg Ball, former CFO and a former director of the Company.

On August 9, 2017, the Company agreed to sell its Rome Lithium project to Jourdan Resources Inc. (Jourdan) a company with a common director. To acquire the property Jourdan has already paid $25,000 and will pay a further $25,000 plus 1,500,000 shares in Jourdan and a 2% net smelter royalty.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a) Statement of compliance and basis of presentation

These financial statements, including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

b) Use of Estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and future income tax valuation allowance. Actual results could differ from those reported.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, 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, but are not limited to the following:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position,

2) the inputs used in the accounting for the deferred tax liability,

3) the inputs used in the accounting for stock-based payment expense included in profit or loss.

Actual results could differ from these estimates.

c) Cash

The Company considers all highly liquid instruments with a maturity of three months or less when purchased, or which are redeemable at the option of the Company, to be cash equivalents.

d) Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

e) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Impairment

The carrying amounts of the Company’s non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2017 or October 31, 2016.

h) Share-based payment

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Share-based payment expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

i) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options has not been included in this calculation as it would be anti-dilutive.

j) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

k) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

l) Financial Instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in earnings. The Company's investments are classified as available-for-sale and its receivables are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable, accrued liabilities and due to related parties, which are classified as other liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not be recognized.

m) Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Financial Instruments

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.
The following table summarizes the carrying values of the Company's financial instruments:

	October 31, 2017	October 31, 2016
Fair value through profit or loss (i)	$ 1,741	$ 21,325
Other financial liabilities (ii)	1,909,278	768,016

(i) Cash and amounts receivable
(ii) Accounts payable and accrued liabilities, and amounts due to related parties

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability (note 10) is denominated in Euros.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company

Adopted and Future Accounting Standards

New accounting policies adopted

The following accounting policies were adopted and effective November 1, 2016
IFRS 11, Joint arrangements
This standard was amended to provide specific guidance on accounting for the acquisition of an interesting in a joint operation that is a business.

IAS 16, Property, plant and equipment and IAS 38, Intangible assets
These standards were amended to prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets.

IAS 27, Separate financial statements and IFRS 1, First-time adoption of IFRS
IAS 27 was amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

IFRS 1 was amended to permit the use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement
IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement.*
IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 15, Revenue from Contracts with Customers
IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

The adoption of the above standards did not have an impact on the financial statements

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at October 31, 2017.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 4 in the financial statements for the year ended October 31, 2017 for a description of the capitalized exploration and development costs on the Buttercup, Lac Bouchette, Baie Commeau, Rome and Forestville properties. For a description of the general and administrative expenses, please refer to the condensed interim statements of comprehensive loss contained in the financial statements for the year ended October 31, 2017.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	37,369,121
Stock options	1,815,000
Warrants	3,567,857

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canada / United States exchange rate, all of which are beyond the Company's control.

- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Further Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

i3 INTERACTIVE INC.

(Formerly – Fairmont Resources Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended April 30, 2020

This MD&A is dated June 26, 2020

i3 INTERACTIVE INC.

(formerly - Fairmont Resources Inc.)

Management Discussion & Analysis; for the six months ended April 30, 2020

Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Fairmont Resources Inc (the "Company" or "Fairmont") for the six months ended April 30, 2020 has been prepared to provide material updates to the business, operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis for the fiscal year ended October 31, 2019 ("Annual MD&A"). This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in accordance with section 2.2.1 of Form 51-102F1 of the National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended October 31, 2019 and 2018, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the six months ended April 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is prepared by management of the Company and approved by the Board of Directors on June 26, 2020, unless otherwise indicated.

Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in these filings. The audit committee and Board of Directors (the "Board") provide an oversight role with respect to all public financial disclosures by the Company, and have reviewed this Interim MD&A and the accompanying unaudited condensed interim consolidated financial statements.

The Chief Executive Officer (CEO), and the Chief Financial Officer (CFO), in accordance with National Instrument 52-109, have certified that they have reviewed the unaudited condensed interim consolidated financial statements and this Interim MD&A (the "filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the filings; and (b) the unaudited condensed interim consolidated financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the period presented in the filings.

For the purposes of preparing this Interim MD&A, management, in conjunction with 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's 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.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of iron ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, iron ore prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.** The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Neil Pettigrew, P.Geo, a director of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis. Mr. Roger Ouellet, P. Geo, consultant to Fairmont Resources and a Qualified Person ("QP") under NI 43-101 regulations, reviews and approves technical work on our Quebec Projects.

Description of Business

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The registered and records office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company was previously primarily engaged in the acquisition, exploration and development of mineral properties. As at April 30, 2020, the Company does not hold an interest in any properties that it has determined to contain ore reserves that are economically recoverable or that it is actively exploring. The Company is currently primarily engaged in the identification and evaluation of potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

Overall Performance

For the six months ended April 30, 2020, the Company had a comprehensive loss of $174,441 (2019 – $158,101). This loss is slightly higher in the current year compared to previous period due to increased legal expenses and unrealized loss on currency translation on its euro denominated success fee liability.

At April 30, 2020, the Company had cash of $229 (October 31, 2019 – $247). At April 30, 2020 the Company had a working capital deficit of $2,131,978 (October 31, 2019 – $1,957,537). To date, the Company's sole source of financing has been derived from the issuance of common shares.

Financings

On February 23, 2016, the Company signed a letter of intent, conditional on securing financing, with the courts in Spain to purchase the assets of Granitos de Badajoz S.A. ("Grabasa"). Grabasa is a manufacturer of polished granite slabs, which are used for flooring, building cladding, countertops and other purposes. The assets of Grabasa included 23 premium quality dimension stone licenses, and a 42,000 square metre processing facility for cutting and polishing with an annual production capacity in excess of 250,000 square metres (the "Grabasa Assets). The Company was unable to secure the necessary financing for the acquisition and the option to purchase the Grabasa Assets expired on May 26, 2017. Consequently, the Company wrote off the €150,000 deposit being held by the courts in Spain. In addition to the deposit being held, the Company owes a €575,000 success fee to an unrelated third party.

In connection with the Grabasa purchase, the Company signed a success fee agreement with a Spanish company, Eureka Trading, whereby Eureka would assist in the negotiation of the unsuccessful acquisition of certain assets in Spain belonging to Granitos de Badajoz, S.A. On June 30, 2017, the courts in Spain ordered a success fee of €575,000 in favor of Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2019, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($877,968) is owing to the third party. The Company reversed $72,010 in legal fees payables outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment.

Management continue to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at April 30, 2020.

Share capital

On May 8, 2020, the Company completed a share consolidation on the basis of one post-consolidation common share for each ten pre-consolidation common shares. The number of shares noted in the following transactions has not been restated to reflect the share consolidation

Share issuances

There have been no share issuances for the six months ended April 30, 2020.

On December 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $75,436 through the issuance of 422,767 common shares with a fair value of $8,455 and agreed to assignment of debt of $586,482 to a third-party creditor including $324,678 that was owed to related parties. The Company recognized a gain in settlement of debt of $66,981 resulting from this transaction.

Stock options

During the six months period ended April 30, 2020, no options were granted and expired.

During the year ended October 31, 2019, no options were granted and expired.

Warrants

During the six months period ended April 30, 2020, no warrants were issued and expired.

During the year ended October 31, 2019, no warrants, were issued and 356,786 warrants expired.

Results of operations

During the six months ended April 30, 2020, the Company incurred a net loss of $174,441 (2019 – of $158,101). The expenses for the six months period ended April 30, 2020 include the following items:

- Management and consulting fees for the six months ended April 30, 2020 was $60,000 (2019 - $65,640).
- Registration, transfer fees and promotion for the six months ended April 30, 2020 was $1,378 (2019- $7,310).
- Audit and accounting expense for the six months ended April 30, 2020 was $30,000 (2019 - $30,339).
- Administrative expense for the six months ended April 30, 2020 was $6,000 (2019 - $6,000).
- Office and miscellaneous expense for the six months ended April 30, 2020 was $18 (2019 - $4,683).
- Unrealized foreign exchange loss for the six months ended April 30, 2020 was $33,988 (2019- loss of $7,762). This is mainly due to the foreign exchange loss in converting the euro liability.
- Legal expenses for the six months ended April 30, 2020 was $118,057 (2019 - $17,468).
- The Company recorded an income $75,000 from break fee related to a previous unsuccessful reverse takeover.

Summary of quarterly results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

General and administrative costs

For the three months ended	**Apr 30, 2020**	**Jan 31, 2020**	**Oct 31, 2019**	**Jul 31, 2019**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net income (loss) for the period	(160,175)	(14,266)	66,702	(20,900)
Basic & diluted (loss) per share*	(0.36)	(0.03)	0.15	(0.05)
Cash and cash equivalents	229	229	247	13,768
Total Assets	52,280	72,041	22,495	19,116
Working capital deficiency	(2,131,978)	(1,971,803)	(1,957,537)	(1971,737)
Shareholder's equity	(2,131,978)	(1,971,803)	(1,957,537)	(1,971,737)
For the quarter ended	**Apr 30, 2019**	**Jan 31, 2019**	**Oct 31, 2018**	**Jul 31, 2018**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net income (loss) for the period	(14,287)	(143,814)	(977,628)	103,949
Basic & diluted (loss) per share*	(0.03)	(0.33)	(2.27)	(0.27)
Cash and cash equivalents	11,984	26,460	8,216	11,142
Exploration and evaluation assets	-	-	-	807,622
Total Assets	17,253	31,550	79,493	953,764
Working capital deficiency	(1950,840)	(1,936,551)	(1,853,694)	(1,849,396)
Shareholder's equity	(1,950,840)	(1,936,551)	(1,853,694)	(1,041,774)

* The weighted average number of shares has been restated to reflect the share consolidation completed on May 8, 2020.

