GLOBAL DAILY FANTASY SPORTS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2018

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

GLOBAL DAILY FANTASY SPORTS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2018 $	December 31, 2017 $
ASSETS			
Current assets			
Cash		480,315	2,296,236
Amounts receivable		47,372	6,753
GST/VAT receivables		48,327	42,826
Prepaids and deposits		133,707	67,730
Total current assets		709,721	2,413,545
Non-current assets			
Property, plant and equipment	4	15,858	18,069
Intangible assets	5	3,260,409	3,550,960
Total non-current assets		3,276,267	3,569,029
TOTAL ASSETS		3,985,988	5,982,574
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	560,159	634,700
Purchase obligation payable	5(c)	37,081	36,215
TOTAL LIABILITIES		597,240	670,915
SHAREHOLDERS' EQUITY			
Share capital	6	17,866,639	17,752,845
Share subscriptions received		171,020	-
Share-based payments reserve		1,326,500	1,014,404
Deficit		(15,975,411)	(13,455,590)
TOTAL SHAREHOLDERS' EQUITY		3,388,748	5,311,659
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,985,988	5,982,574

Nature of operations and Going Concern - Note 1

Commitments - Notes 5 and 10

Subsequent Event - Note 11

These consolidated financial statements were approved and authorized for issue by the Board of Directors on August 28, 2018 and are signed on its behalf by:

/s/ Darcy Krogh
Darcy Krogh
Director

/s/ Nick De Mare
Nick De Mare
Director

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

GLOBAL DAILY FANTASY SPORTS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

		Three months ended June 30,		Six months ended June 30,	
	Note	2018	2017	2018	2017
		$	$	$	$
Revenue		36,826	-	47,940	-
Expenses					
Accounting and administration	7(b)	13,931	23,327	21,933	40,589
Audit		-	8,865	30,049	21,930
Corporate development		-	3,998	-	7,995
Data access fees		67,013	60,447	122,969	84,168
Depreciation	4	1,093	1,522	2,211	3,044
Intangible amortization	5	145,278	-	290,551	-
Investment conference		-	-	-	6,495
Legal		44,851	46,426	86,500	96,826
Licenses		3,260	3,345	7,137	14,313
Management and director compensation	7(a)	138,988	120,500	278,877	230,000
Director's fees	7(a)	25,800	33,400	51,600	41,400
Office		17,071	20,315	44,634	34,285
Professional and technical support fees		469,794	85,152	828,266	183,283
Regulatory		2,352	3,879	2,352	4,546
Rent		28,748	28,186	58,094	57,043
Salaries and benefits		174,658	88,807	291,695	173,481
Share-based compensation		169,210	-	312,096	-
Shareholder costs		3,902	2,059	3,902	2,679
Transfer agent		1,879	966	10,869	2,639
Travel and related		25,216	18,887	62,875	61,219
		1,333,044	550,081	2,506,610	1,065,935
Loss before other items		(1,296,218)	(550,081)	(2,458,670)	(1,065,935)
Other items					
Interest income		2,407	12,702	8,453	25,942
Foreign exchange (loss) / gain		(7,395)	(9,854)	(69,604)	(7,358)
		(4,988)	2,848	(61,151)	18,584
Comprehensive loss for the year		(1,301,206)	(547,233)	(2,519,821)	(1,047,351)
Basic and diluted loss per common share		$(0.03)	$(0.01)	$(0.05)	$(0.02)
Basic and diluted weighted average number of common shares outstanding		47,526,348	47,426,293	47,476,597	47,417,130

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

GLOBAL DAILY FANTASY SPORTS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Six months ended June 30, 2018				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at December 31, 2017	47,426,293	17,752,845	1,014,404	(13,455,590)	5,311,659
Warrants exercised	758,750	113,794			113,794
Share subscriptions received	-	171,020			171,020
Share-based compensation	-	-	312,096	-	312,096
Net loss for the period	-	-	-	(2,519,821)	(2,519,821)
Balance at June 30, 2018	49,325,177	18,037,659	1,326,500	(15,975,411)	3,388,748

	Six months ended June 30, 2017				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance at December 31, 2016	47,260,447	17,686,507	638,124	(11,220,041)	7,104,590
Common shares issued for:					
Finder's fees	165,846	66,338	-	-	66,338
Net loss for the period	-	-	-	(1,047,351)	(1,047,351)
Balance at June 30, 2017	47,426,293	17,752,845	638,124	(12,267,392)	6,123,577