During the three months ended April 30, 2020, the Company had a net and comprehensive loss of $160,175 (2019 – $14,287). For the three months ended April 30, 2020, the total assets decreased by $19,761 due to increase in legal and other expenses offset by cash from break fee compared to the previous quarter. Cash and cash equivalents increased during the six months ended April 30, 2020 due to break fee from previous unsuccessful reverse takeover offset by expenses during the period.

Financial Statements Going Concern Assumption

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its plans for the current fiscal year and will be required to raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	April 30 , 2020	October 31, 2019
Working capital (deficiency)	$ (2,131,978)	$ (1,957,537)
Deficit	$ (9,166,721)	$ (8,992,280)

Net cash used by operating activities during the six month period ended April 30, 2020, was $18 (2019 – net cash used of $52,374).

Net cash provided by financing activities during the period ended April 30, 2020, was $nil (2019 – $nil).

Net cash from investing activities during the period ended April 30, 2020, was $nil (2019 – $56,142).

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, ("CEO") of the Company is the President of 1820546 Ontario Inc. ('1820546 Inc."), (and by extension the CEO and President) has a contract with the Company. Fees and outstanding amounts due to 1820546 Ontario Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, ("CFO") of the Company is the president of Campus Alliance Inc., has a service contract with the Company and is entitled to fees based on this contract relating to accounting services in the normal course of business. These fees are expensed as accounting fees in the general and administrative expenses.

The table below details the fees and amounts due to related parties:

	Six months ended	
Related Party Fees	**April 30, 2020**	**April 30, 2019**
1820546 Ontario Inc. - management fees	$ 60,000	$ 60,000
1820546 Ontario Inc. - administrative fees	6,000	6,000
Campus Alliance Inc.	30,000	30,000
Harvey McKenzie (former Director)	-	700
Total related party transactions	**$ 96,000**	**$ 96,700**

Related party payables	**April 30, 2020**	**October 31, 2019**
1820546 Ontario Inc.	$ 300,869	$ 239,869
Campus Alliance Inc.	117,850	92,850
Total Related party payables	**$ 418,719**	**$ 332,719**

Basis of Presentation

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a. Statement of compliance and basis of presentation

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting. The unaudited condensed interim consolidated financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual condensed interim consolidated financial statements. Since the unaudited condensed interim consolidated financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual consolidated financial statements, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2019.

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

b. Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

New accounting policies adopted

IFRS 16, Leases – IFRS 16 was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company's adoption of IFRS 16 on November 1, 2019 did not impact the Company's financial statements as the Company has no leases.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at April 30, 2020.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 4 in the financial statements for the year ended October 31, 2019 for a description of the capitalized exploration and development costs on the Buttercup, Lac Bouchette, Baie Commeau, Rome and Forestville properties. For a description of the general and administrative expenses, please refer to the condensed interim statements of comprehensive loss contained in the financial statements for the year ended October 31, 2019.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of Shares
Balance, October 31, 2018	**4,068,328**
Shares issued on settlement of debt	422,767
Balance, October 31, 2019	**4,491,095**
Balance, April 30, 2020	**4,491,095**
Effect of share consolidation on May 8, 2020	(4,041,981)
Balance, June 26, 2020	**449,114**

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

As at April 30, 2020, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	1.80	June 16, 2021
95,000		

SHARE CAPITAL – ISSUED AND OUTSTANDING

Issued and outstanding: April 30, 2020 – 4,491,095
Issued and outstanding: June 26, 2020 (date of this report) – 449,114

Warrants outstanding: April 30, 2020– nil
Warrants outstanding: June 26, 2020 – nil

Options outstanding: April 30, 2020 – 95,000
Options outstanding: June 26, 2020 – 9,500

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.
- Financial risks include commodity prices, interest rates and the Canada / United States exchange rate, all of which are beyond the Company's control.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Subsequent Events

On May 8, 2020 the Company announced the consolidation (the "Consolidation") of the Company's issued and outstanding common shares (the "Common Shares") on the basis of one (1) post-Consolidation Common Share for each ten (10) pre-Consolidation Common Shares. The Consolidation is effective as of May 8, 2020. The Consolidation was approved by resolution of the Company's board of directors. Prior to the Consolidation, the Company had 4,491,094 Common Shares issued and outstanding. As a result of the Consolidation, the Company has approximately 449,109 Common Shares issued and outstanding. Any fractional post-Consolidation Common Shares shall be issued and the number of post-Consolidation Common Shares issuable to such shareholder shall be rounded up to the next higher whole number if the fraction is 0.5 or greater.

On June 11, 2020 the Company announced that, in anticipation of the closing of two three-cornered amalgamations (the "Amalgamations") to be completed by and among Fairmont and certain of its wholly-owned subsidiaries, including Influencers Interactive Inc. ("Influencers") and 1250312 B.C. Ltd. ("Debtco"), the Company has effected a change of its name to "i3 Interactive Inc." The Amalgamations, which remain subject to the satisfaction of certain conditions and receipt of all applicable regulatory and other approvals, are expected to result in a reverse takeover of the Company by the shareholders of Influencers and Debtco.

Further Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

SCHEDULE "E"
MD&A OF INFLUENCERS

(See attached)

Influencers Interactive Inc.
(Formerly Blitzbet Sports Inc.)
Management's Discussion and Analysis
For the year ended December 31, 2019
(Expressed in Canadian Dollars)

This Management's Discussion & Analysis ("MD&A") of Influencers Interactive Inc. (Formerly, Blitzbet Sports Inc.) (the "Company") has been prepared by management and should be read in conjunction with the consolidated financial statements and accompanying notes for the year ended December 31, 2019. The consolidated financial statements, together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

This MD&A was reviewed, approved and authorized for issue by the Board of Directors on June 24, 2020.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to:

- Assumption and expectations described in the Company's critical accounting policies and estimates;
- The Company's expectations regarding the adoption and impact of certain accounting pronouncements;
- The ability to enter and participate in market opportunities;
- The Company's expectations with respect to the Company's future financial and operating performance;
- Inventory and production capacity expectations including plans or potential expansion facilities;
- Expectations with respect to future expenditures and capital activities; and,
- The Company's ability to achieve profitability without future equity or debt financing.

The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include: (a) execution of the Company's existing plan to develop a consumer facing online and mobile social gaming product and a sports betting and casino product for the emerging global regulated sports betting and casino markets. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (CONTINUED)

Unless required by applicable securities laws the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see the section titled "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

COMPANY OVERVIEW

The Company was incorporated on October 19, 2018 under the laws of the province of British Columbia. The Company was formed to provide a consumer facing online and mobile sports betting product in the emerging global regulated sports betting and casino markets. The Company's principal office is located at #910 - 800 West Pender Street, Vancouver, BC, V6C 2V6, Canada.

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, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

HIGHLIGHTS

During the year ended December 31, 2019 and period ended December 31, 2018, the Company has made significant progress in the development of the Company's gambling platform and advertising campaign. The Company's achievements are highlighted below:

- On November 6, 2018, the Company entered into a strategic partnership with world-renowned social media influencer and professional high-stakes poker player, Dan Bilzerian ("Mr. Bilzerian") by entering into the social media influencer agreement (the "Social Media Influencer Agreement"). Under the terms of the Social Media Influencer Agreement, Mr. Bilzerian will promote and endorse the Company's brand both offline and online. Mr. Bilzerian will promote the Company's brand and product offering to his 40 million followers across various social media platforms, as well as attend promotional events on behalf of the Company. The Social Media Influencer Agreement will commence on the second business day following the Company's completion of a going public transaction on a Canadian stock exchange and will continue until terminated by either the Company or Mr. Bilzerian.

- On February 12, 2019, the Company secured a three year licensing agreement with Amelco UK Limited ("Amelco") whereby the Company licensed from Amelco a fully customizable technology platform that will enable the Company to offer a full web and mobile sports betting platform, a casino platform in the United States and around the world (the "Amelco Licensing Agreement"), and an online social gaming product which does not involve the wagering of real money (the "Social Product"). Under the terms of the Amelco Licensing Agreement, the Company has paid Amelco an initial set up fee of USD $250,000 in order to develop the Social Product. The Company will pay Amelco a second set-up fee of USD $250,000 on commencement of set up services in the United States. The Company will also pay Amelco a monthly revenue share equal to 21% of net gaming revenue earned through the platform.

- On August 22, 2019, the Company entered into a marketing cooperation agreement (the "Marketing Cooperation Agreement") with Pala Interactive LLC, ("Pala") an internet gaming operator. Under the terms of the Marketing Cooperation Agreement, the Company has the ability to advertise certain Pala sites on its website. Pala will track the player activity referred to Pala through the Company's website and will pay the Company fees based on the reported player activity. The Marketing Cooperation Agreement has an indefinite term.

SELECTED ANNUAL INFORMATION

A summary of selected annual financial information for the last fiscal years since incorporation is as follows, as expressed in Canadian dollars, and in accordance with IFRS:

	For the year ended December 31, 2019 $	For the period from incorporation from October 19, 2018 to December 31, 2018 $
Total assets	806,080	29,067
Total long-term financial liabilities	-	-
Net loss and comprehensive loss	(2,497,995)	(164,372)
Loss per share, basic and diluted	(0.04)	(0.01)

During the year ended December 31, 2019, the Company continued to execute on its business objectives. The Company raised funds from investors and entered into various marketing, licensing and consulting agreements that set the foundation of the business. In the comparative period, the Company had limited funding and it consisted of activities only from the period from incorporation on October 19, 2018 to December 31, 2018. This contrasts the current period, which consists of a whole year of operations.