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

GLOBAL DAILY FANTASY SPORTS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six months ended June 30, 2018 $	Six months ended June 30, 2017 $
Operating activities		
Net loss for the period	(2,519,821)	(1,047,351)
Adjustments for:		
Depreciation	2,211	3,044
Intangible asset amortization	290,551	-
Share-based compensation	312,096	-
Changes in non-cash working capital items:		
Amounts receivable	(40,619)	3,548
GST / VAT receivables	(5,501)	6,585
Prepaids	(65,977)	10,970
Accounts payable and accrued liabilities	(73,675)	50,925
Net cash used in operating activities	(2,100,735)	(972,279)
Investing activities		
Intangible assets	-	(743,120)
Net cash used in investing activities	-	(743,120)
Financing activities		
Warrants exercised	113,794	-
Share subscriptions received	171,020	-
Net cash provided by financing activities	284,814	-
Net change in cash	(1,815,921)	(1,715,399)
Cash at beginning of period	2,296,236	5,824,829
Cash at end of period	480,315	4,109,430

Supplemental cash flow information - Note 9

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

1. Nature of Operations

The Company was incorporated on December 2, 1985 under the provisions of the Company Act (British Columbia). On June 17, 2017 the Company changed its name from Lariat Energy Ltd. to Global Daily Fantasy Sports Inc. The Company is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "DFS". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

The Company's past principal business activity was the acquisition, exploration and development of petroleum and natural gas interests. Effective December 31, 2015 the Company disposed of its remaining petroleum and natural gas interests and commenced searching for other business opportunities.

On March 16, 2017 the Company announced its intention to change its business and transition to the online daily fantasy sports ("DFS") industry as a business to business technology provider of DFS software, which will allow its customers the ability to offer a customized and fully-branded DFS product to their clients. On August 17, 2017 the Company received TSXV approval to the change of business. See also Note 5.

During the six months ended June 30, 2018 the Company recorded a loss of $2,519,821 and, as at June 30, 2018, the Company had an accumulated deficit of $15,975,411 and working capital of $111,320 (December 31 2017 - $1,742,630). Management considers that with the planned fundraising, assuming that it is successful, the Company will have adequate funding to successfully establish future profitable operations.

However, the Company recognizes that the Company's objectives and scope of expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. If for any reason the Company is unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the condensed interim financial statements.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's financial statements for the year ended December 31, 2017.

Changes in Accounting Policies

IFRS 9 - Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9") using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have an impact on the carrying amounts of the Company's financial instruments at the transition date. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

IFRS 15 – Revenue from Contracts with Customers

The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as of January 1, 2018. IRFS 15 utilizes a methodical framework for entities to follow in order to

2. Basis of Preparation (continued)

recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Basis of Measurement

The Company's condensed consolidated interim statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

The subsidiaries of the Company as at June 30, 2018 are as follows:

Company	Location of Incorporation	Ownership Interest
GDFSI Malta Holding Limited	Malta	100%
GDFSI Malta Limited	Malta	100%

3. Summary of Significant Accounting Policies

Critical Judgments 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 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.

The following are critical judgments and estimations 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) Management uses judgment in estimating the recoverable values of the Company's cash generating units ("CGUs") and uses internally developed valuation models that consider various factors and assumptions including forecasted cash earnings, growth rates and discount rates. The use of different assumptions and estimates could influence the determination of the existence of impairment.

(iii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

3. Summary of Significant Accounting Policies (continued)

(iv) 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.

(v) The valuation of share options involves key estimates such as volatility, forfeiture rates, estimated lives and market rates.

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 although cash is held in excess of federally insured limits with a major financial institution. As at June 30, 2018 and December 31, 2017 the Company did not have any cash equivalents.

Amounts Receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Receivables are classified as loans and receivables. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, at a rate of between 25% and 30% for office furniture and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statement of comprehensive income or loss.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

3. Summary of Significant Accounting Policies (continued)

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

Intangible Assets

Intangible assets are carried at cost, less accumulated depreciation and accumulated impairment losses. Intangible assets consists of licenses and costs incurred to develop software platforms and internet websites and mobile phone applications to promote, advertise and earn revenue with respect to the Company's business operations. Costs are capitalized when the expenditure can be directly attributed or allocated on a reasonable and consistent basis, and was incurred for its intended use in accordance with IFRS, and in accordance with IAS 38, *Intangible Assets*, as issued by the IASB. Content developed for advertising or promoting is recognized as an expense when incurred. Amortization is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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.
Payables are classified as other financial liabilities initially at fair value and subsequently measured at amortized cost using the effective interest method.