RESULTS OF OPERATIONS

Year ended December 31, 2019

During the year ended December 31, 2019 the Company recorded a loss and comprehensive loss of $2,497,995 compared to losses of $164,372 in the period from incorporation on October 19, 2018 to December 31, 2018. The losses in the comparative period are significantly lower than the current period as the previous period consists only of approximately two and a half months of expenditures. The operating expenses for the year are attributable to the following items:

- Consultants consists of management, social media influencers, and advisors. During the year ended December 31, 2019, the Company incurred consulting fees of $1,300,925 (2018 - $21,695). The Company has relied on consultants to help them achieve their goals in all facets of business and these consultants bring a wide range of expertise and connections to the Company. As a result of these relationships, the Company entered into strategic social media agreements with Mr. Bilzerian and made progress in the development of the Company’s online gambling platform. In addition, under advisement of certain consultants, the Company developed marketing material which will be used upon completion of the Company’s online platform
- Audit expenditures increased to $34,825 (2018 - $6,000) as the Company experienced an increase in audit fees due to added complexity in the Company’s consolidated financial statements.
- Marketing and website design of $357,048 (2018 - $21,636) includes brand awareness, marketing material and the development of the Company’s website. The Company is in its startup stage with plans in the online gambling industry. Brand awareness is an important step for the Company to meet its business targets and gain new users.
- Legal fees of $505,444 (2018 - $88,298), as the Company paid fees in connection to legal and due diligence fees. The Company has negotiated and entered into several key agreements that lays the foundation of the Company’s business.
- Travel fees of $281,240 (2018 - $22,325), as the Company incurred travel, hotel, flight and meals to promote the business, attend various conferences and to pursue potential business opportunities.

(Expressed in Canadian dollars)

QUARTERLY FINANCIAL INFORMATION

The following table presents selected unaudited consolidated financial information for the previous five quarters:

	Three months ended				
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
	$	$	$	$	$
Revenue	-	-	-	-	-
Net income (loss)	13,895	(1,634,018)	(430,847)	(447,025)	164,372
Basic income (loss) per share	0.00	(0.02)	(0.01)	(0.01)	(0.01)
Diluted income (loss) per share	0.00	(0.02)	(0.01)	(0.01)	(0.01)
Assets	806,080	482,270	2,630,600	2,567,616	29,067
Long term liabilities	-	-	-	-	-

The quarterly financial information for the 2019 and 2018 fiscal periods are presented in accordance with IFRS. The Company was incorporated on October 19, 2018 and has a December 31 year-end, therefore there are no comparative period numbers prior to this date.

LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company's liquidity depends on existing cash reserves, to be supplemented as necessary by equity and/or debt financings. As of December 31, 2019, the Company had current assets of $471,330 (2018 - $29,067) and current liabilities of $624,795 (2018 - $138,719). The Company has a working capital deficiency of $153,465 (2018 - $109,652). During the year ended December 31, 2019, the Company completed several equity financings, raising gross proceeds of $3,607,875 (2018 - $54,720).

The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests The Company's future revenues, if any, are expected to be from online casino sales and related products and services. The economics of developing and producing cannabis are affected by many factors including the cost of operations, variations in the quality of cannabis, and the price of cannabis and related derivatives. There is no guarantee that the Company will be able to successfully develop its production facilities and distribution channels.

Cash flow from operating activities

During the year ended December 31, 2019, The Company cash outflow from operations was $2,567,436 (2018 - $82,448). This consists mainly of cash paid for consulting, professional fees, regulatory, and due diligence on the various contracts and website development the Company is pursuing.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Cash flow from financing activities

The Company completed a non-brokered private placement, raising net proceeds of $3,537,371 (2018 - $54,720). The Company completed certain share buy backs and returned 7,880,000 common shares to treasury and repaid $860,139. A shareholder of the Company advanced $272,000 to assist with the buy back of common shares.

The Company has relied on funding through the issuance of common shares.

COMMITMENTS AND CONTINGENCIES

On November 6, 2018, the Company entered into a Social Media Influencer Agreement (the "Agreement") with an arm's length party. This individual will promote the BlitzBet brand to prospective customers. The Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Following the commencement date, the Company will pay the individual $1,200,000 United States dollars per annum.

During the period from incorporation on October 19, 2018 to December 31, 2018, 15,765,523 common shares were issued to this individual concurrent with the Agreement.

During the year ended December 31, 2019, $723,205 (2018 - $Nil) of marketing services were provided by a company controlled by this individual. These services are outside the terms of the Agreement and included in consulting in the consolidated statements of loss and comprehensive loss.

During the year ended December 31, 2019, a claim was made against the Company by a former legal counsel for disputed legal fees. The Company and the Company's legal counsel is currently in the process of defending the claim. As at December 31, 2019, the amount claimed by the former legal counsel of $89,573 has been accrued and is included in accounts payable and accrued liabilities. Subsequent to year end, the Company settled this legal proceeding for $70,000.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is unaware of any off-balance sheet arrangements as at December 31, 2019.

PROPOSED TRANSACTIONS

The Company is unaware of any proposed transactions as at December 31, 2019.

(Expressed in Canadian dollars)

RELATED PARTY TRANSACTIONS

Chris Neville – President and CEO
Scott Emerson – Former Vice President

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

		December 31, 2019		December 31, 2018
Consulting fees paid or accrued to a Company controlled by the former vice president	$	281,000	$	-
Consulting fees paid or accrued to a director of the Company		218,079		-
	$	499,079	$	-

As at December 31, 2019, no amounts are due to related parties (2018 - $45,599). These amounts are non-interest bearing, unsecured and due on demand.

During the period from incorporation on October 19, 2018 to December 31, 2018, the Company issued 14,000,000 common shares to companies controlled by directors for total proceeds of $1,400.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value

Cash is carried at fair market value based on quoted market prices in an active market. The carrying value of due from related party and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

(a) Overview

The Company examines various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Company has exposure to the following risks from its use of financial instruments:

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(i) Interest rate risk

The Company's cash is held in bank accounts, which have nominal interest rates attached to them; therefore, fluctuations in market interest rates would not have a material impact on their fair market values as at December 31, 2019 and December 31, 2018.

(ii) Foreign currency risk

The Company has cash denominated in United States dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the United States dollar. Therefore, exchange rate movements in the United States dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At December 31, 2019, a 4% strengthening (weakening) of the Canadian dollar against the United States dollar would not have any significant impact on the Company's financial performance for the year ended December 31, 2019.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risks.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit rating.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its production facility. The Company relies mainly on equity issuances to raise new capital. In the management of capital, the Company includes the components of equity. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without penalty. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

As at the date of this document, the Company had the following number of securities outstanding:

- Common shares – 59,207,410

SIGNIFICANT ACCOUNTING POLICIES

In preparing these Financial Statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2019.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Issuer may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Regulation of Gaming Industry

While gaming and sports betting regulations are set by of state law and vary from state to state, in general there are a number of common principles that underline the concept of gaming regulation. Participation in the gaming industry is considered to be a privilege, not a right, and thus those who seek to participate must submit themselves to licensure as required by the state regulatory body. In this regard, gaming licenses do not create or entail a property right and such licenses cannot be sold or transferred (although ownership interests in license holders may be transferred subject to regulatory approval). These principles are encapsulated in the preliminary provisions to New Jersey's Casino Control Act, which provides that a key element of regulation of gaming is "public confidence and trust in the credibility and integrity of the regulatory process and of casino operations," and therefore the model is to extend "strict state regulation to all persons, locations, practices, and associations related to the operation of licensed casino enterprises and all related service industries.

The Company and its officers, directors, major shareholders, key employees, and business partners will be subject to the sports betting and gaming laws and regulations of the jurisdictions in which it will conduct business. In addition, the Company will be subject to the general laws and regulations that apply to all online, digital and e-commerce businesses, such as those related to privacy and personal information, data security, tax, and consumer protection. The laws and regulations vary in each jurisdiction and future legislative and regulatory action, court decisions, and/or other governmental action, which could be affected by, among other things, political pressures, attitudes and climates, may have a material impact on the Company's operations and financial outcomes. The jurisdictions where the Company will operate each have their own regulatory framework. More often than not these frameworks will require the Company to receive a license. Each jurisdiction will normally require the Company to make detailed and extensive disclosures as to its beneficial ownership, source of funds, the probity and integrity of certain persons associated with its business, management competence, structure, and business plans, proposed geographical territories of operation and ability to operate a gaming business in a socially responsible manner in compliance with regulation. Such jurisdictions will also impose ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business.

RISK FACTORS (CONTINUED)

The Company's gaming-related technology will also be subject to testing and certification by the regulators in the jurisdictions in which it operates or will operate. Such testing and certification is generally designed to confirm matters such as the fairness of the gaming products offered by the business, its ability to accurately generate settlement instructions, and recover from outages. Any gaming license may be revoked, suspended, or conditioned at any time. The loss of a gaming license in one jurisdiction could prompt the loss of a gaming license, or affect the Company's eligibility for such a license, in another jurisdiction. These potential losses of licenses would cause the Company to cease offering some or all of its product offerings in the impacted jurisdiction(s). The Company may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals, and could incur fines or experience delays related to the licensing process, which could adversely affect its operations. The process of determining suitability may be expensive and time-consuming. Delay or failure to obtain gaming licenses in any jurisdiction may prevent the Company from offering its products in such jurisdiction, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming license if the Company, or one of its directors, officers, employees, major shareholders or business partners: (i) is considered to be a detriment to the integrity or lawful conduct or management of gaming, (ii) no longer meets a licensing or registration requirement, (iii) has breached or is in breach of a condition of licensure or registration or an operational agreement with a regulatory authority, (iv) has made a material misrepresentation, omission or misstatement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority, (v) has been refused a similar gaming license in another jurisdiction, (vi) has held a similar gaming license in that province, state or another jurisdiction which has been suspended, revoked or cancelled, or (vii) has been convicted of an offence, inside or outside of Canada or the United States that calls into question the honesty or integrity of the Company or any of the Company's directors, officers, employees or associates.

Furthermore, the Company's product offerings must be approved in most regulated jurisdictions in which they are offered; this process is not assured or guaranteed. It is a prolonged and potentially extremely costly process to obtain these approvals. A developer and provider of online or mobile sports betting products may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its product offerings by that same jurisdiction. It is also possible that, after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, the Company may not obtain either of them. In the event the Company fails to obtain the necessary gaming license in a given jurisdiction, the Company would likely be prohibited from operating in that particular jurisdiction altogether.

If the Company fails to seek, do not receive, or receive a suspension or revocation of a license in a particular jurisdiction for its product offerings (including any related technology and software), then it cannot operate in that jurisdiction and its gaming licenses in other jurisdictions may be impacted. The Company may not be able to obtain all necessary gaming licenses in a timely manner, or at all. These delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for its product offerings. the Company's operations and future prospects will be affected if it is unable to overcome these barriers to entry.

RISK FACTORS (CONTINUED)

To the extent new sports betting jurisdictions are established or expanded, the Company cannot guarantee it will be successful in penetrating such new jurisdictions. As the Company directly or indirectly enters into new markets, it may encounter legal, regulatory, and political challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity. In the event the Company is unable to effectively develop and operate directly or indirectly within these new markets or if its competitors are able to successfully penetrate geographic markets that it cannot access or where it faces other restrictions, then the Company's business, operating results, and financial condition could be impaired. The Company's failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on its business, results of operations, financial condition and prospects. the Company may need to be licensed, obtain approvals of its products and/or seek licensure of its officers, directors, major shareholders, key employees or business partners to expand into new jurisdictions. This is a costly and time-consuming process.

Any delays in obtaining or difficulty in maintaining regulatory approvals needed for expansion within existing markets or into new jurisdictions can negatively affect the Company's opportunities for growth. Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on the Company's operations and financial results. There can be no assurance that legally enforceable and prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business to prohibit, legislate, or regulate various aspects of the internet, e-commerce, payment processing, or the online and mobile wagering and interactive entertainment industries (or that existing laws in those jurisdictions will not be interpreted negatively). Moreover, legislation may require us to pay certain fees in order to operate a sports betting-related business. Such fees may include integrity fees paid to sports leagues and/or fees required to obtain official sports-wagering related data. Compliance with any such legislation may have a material adverse effect on the Company's business, results of operations, financial condition and prospects. The success of online and mobile sports betting and product offerings may be also be affected by future regulatory and marketplace developments related to mobile platforms and application storefronts, social networks, advertising networks, payment processing and banking, data and information privacy, cloud and other infrastructure hosting, and other regulatory and marketplace developments that the Company may be unable to predict and is beyond its control. As a result, the Company's future operating results relating to the Company's sports betting products are difficult to anticipate, and the Company cannot provide assurance that its product offerings will grow as expected or with success in the long term. Adverse developments in these areas may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Additionally, the Company's ability to successfully pursue its sports betting strategy depends on the laws and regulations relating to wagering through interactive channels. There is considerable debate and opposition to online and interactive real money gaming. There can be no assurance that this opposition will not succeed in preventing the legalization of online and mobile sports betting in jurisdictions where it is presently prohibited, prohibiting, or limiting the expansion of such activities where it is currently permitted or causing the repeal of legalized online or mobile sports betting in any jurisdiction. Any successful effort to limit the expansion of, or prohibit legalized online or mobile sports betting could have an adverse effect on the Company's results of operations, cash flows and financial condition. Combatting such efforts to curtail expansion of, or limit or prohibit, legalized online and mobile sports betting can again be time-consuming and can be extremely costly.

In the United States, the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA") prohibits among other things, the acceptance by a business of a wager by means of the Internet where such wager is prohibited by any federal or state law where initiated, received or otherwise made. Under UIGEA severe criminal and civil sanctions may be imposed on the owners and operators of such systems and on financial institutions that process wagering transactions. The law contains a safe harbour for wagers placed within a single state (disregarding intermediate routing of the transmission) where the method of placing the wager and receiving the wager is authorized by that state's law, provided the underlying regulations establish appropriate age and location verification.

RISK FACTORS (CONTINUED)

The Illegal Gambling Business Act ("IGBA"), makes it a crime to conduct, finance, manage, supervise, direct or own all or part of an "illegal gambling business" and the Travel Act makes it a crime to use the mail or any facility in interstate commerce with the intent to "distribute the proceeds of any unlawful activity," or "otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity." For there to be a violation of either the IGBA or the Travel Act there must be a violation of underlying state law. Until 2011, there was uncertainty as to whether the Federal Wire Act of 1961 (the "Wire Act") prohibited states from conducting intrastate lottery transactions via the Internet if such transactions crossed state lines. In late 2011, the Office of Legal Counsel (the "OLC") of the Department of Justice ("DOJ") issued an opinion which concluded that the prohibitions of the Wire Act were limited to sports gambling and thus did not apply to state lotteries at all (the "2011 DOJ opinion"). Following the issuance of the 2011 DOJ opinion, within the past few years, state-authorized Internet casino gaming has been launched in Delaware, New Jersey, Pennsylvania and state authorized online poker has been launched in Nevada. In 2018, at the request of the criminal division, the OLC reconsidered the 2011 DOJ opinion's conclusion that the Wire Act was limited to sports gambling. On January 14, 2019, the OLC published a legal opinion dated November 2, 2018 (the "2018 DOJ opinion"), which concluded that the 2011 DOJ opinion had incorrectly interpreted the Wire Act. In the 2018 DOJ opinion, the OLC concluded that the restrictions on the transmission in interstate or foreign commerce of bets and wagers in the Wire Act were not limited to sports gambling but instead applied to all bets and wagers. The OLC also found that the enactment of the UIGEA described above did not modify the scope of the Wire Act. The OLC acknowledged that its conclusion in the 2018 DOJ opinion, which was contrary to the 2011 DOJ opinion, will make it more likely that the executive branch's view of the law will be tested in the courts. At this time, the Company is unable to determine whether the 2018 DOJ opinion will be upheld by the courts, or what impact it will have on the Company. If the Company fails to comply with any existing or future laws, rules, regulations, approvals, registrations, permits, licenses or other requirements, regulators may take action against it. Such action may include fines, the conditioning, suspension or revocation of approvals, registrations, permits or licenses, and other disciplinary action. If the Company fails to adequately adjust to any such potential changes, its business, results of operations or financial condition could also be harmed.

Support of Banks and Payment Processors

The Company will rely on payment processing and banking providers to facilitate the movement of funds between the Company and its intended customer base for its various online platforms. Anything that could interfere with the formation or otherwise harm the Company's future relationships with payment and banking service providers could have a material adverse effect on its business, results of operations, financial condition and prospects. The Company's ability to accept payment from its future customers or facilitate withdrawals by them may be restricted by any introduction of legislation or regulations restricting financial transactions with online or mobile sports betting operators or prohibiting the use of credit cards and other banking instruments for online or mobile sports betting transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the gambling industry in particular. Stricter anti-money laundering regulations may also affect the quickness and accessibility of payment processing systems, resulting in added inconvenience to its customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which could also make an impact on acceptance rates. Card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the online or mobile sports betting industry as a whole or certain operators. This could be due to reputational and/or regulatory reasons or in light of increased compliance standards of such third parties that seek to limit their business relationships with certain industry sectors considered as "high risk". It may also result in customers being dissuaded from accessing the Company's product offerings if they cannot use a preferred payment option, or the quality or the speed of the supply is not suitable or accessible to the customers. Any such developments may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

RISK FACTORS (CONTINUED)

Losses with Respect to Individual Events or Betting Outcomes

Sports betting involves betting where winnings are paid on the basis of the stake placed and the odds quoted. Odds are determined with the objective of providing an average return to the bookmaker over a large number of events and therefore, over the long term. In contrast, there can be significant variation in gross win percentage event-by-event and day-by-day. The Company has systems and controls intended to reduce the risk of daily losses occurring on a gross-win basis, but there can be no assurance that these will be effective in reducing its exposure. As a result, in the short term, there is less certainty of generating a positive gross win, and the Company may experience significant losses with regard to individual events or betting outcomes, specifically if large, individual bets are placed on an event or betting outcome or series of events or betting outcomes. Odds compilers and risk managers are capable of human error, thus, even noting that a number of betting products are subject to capped pay-outs, significant volatility can occur. Any significant losses on a gross-win basis could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. Sports betting can also fluctuate due to seasonal trends and other factors. The Company's operations, and thus its financial performance, are also dependent on the seasonal variations dictated by various sports calendars, which will have an effect on its financial performance.

Competition in the Online and Mobile Sports Betting and Media Industry

The Company's current and potential competitors in mobile sports betting include DraftKings, FanDuel, William Hill, FOX Bet, PointsBet, MGM/GVC, Bet 365, Caesars, and other online and mobile gaming operators. Certain competitors have more established relationships and greater financial resources and they can use their resources against the Company in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for strategic partners, advertisers, employees, technologies, digital media rights, websites and applications. These competitors also may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, or otherwise develop more commercially successful products or services than the Company's, which could negatively impact its business by affecting its ability to attract and retain existing and new sports betting customers.

Emerging start-ups may be able to innovate and provide products and services faster than the Company can. If competitors are more successful than the Company in developing compelling products and engaging content or in attracting and retaining users, advertisers and digital media rights, the Company's revenues and growth rates and the value of the capitalized digital assets could be negatively affected. There is no assurance that the Company will be able to maintain the Company's position in the marketplace.

The Company must continually introduce and successfully market new and innovative technologies, product offerings and product enhancements to remain competitive and effectively procure customer demand, acceptance, and engagement as a result of the intense industry competition, along with other factors. The process of developing new product offerings and systems is unclear and complexed, and new product offerings may not be well received by customers. Although the Company intends to continue investing in research and development, there can be no assurance that such investments will lead to successful new technologies or timely new product offerings or enhanced existing product offerings with product life cycles long enough to be successful. The Company may not recover the substantial up-front costs of developing and marketing new technologies and product offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product offerings.

RISK FACTORS (CONTINUED)

Regulatory Investigations

The Company has, and may in future, receive formal and informal inquiries from government authorities and regulators from time to time, including securities authorities, tax authorities, privacy commissions and gaming regulators, regarding its compliance with laws and other matters. The Company expects to continue to be the subject of investigations and audits in the future as it continues to grow and expand its gaming operations. Violation of existing or future regulatory orders or consent decrees could subject the Company to substantial monetary fines and other penalties providing a negative effect on its financial condition and results of operations. In addition, there is a possibility that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities may cause the Company to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices that may have materially adverse effects on its business.

Shareholders Subject to Extensive Governmental Regulation

A number of jurisdictions' gaming laws may require any of the Company's shareholders to file an application, be investigated, and qualify or have their suitability determined by gaming authorities. Gaming authorities have very broad discretion when ruling on whether an applicant should be deemed suitable or not. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, revoke or suspend any gaming license, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Any person found unsuitable by a gaming authority may not hold directly or indirectly ownership of any voting security or the beneficial or record ownership of any non-voting security or any debt security of any company that is licensed with the relevant gaming authority beyond the time prescribed by the relevant gaming authority. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that specific jurisdiction and could impact the person's ability to associate or affiliate with gaming license holders in other jurisdictions.

Many jurisdictions also require any person who obtains a beneficial ownership of more than a certain percentage, typically 5%, of voting securities of a publicly-traded gaming company or parent company thereof and, in some jurisdictions, non-voting securities to report the acquisition to gaming authorities. Gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions in certain jurisdictions for "institutional investors" that hold a company's voting securities for investment purposes only. Other jurisdictions may also limit the number of gaming licenses with which a person may be associated.

Social Responsibility Concerns

Public opinion can meaningfully affect sports betting regulation. A negative shift in the perception of sports betting by the public, by politicians, or by others could impact future legislation or regulation in different jurisdictions. Moreover, such a shift could cause jurisdictions to abandon proposals to legalize sports betting, thereby limiting the number of new jurisdictions into which we could expand. Negative public perception can also lead to new, harsher restrictions on sports betting, including restrictions on marketing, betting product offerings, other restrictions on the Company's gaming operations and increased compliance costs. Such changes could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

RISK FACTORS (CONTINUED)

Digital Sports Media Industry Reliant on Mobile Advertising

The digital sports media industry is a relatively new and rapidly evolving industry and as such it is difficult to predict the prospects for growth. There is no assurance that advertisers will continue to increase their purchases of online and mobile advertising, that the supply of advertising inventory will not exceed demand or that smartphone penetration in the United States and Canada will continue to grow. If the industry grows more slowly than anticipated or the Company's products and services fail to achieve market acceptance, the Company may be unable to achieve its strategic objectives, which could have a material adverse effect on its prospects, business, financial condition or results of operations.

Mobile Device Users May Choose Not to Allow Advertising

The success of the Company's online and mobile platforms depends on its ability to deliver targeted, highly relevant ads to users of mobile sports applications and websites. Targeted advertising is done primarily through analysis of data, much of which is collected on the basis of user-provided permissions. This data might include a mobile device's location or data collected when users view an advertisement or when they click on or otherwise engage with an advertisement. Users may elect not to allow data sharing for targeted advertising for a number of reasons, such as privacy concerns, or pricing mechanisms that may charge the user based upon the amount or types of data consumed. In addition, the designers of mobile device operating systems are increasingly promoting features that allow device users to disable some of the functionality, which may impair or disable the delivery of advertisements to their devices, and device manufacturers may include these features as part of their standard device specifications. Although the Company is not aware of any such products that are widely used in the market today, as has occurred in the online advertising industry, companies may develop products that enable users to prevent advertisements from appearing on their mobile device screens. Finally, as discussed more fully below, the delivery of targeted advertising is under increasing scrutiny by regulators in many of the jurisdictions in which we operate, and regulatory changes could impact the Company's business model and may have similar impact for many if not most entities that rely on targeted advertising. If any of these developments were to occur, it could have a material adverse effect on its prospects, business, financial condition and results of operations.

User Data

The Company may require the registration of its users prior to accessing its products or services or certain features of its products or services and the Company may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Company's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Company's data or the Company's users' data.

RISK FACTORS (CONTINUED)

If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Company's terms of service or policies could damage its reputation and brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Company in connection with such incidents, including in respect of new mandatory breach reporting and record-keeping obligations in Canada and certain states in the United States which will soon become effective, which could cause the Company to incur significant expense and liability or result in orders or consent decrees forcing the Company to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on its prospects, business, financial condition or results of operations. The Company will transmit and store a large volume of data in the course of supporting its website and mobile sports applications. The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk that these laws may be interpreted and applied in a manner that is not consistent with the Company's data protection practices and results in additional compliance or changes in its business practices, or both, and liability or sanction under these laws. In addition, because the Company's website and mobile sports applications is accessible in many jurisdictions, certain foreign jurisdictions may claim that the Company is required to comply with local laws, even where the Company has no local operating entity, employees, infrastructure or other physical presence in those jurisdictions.

In particular, in the spring of 2018, the General Data Protection Regulation ("GDPR"), which provides for extraterritorial enforcement in some cases and includes the possibility of substantial monetary penalties for non-compliance, came into effect in the European Union. In addition, with the United Kingdom ("UK") leaving the European Union in early 2020, the United Kingdom may adapt an amended version of the GDPR into UK law. The impact of the GDPR and the UK adopted version of the GDPR on the Company's business is uncertain. Likewise, California has enacted a Consumer Privacy Act, to be effective on January 1, 2020, that creates additional rights for consumers with respect to the collection and use of their data, and depending on how it is refined between now and its effective date, or interpreted by the California Attorney General in the promulgation of regulations and enforcement, it could negatively impact our business model. Furthermore, the Company may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that the Company is not able to reconcile such obligations, it may be required to change business practices or face liability or sanction.

In addition, a parliamentary committee in Canada has recently recommended certain changes to *Personal Information Protection and Electronic Documents Act* (Canada), the federal privacy and data protection statute in Canada, including new administrative enforcement powers and new financial penalties for non-compliance. There is a risk that the Canadian government may implement changes to this statute that may result in additional compliance or changes in the Company's business practices, or create additional risk of liability or sanction, or all of the foregoing.

Limited Operating History

The Company has a very limited history of operations, is in the early stage of development and, under the CPC Policy, has conducted no active business and has received no revenues other than interest revenues. As such, the Company is subject to many risks common to such businesses, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no intention of paying any dividends in the near future.

RISK FACTORS (CONTINUED)

The Company has limited financial resources, has not earned any revenue since commencing operations and has no source of operating cash flow. There can be no assurance that the Company will be able to obtain any financing in the future or that such financing will be on terms favourable to the Company and its shareholders. Failure to obtain such additional financing could result in delays to or indefinite postponement of further development of the Company's business.

The Company's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Company can obtain such revenues or financing on commercially favourable terms and there is therefore no guarantee that Fairmont will be able to sustain its ongoing operations in the future.

The Company Depends on Third Parties, Including Users and Third-party Licensors

The Company is reliant to an extent on third parties, including Mr. Bilzerian and Amelco. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of the Company. Moreover, the Company's financial performance will be significantly determined by its success in adding, retaining, and engaging active users of its services. If users do not perceive the Company's services as interesting, unique and useful, the Company may not be able to attract or retain additional users, which could adversely affect the business.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Influencers Interactive Inc.

(Formerly Blitzbet Sports Inc.)

Management's Discussion and Analysis

For the period ended March 31, 2020

(Expressed in Canadian Dollars)

This Management's Discussion & Analysis ("MD&A") of Influencers Interactive Inc. (Formerly Blitzbet Sports Inc.) (the "Company") has been prepared by management and should be read in conjunction with the condensed interim consolidated financial statements ("Financial Statements") and accompanying notes for the period ended March 31, 2020. The Financial Statements, together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

This MD&A was reviewed, approved and authorized for issue by the Board of Directors on June 24, 2020.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to:

- Assumption and expectations described in the Company's critical accounting policies and estimates;
- The Company's expectations regarding the adoption and impact of certain accounting pronouncements;
- The ability to enter and participate in market opportunities;
- The Company's expectations with respect to the Company's future financial and operating performance;
- Inventory and production capacity expectations including plans or potential expansion facilities;
- Expectations with respect to future expenditures and capital activities; and,
- The Company's ability to achieve profitability without future equity or debt financing.

The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include: (a) execution of the Company's existing plan to develop a consumer facing online and mobile social gaming product, and a sports betting and casino product for the emerging global regulated sports betting and casino markets. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (CONTINUED)

Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see the section titled "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

COMPANY OVERVIEW

The Company was incorporated on October 19, 2018 under the laws of the province of British Columbia. The Company was formed to provide a consumer facing online and mobile sports betting product in the emerging global regulated sports betting and casino markets. The Company's principal office is located at #910 - 800 West Pender Street, Vancouver, BC, V6C 2V6, Canada. The Company's year end is December 31.

On November 6, 2018, the Company entered into a business development agreement with an arm's length party. The individual, a social media influencer, will promote the BlitzBet brand to prospective customers for a fee, conditional on certain events. The agreement will come into effect if the Company completes a public stock exchange listing within nine months of the agreement date and if the Company raises certain minimum equity financing.

HIGHLIGHTS

During the three-month period ended March 31, 2020, the Company has worked towards completion of the Company's stock listing on the Canadian Securities Exchange. In addition, the Company is looking to complete the development of its online platform in Q2 2020.

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, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

RESULTS OF OPERATIONS

For the three-month period ended March 31, 2020 compared to the period ended March 31, 2019

During the three-month period ended March 31, 2020, the Company incurred a net loss of $47,152 compared to losses of $447,025 in the comparative period. The Company has worked to preserve cash and has experienced recent liquidity issues in the current period, resulting in an overall decrease in operating expenditures. The Company intends to remedy the liquidity concerns with future equity financings. While the Company has successfully raised funds through equity financings in the past, there is no guarantee the Company will be successful in the future. An explanation for the changes in consolidated statement of loss and comprehensive for the period ended March 31, 2020 is below:

- Consulting fees decreased to $39,429 (2019 - $277,372), as the Company hired less consultants to execute the Company's business due to liquidity constraints. Consulting fees primarily consist of fees to the CEO and director of the Company, which remains payable at March 31, 2020. In the comparative period, the Company hired consultants to execute the Company's plan to create a consumer facing online gambling platform. The Company engages consultants in a variety of fields, such as technical advisors, directors and management.
- Marketing and travel costs decreased to $Nil (2019 - $12,136) during the period ended March 31, 2020, as the Company has executed a cash preservation strategy until additional funding is secured.

RESULTS OF OPERATIONS (CONTINUED)

- Legal fees of $Nil (2019 - $153,993), as the Company paid fees in the comparative period in connection to legal and due diligence fees. In the comparative period, the Company negotiated and entered into several key agreements that laid the foundation of the Company's business.
- During the period ended, the US dollar strengthened relative the Canadian dollar, resulting in a loss in foreign exchange of $26,937.
- Subsequent to the period end, the Company settled a legal claim for $70,000, resulting in a gain on settlement of $19,574.

QUARTERLY FINANCIAL INFORMATION

The following table presents selected unaudited consolidated financial information for the previous six quarters:

	Three months ended					
	March 31, 2020	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-
Net income (loss)	(47,152)	13,895	(1,634,018)	(430,847)	(447,025)	(164,372)
Basic income (loss) per share	(0.00)	0.00	(0.02)	(0.01)	(0.01)	(0.01)
Diluted income (loss) per share	(0.00)	0.00	(0.02)	(0.01)	(0.01)	(0.01)
Assets	1,213,560	806,080	482,270	2,630,600	806,080	29,067
Non-current liabilities	-	-	-	-	-	-

The quarterly financial information presented are prepared in accordance with IFRS.

LIQUIDITY AND CAPITAL RESOURCES

The Financial Statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company's liquidity depends on existing cash reserves, to be supplemented as necessary by equity and/or debt financings. As of March 31, 2020, the Company had current assets $878,810 (December 31, 2019 - $471,330) and current liabilities of $1,079,427 (December 31, 2019 - $624,795). The Company has a working capital deficiency of $200,617 (December 31, 2019 - $153,465).

The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests The Company's future revenues, if any, are expected to be from online casino sales and related products and services. The economics of developing and producing cannabis are affected by many factors including the cost of operations, variations in the quality of cannabis, and the price of cannabis and related derivatives. There is no guarantee that the Company will be able to successfully develop its production facilities and distribution channels.

Cash flow from operating activities

During the three month period ended March 31, 2020, The Company cash outflow from operations was $406,630 (2019 - $533,763). This consists mainly of cash paid for consulting and prepaying a key contractor for their services.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Cash flow from financing activities

During the three month period ended March 31, 2020, the Company received loans of $406,170 from management and an arm's length party to assist fund operations. In the comparative period, the Company completed a non-brokered private placement, raising gross proceeds of $950,000 and received cash in advance to a financing of $1,757,875.

The Company has relied on funding through the issuance of common shares.

COMMITMENTS AND CONTINGENCIES

On November 6, 2018, the Company entered into a Social Media Influencer Agreement (the "Agreement") with an arm's length party. This individual will promote the BlitzBet brand to prospective customers. The Agreement commences once the Company completes a going public transaction by way of reverse takeover, IPO, or other similar transaction. Following the commencement date, the Company will pay the individual $1,200,000 United States dollars per annum.

During the year ended December 31, 2019, a claim was made against the Company by a former lawyer for disputed legal fees. The amount claimed by the former lawyer was $89,573. Subsequent to period end, the Company settled this legal proceeding for $70,000. As of March 31, 2020, the $70,000 is recorded in accounts payable and accrued liabilities. A gain of $19,574 was recorded on the settlement, representing the difference between the amount accrued in previous periods and the amount for which the legal proceeding was settled.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is unaware of any off-balance sheet arrangements as at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company is unaware of any proposed transactions as at the date of this MD&A.

RELATED PARTY TRANSACTIONS

Chris Neville – President and CEO

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

		March 31, 2020		**March 31, 2019**
Consulting fees paid or accrued to a director of the Company	$	39,429	$	-
	$	39,429	$	-

As at March 31, 2020, the Company owed $39,429 to related parties (December 31, 2019 - $Nil). Amounts due to related parties are non-interest bearing, unsecured and due on demand. During the period ended March 31, 2020, the Company received loans of $283,740 (US $200,000) from a director and CEO of the Company.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value

Cash is carried at fair market value based on quoted market prices in an active market. The carrying value of due from related party and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

(a) Overview

The Company examines various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Company has exposure to the following risks from its use of financial instruments:

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash is held in bank accounts, which have nominal interest rates attached to them; therefore, fluctuations in market interest rates would not have a material impact on their fair market values as at March 31, 2020 and December 31, 2019.

(ii) Foreign currency risk

The Company has cash denominated in United States dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the United States dollar. Therefore, exchange rate movements in the United States dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At March 31, 2020, a 4% strengthening (weakening) of the Canadian dollar against the United States dollar would result in approximately $12,000 (2019 - $Nil) in the Company's financial performance.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risks.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit rating.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its production facility. The Company relies mainly on equity issuances to raise new capital. In the management of capital, the Company includes the components of equity. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without penalty. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

As at the date of this document, the Company had the following number of securities outstanding:

- Common shares – 59,207,410

SIGNIFICANT ACCOUNTING POLICIES

In preparing these Financial Statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2019.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive. The Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Regulation of Gaming Industry

While gaming and sports betting regulations are set by state law and vary from state to state, in general there are a number of common principles that underline the concept of gaming regulation. Participation in the gaming industry is considered to be a privilege, not a right, and thus those who seek to participate must submit themselves to licensure as required by the state regulatory body. In this regard, gaming licenses do not create or entail a property right and such licenses cannot be sold or transferred (although ownership interests in license holders may be transferred subject to regulatory approval). These principles are encapsulated in the preliminary provisions to New Jersey's Casino Control Act, which provides that a key element of regulation of gaming is "public confidence and trust in the credibility and integrity of the regulatory process and of casino operations," and therefore the model is to extend "strict state regulation to all persons, locations, practices, and associations related to the operation of licensed casino enterprises and all related service industries.

RISK FACTORS (CONTINUED)

The Company and its officers, directors, major shareholders, key employees, and business partners will be subject to the sports betting and gaming laws and regulations of the jurisdictions in which it will conduct business. In addition, the Company will be subject to the general laws and regulations that apply to all online, digital and e-commerce businesses, such as those related to privacy and personal information, data security, tax, and consumer protection. The laws and regulations vary in each jurisdiction and future legislative and regulatory action, court decisions, and/or other governmental action, which could be affected by, among other things, political pressures, attitudes and climates, may have a material impact on the Company's operations and financial outcomes. The jurisdictions where the Company will operate each have their own regulatory framework. More often than not these frameworks will require the Company to receive a license. Each jurisdiction will normally require the Company to make detailed and extensive disclosures as to its beneficial ownership, source of funds, the probity and integrity of certain persons associated with its business, management competence, structure, and business plans, proposed geographical territories of operation and ability to operate a gaming business in a socially responsible manner in compliance with regulation. Such jurisdictions will also impose ongoing reporting and disclosure obligations, both on a periodic and ad hoc basis in response to material issues affecting the business.

The Company's gaming-related technology will also be subject to testing and certification by the regulators in the jurisdictions in which it operates or will operate. Such testing and certification is generally designed to confirm matters such as the fairness of the gaming products offered by the business, its ability to accurately generate settlement instructions, and recover from outages. Any gaming license may be revoked, suspended, or conditioned at any time. The loss of a gaming license in one jurisdiction could prompt the loss of a gaming license, or affect the Company's eligibility for such a license, in another jurisdiction. These potential losses of licenses would cause the Company to cease offering some or all of its product offerings in the impacted jurisdiction(s). The Company may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals, and could incur fines or experience delays related to the licensing process, which could adversely affect its operations. The process of determining suitability may be expensive and time-consuming. Delay or failure to obtain gaming licenses in any jurisdiction may prevent the Company from offering its products in such jurisdiction, increasing its customer base and/or generating revenues. A gaming regulatory body may refuse to issue or renew a gaming license if the Company, or one of its directors, officers, employees, major shareholders or business partners: (i) is considered to be a detriment to the integrity or lawful conduct or management of gaming, (ii) no longer meets a licensing or registration requirement, (iii) has breached or is in breach of a condition of licensure or registration or an operational agreement with a regulatory authority, (iv) has made a material misrepresentation, omission or misstatement in an application for licensure or registration or in reply to an inquiry by a person conducting an audit, investigation or inspection for a gaming regulatory authority, (v) has been refused a similar gaming license in another jurisdiction, (vi) has held a similar gaming license in that province, state or another jurisdiction which has been suspended, revoked or cancelled, or (vii) has been convicted of an offence, inside or outside of Canada or the United States that calls into question the honesty or integrity of the Company or any of the Company's directors, officers, employees or associates.

Furthermore, the Company's product offerings must be approved in most regulated jurisdictions in which they are offered; this process is not assured or guaranteed. It is a prolonged and potentially extremely costly process to obtain these approvals. A developer and provider of online or mobile sports betting products may pursue corporate regulatory approval with regulators of a particular jurisdiction while it pursues technical regulatory approval for its product offerings by that same jurisdiction. It is also possible that, after incurring significant expenses and dedicating substantial time and effort towards such regulatory approvals, the Company may not obtain either of them. In the event the Company fails to obtain the necessary gaming license in a given jurisdiction, the Company would likely be prohibited from operating in that particular jurisdiction altogether.

RISK FACTORS (CONTINUED)

If the Company fails to seek, do not receive, or receive a suspension or revocation of a license in a particular jurisdiction for its product offerings (including any related technology and software), then it cannot operate in that jurisdiction and its gaming licenses in other jurisdictions may be impacted. The Company may not be able to obtain all necessary gaming licenses in a timely manner, or at all. These delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for its product offerings. the Company's operations and future prospects will be affected if it is unable to overcome these barriers to entry.

To the extent new sports betting jurisdictions are established or expanded, the Company cannot guarantee it will be successful in penetrating such new jurisdictions. As the Company directly or indirectly enters into new markets, it may encounter legal, regulatory, and political challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new market opportunity. In the event the Company is unable to effectively develop and operate directly or indirectly within these new markets or if its competitors are able to successfully penetrate geographic markets that it cannot access or where it faces other restrictions, then the Company's business, operating results, and financial condition could be impaired. The Company's failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on its business, results of operations, financial condition and prospects. the Company may need to be licensed, obtain approvals of its products and/or seek licensure of its officers, directors, major shareholders, key employees or business partners to expand into new jurisdictions. This is a costly and time-consuming process.

Any delays in obtaining or difficulty in maintaining regulatory approvals needed for expansion within existing markets or into new jurisdictions can negatively affect the Company's opportunities for growth. Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on the Company's operations and financial results. There can be no assurance that legally enforceable and prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business to prohibit, legislate, or regulate various aspects of the internet, e-commerce, payment processing, or the online and mobile wagering and interactive entertainment industries (or that existing laws in those jurisdictions will not be interpreted negatively). Moreover, legislation may require us to pay certain fees in order to operate a sports betting-related business. Such fees may include integrity fees paid to sports leagues and/or fees required to obtain official sports-wagering related data. Compliance with any such legislation may have a material adverse effect on the Company's business, results of operations, financial condition and prospects. The success of online and mobile sports betting and product offerings may be also be affected by future regulatory and marketplace developments related to mobile platforms and application storefronts, social networks, advertising networks, payment processing and banking, data and information privacy, cloud and other infrastructure hosting, and other regulatory and marketplace developments that the Company may be unable to predict and is beyond its control. As a result, the Company's future operating results relating to the Company's sports betting products are difficult to anticipate, and the Company cannot provide assurance that its product offerings will grow as expected or with success in the long term. Adverse developments in these areas may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Additionally, the Company's ability to successfully pursue its sports betting strategy depends on the laws and regulations relating to wagering through interactive channels. There is considerable debate and opposition to online and interactive real money gaming. There can be no assurance that this opposition will not succeed in preventing the legalization of online and mobile sports betting in jurisdictions where it is presently prohibited, prohibiting, or limiting the expansion of such activities where it is currently permitted or causing the repeal of legalized online or mobile sports betting in any jurisdiction. Any successful effort to limit the expansion of, or prohibit legalized online or mobile sports betting, could have an adverse effect on the Company's results of operations, cash flows and financial condition. Combatting such efforts to curtail expansion of, or limit or prohibit, legalized online and mobile sports betting can again be time-consuming and can be extremely costly.

RISK FACTORS (CONTINUED)

In the United States, the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA") prohibits among other things, the acceptance by a business of a wager by means of the Internet where such wager is prohibited by any federal or state law where initiated, received or otherwise made. Under UIGEA severe criminal and civil sanctions may be imposed on the owners and operators of such systems and on financial institutions that process wagering transactions. The law contains a safe harbour for wagers placed within a single state (disregarding intermediate routing of the transmission) where the method of placing the wager and receiving the wager is authorized by that state's law, provided the underlying regulations establish appropriate age and location verification.

The Illegal Gambling Business Act ("IGBA"), makes it a crime to conduct, finance, manage, supervise, direct or own all or part of an "illegal gambling business" and the Travel Act makes it a crime to use the mail or any facility in interstate commerce with the intent to "distribute the proceeds of any unlawful activity," or "otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity." For there to be a violation of either the IGBA or the Travel Act there must be a violation of underlying state law. Until 2011, there was uncertainty as to whether the Federal Wire Act of 1961 (the "Wire Act") prohibited states from conducting intrastate lottery transactions via the internet if such transactions crossed state lines. In late 2011, the Office of Legal Counsel (the "OLC") of the Department of Justice ("DOJ") issued an opinion which concluded that the prohibitions of the Wire Act were limited to sports gambling and thus did not apply to state lotteries at all (the "2011 DOJ opinion"). Following the issuance of the 2011 DOJ opinion, within the past few years, state-authorized Internet casino gaming has been launched in Delaware, New Jersey, Pennsylvania and state authorized online poker has been launched in Nevada. In 2018, at the request of the criminal division, the OLC reconsidered the 2011 DOJ opinion's conclusion that the Wire Act was limited to sports gambling. On January 14, 2019, the OLC published a legal opinion dated November 2, 2018 (the "2018 DOJ opinion"), which concluded that the 2011 DOJ opinion had incorrectly interpreted the Wire Act. In the 2018 DOJ opinion, the OLC concluded that the restrictions on the transmission in interstate or foreign commerce of bets and wagers in the Wire Act were not limited to sports gambling but instead applied to all bets and wagers. The OLC also found that the enactment of the UIGEA described above did not modify the scope of the Wire Act. The OLC acknowledged that its conclusion in the 2018 DOJ opinion, which was contrary to the 2011 DOJ opinion, will make it more likely that the executive branch's view of the law will be tested in the courts. At this time, the Company is unable to determine whether the 2018 DOJ opinion will be upheld by the courts, or what impact it will have on the Company. If the Company fails to comply with any existing or future laws, rules, regulations, approvals, registrations, permits, licenses or other requirements, regulators may take action against it. Such action may include fines, the conditioning, suspension or revocation of approvals, registrations, permits or licenses, and other disciplinary action. If the Company fails to adequately adjust to any such potential changes, its business, results of operations or financial condition could also be harmed.

RISK FACTORS (CONTINUED)

Support of Banks and Payment Processors

The Company will rely on payment processing and banking providers to facilitate the movement of funds between the Company and its intended customer base for its various online platforms. Anything that could interfere with the formation or otherwise harm the Company's future relationships with payment and banking service providers could have a material adverse effect on its business, results of operations, financial condition and prospects. The Company's ability to accept payment from its future customers or facilitate withdrawals by them may be restricted by any introduction of legislation or regulations restricting financial transactions with online or mobile sports betting operators or prohibiting the use of credit cards and other banking instruments for online or mobile sports betting transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the gambling industry in particular. Stricter anti-money laundering regulations may also affect the quickness and accessibility of payment processing systems, resulting in added inconvenience to its customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which could also make an impact on acceptance rates. Card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the online or mobile sports betting industry as a whole or certain operators. This could be due to reputational and/or regulatory reasons or in light of increased compliance standards of such third parties that seek to limit their business relationships with certain industry sectors considered as "high risk". It may also result in customers being dissuaded from accessing the Company's product offerings if they cannot use a preferred payment option, or the quality or the speed of the supply is not suitable or accessible to the customers. Any such developments may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Losses with Respect to Individual Events or Betting Outcomes

Sports betting involves betting where winnings are paid on the basis of the stake placed and the odds quoted. Odds are determined with the objective of providing an average return to the bookmaker over a large number of events and therefore, over the long term. In contrast, there can be significant variation in gross win percentage event-by-event and day-by-day. The Company has systems and controls intended to reduce the risk of daily losses occurring on a gross-win basis, but there can be no assurance that these will be effective in reducing its exposure. As a result, in the short term, there is less certainty of generating a positive gross win, and the Company may experience significant losses with regard to individual events or betting outcomes, specifically if large, individual bets are placed on an event or betting outcome or series of events or betting outcomes. Odds compilers and risk managers are capable of human error, thus, even noting that a number of betting products are subject to capped pay-outs, significant volatility can occur. Any significant losses on a gross-win basis could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. Sports betting can also fluctuate due to seasonal trends and other factors. The Company's operations, and thus its financial performance, are also dependent on the seasonal variations dictated by various sports calendars, which will have an effect on its financial performance.

Competition in the Online and Mobile Sports Betting and Media Industry

The Company's current and potential competitors in mobile sports betting include DraftKings, FanDuel, William Hill, FOX Bet, PointsBet, MGM/GVC, Bet 365, Caesars, and other online and mobile gaming operators. Certain competitors have more established relationships and greater financial resources and they can use their resources against the Company in a variety of competitive ways, including by making acquisitions, investing aggressively in research and development, and competing aggressively for strategic partners, advertisers, employees, technologies, digital media rights, websites and applications. These competitors also may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, or otherwise develop more commercially successful products or services than the Company's, which could negatively impact its business by affecting its ability to attract and retain existing and new sports betting customers.

RISK FACTORS (CONTINUED)

Emerging start-ups may be able to innovate and provide products and services faster than the Company can. If competitors are more successful than the Company in developing compelling products and engaging content or in attracting and retaining users, advertisers and digital media rights, the Company's revenues and growth rates and the value of the capitalized digital assets could be negatively affected. There is no assurance that the Company will be able to maintain the Company's position in the marketplace.

The Company must continually introduce and successfully market new and innovative technologies, product offerings and product enhancements to remain competitive and effectively procure customer demand, acceptance, and engagement as a result of the intense industry competition, along with other factors. The process of developing new product offerings and systems is unclear and complexed, and new product offerings may not be well received by customers. Although the Company intends to continue investing in research and development, there can be no assurance that such investments will lead to successful new technologies or timely new product offerings or enhanced existing product offerings with product life cycles long enough to be successful. The Company may not recover the substantial up-front costs of developing and marketing new technologies and product offerings, or recover the opportunity cost of diverting management and financial resources away from other technologies and product offerings.

Regulatory Investigations

The Company has, and may in future, receive formal and informal inquiries from government authorities and regulators from time to time, including securities authorities, tax authorities, privacy commissions and gaming regulators, regarding its compliance with laws and other matters. The Company expects to continue to be the subject of investigations and audits in the future as it continues to grow and expand its gaming operations. Violation of existing or future regulatory orders or consent decrees could subject the Company to substantial monetary fines and other penalties providing a negative effect on its financial condition and results of operations. In addition, there is a possibility that future orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities may cause the Company to incur substantial costs, expose it to unanticipated civil and criminal liability or penalties, or require it to change its business practices that may have materially adverse effects on its business.

Shareholders Subject to Extensive Governmental Regulation

A number of jurisdictions' gaming laws may require any of the Company's shareholders to file an application, be investigated, and qualify or have their suitability determined by gaming authorities. Gaming authorities have very broad discretion when ruling on whether an applicant should be deemed suitable or not. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, revoke or suspend any gaming license, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Any person found unsuitable by a gaming authority may not hold directly or indirectly ownership of any voting security or the beneficial or record ownership of any non-voting security or any debt security of any company that is licensed with the relevant gaming authority beyond the time prescribed by the relevant gaming authority. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that specific jurisdiction and could impact the person's ability to associate or affiliate with gaming license holders in other jurisdictions.

Many jurisdictions also require any person who obtains a beneficial ownership of more than a certain percentage, typically 5%, of voting securities of a publicly-traded gaming company or parent company thereof and, in some jurisdictions, non-voting securities to report the acquisition to gaming authorities. Gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions in certain jurisdictions for "institutional investors" that hold a company's voting securities for investment purposes only. Other jurisdictions may also limit the number of gaming licenses with which a person may be associated.

RISK FACTORS (CONTINUED)

Social Responsibility Concerns

Public opinion can meaningfully affect sports betting regulation. A negative shift in the perception of sports betting by the public, by politicians, or by others could impact future legislation or regulation in different jurisdictions. Moreover, such a shift could cause jurisdictions to abandon proposals to legalize sports betting, thereby limiting the number of new jurisdictions into which we could expand. Negative public perception can also lead to new, harsher restrictions on sports betting, including restrictions on marketing, betting product offerings, other restrictions on the Company's gaming operations and increased compliance costs. Such changes could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Digital Sports Media Industry Reliant on Mobile Advertising

The digital sports media industry is a relatively new and rapidly evolving industry and as such it is difficult to predict the prospects for growth. There is no assurance that advertisers will continue to increase their purchases of online and mobile advertising, that the supply of advertising inventory will not exceed demand or that smartphone penetration in the United States and Canada will continue to grow. If the industry grows more slowly than anticipated or the Company's products and services fail to achieve market acceptance, the Company may be unable to achieve its strategic objectives, which could have a material adverse effect on its prospects, business, financial condition or results of operations.

Mobile Device Users May Choose Not to Allow Advertising

The success of the Company's online and mobile platforms depends on its ability to deliver targeted, highly relevant ads to users of mobile sports applications and websites. Targeted advertising is done primarily through analysis of data, much of which is collected on the basis of user-provided permissions. This data might include a mobile device's location or data collected when users view an advertisement or when they click on or otherwise engage with an advertisement. Users may elect not to allow data sharing for targeted advertising for a number of reasons, such as privacy concerns, or pricing mechanisms that may charge the user based upon the amount or types of data consumed. In addition, the designers of mobile device operating systems are increasingly promoting features that allow device users to disable some of the functionality, which may impair or disable the delivery of advertisements to their devices, and device manufacturers may include these features as part of their standard device specifications. Although the Company is not aware of any such products that are widely used in the market today, as has occurred in the online advertising industry, companies may develop products that enable users to prevent advertisements from appearing on their mobile device screens. Finally, as discussed more fully below, the delivery of targeted advertising is under increasing scrutiny by regulators in many of the jurisdictions in which we operate, and regulatory changes could impact the Company's business model and may have similar impact for many if not most entities that rely on targeted advertising. If any of these developments were to occur, it could have a material adverse effect on its prospects, business, financial condition and results of operations.

User Data

The Company may require the registration of its users prior to accessing its products or services or certain features of its products or services and the Company may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Company's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Company's data or the Company's users' data.

RISK FACTORS (CONTINUED)

If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Company's terms of service or policies could damage its reputation and brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Company in connection with such incidents, including in respect of new mandatory breach reporting and record-keeping obligations in Canada and certain states in the United States which will soon become effective, which could cause the Company to incur significant expense and liability or result in orders or consent decrees forcing the Company to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a material adverse effect on its prospects, business, financial condition or results of operations. The Company will transmit and store a large volume of data in the course of supporting its website and mobile sports applications. The interpretation of privacy and data protection laws and their application to the Internet is unclear and subject to rapid change in numerous jurisdictions. There is a risk that these laws may be interpreted and applied in a manner that is not consistent with the Company's data protection practices and results in additional compliance or changes in its business practices, or both, and liability or sanction under these laws. In addition, because the Company's website and mobile sports applications is accessible in many jurisdictions, certain foreign jurisdictions may claim that the Company is required to comply with local laws, even where the Company has no local operating entity, employees, infrastructure or other physical presence in those jurisdictions.

In particular, in the spring of 2018, the General Data Protection Regulation ("GDPR"), which provides for extraterritorial enforcement in some cases and includes the possibility of substantial monetary penalties for non-compliance, came into effect in the European Union. In addition, with the United Kingdom ("UK") leaving the European Union in early 2020, the United Kingdom may adapt an amended version of the GDPR into UK law. The impact of the GDPR and the UK adopted version of the GDPR on the Company's business is uncertain. Likewise, California has enacted a Consumer Privacy Act, to be effective on January 1, 2020, that creates additional rights for consumers with respect to the collection and use of their data, and depending on how it is refined between now and its effective date, or interpreted by the California Attorney General in the promulgation of regulations and enforcement, it could negatively impact our business model. Furthermore, the Company may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that the Company is not able to reconcile such obligations, it may be required to change business practices or face liability or sanction.

In addition, a parliamentary committee in Canada has recently recommended certain changes to *Personal Information Protection and Electronic Documents Act* (Canada), the federal privacy and data protection statute in Canada, including new administrative enforcement powers and new financial penalties for non-compliance. There is a risk that the Canadian government may implement changes to this statute that may result in additional compliance or changes in the Company's business practices, or create additional risk of liability or sanction, or all of the foregoing.

Limited Operating History

The Company has a very limited history of operations, is in the early stage of development and has conducted no active business and has received no revenues other than interest revenues. As such, the Company is subject to many risks common to such businesses, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no intention of paying any dividends in the near future.

RISK FACTORS (CONTINUED)

The Company has limited financial resources, has not earned any revenue since commencing operations and has no source of operating cash flow. There can be no assurance that the Company will be able to obtain any financing in the future or that such financing will be on terms favourable to the Company and its shareholders. Failure to obtain such additional financing could result in delays to or indefinite postponement of further development of the Company's business.

The Company's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Company can obtain such revenues or financing on commercially favourable terms and there is therefore no guarantee that Fairmont will be able to sustain its ongoing operations in the future.

The Company Depends on Third Parties, Including Users and Third-party Licensors

The Company is reliant to an extent on third parties, including Mr. Bilzerian and Amelco UK Ltd. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of the Company. Moreover, the Company's financial performance will be significantly determined by its success in adding, retaining, and engaging active users of its services. If users do not perceive the Company's services as interesting, unique and useful, the Company may not be able to attract or retain additional users, which could adversely affect the business.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on Influencer's business, operating results or financial condition.