Impairment of Financial Assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, an impairment loss is recognized in the consolidated statement of comprehensive loss.

Impairment losses on financial assets carried at amortized cost, including loans and receivables, are calculated as the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that it may be impaired:

(i) an intangible asset with an indefinite useful life; and
(ii) an intangible asset not yet available for use.

The recoverable amount of an asset or CGU is the greater of its value in use ("VIU") and its fair value less costs to sell ("FVLCS"). In assessing VIU, 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.

3. Summary of Significant Accounting Policies (continued)

The Company's 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 the consolidated statement of comprehensive loss.

In respect of assets other than intangible assets that have indefinite useful lives, 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 in a subsequent period when there has been an increase in the recoverable amount of a previously impaired asset or CGU. 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.

Financial Instruments

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.

Financial assets classified as fair value through profit or loss ("FVTPL") are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At June 30, 2018 and December 31, 2017 the Company has not classified any financial assets as available for sale.

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

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

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and purchase obligation payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At June 30, 2018 and December 31, 2017 the Company has not classified any financial liabilities as FVTPL.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

3. Summary of Significant Accounting Policies (continued)

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the allocation of proceeds received on sale of units to the underlying common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in private placements is determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted.

At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

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.

3. Summary of Significant Accounting Policies (continued)

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.

Revenue Recognition

Revenue is recognized only when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of each of the Company's subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. Each subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

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 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 at the date of these condensed consolidated interim 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, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2017 and applies to annual reporting periods beginning on or after January 1, 2019.

Management has assessed the impact of these new standards on the Company's accounting policies and condensed consolidated interim financial statements presentation, and has found that no changes are required.

(Unaudited - Expressed in Canadian Dollars)

4. Property, Plant and Equipment

	Office Furniture and Equipment $
Cost:	
Balance at December 31, 2016	23,403
Additions	1,451
Balance at December 31, 2017	24,854
Balance at June 30, 2018	24,854
Accumulated Depreciation:	
Balance at December 31, 2016	1,975
Depreciation	4,810
Balance at December 31, 2017	6,785
Depreciation	2,211
Balance at June 30, 2018	8,996
Carrying Value:	
Balance at December 31, 2017	18,069
Balance at June 30, 2018	15,858

(Unaudited - Expressed in Canadian Dollars)

5. Intangible Assets

Cost	Bellwether Agreement (a)	NYX Agreement (b)	Other Internal Developed Software	Mondogoal (c)	Total
$	**$**	**$**	**$**	**$**	**$**
Balance at December 31, 2016	926,016	322,663	95,336	-	1,344,015
Additions	1,221,956	-	662,245	371,170	2,255,371
Balance at December 31, 2017	2,147,972	322,663	757,581	371,170	3,599,386
Balance at June 30, 2018	2,147,972	322,663	757,581	371,170	3,599,386
Accumulated Depreciation					
Balance at December 31, 2016	-	-	-	-	-
Depreciation	35,800	-	12,626	-	48,426
Balance at December 31, 2017	35,800	-	12,626	-	48,426
Depreciation	214,796	-	75,755	-	290,551
Balance at June 30, 2018	250,596	-	88,381	-	338,977
Carrying Value					
Balance at December 31, 2017	2,112,172	322,663	744,955	371,170	3,550,960
Balance at June 30, 2018	1,897,376	322,663	669,200	371,170	3,260,409

(a) On May 12, 2017 the Company entered into an agreement (the "Bellwether Agreement") with Bellwether Technologies, Inc. ("Bellwether"), a privately owned Nevada corporation, pursuant to which Bellwether:

(i) granted the Company a perpetual license for a software platform license (the "Bellwether Platform License");
(ii) agreed to develop a proprietary software system (the "DFS Product"); and
(iii) agreed to provide maintenance and support of the Bellwether Platform License and DFS Product (the "Bellwether Support") for a two year period until May 2018.

In consideration for the Bellwether Platform License, the Company agreed to pay Bellwether a one-time license fee of US $400,000, of which US $150,000 ($194,685) was paid on May 26, 2017 and US $250,000 was due upon the completion and sign-off by the Company of the Phase III - Beta Testing of the DFS Product and receipt of all documentation of the DFS Product and Bellwether Platform License, this was paid in January 2018. As at June 30, 2018 the Company has paid Bellwether development fees totalling $2,147,972 in connection with the development of the DFS Product.

(b) On May 31, 2016 the Company entered into an agreement (the "NYX Agreement") with NYX Digital Gaming (USA), LLC ("NYX"), a wholly-owned subsidiary of NYX Gaming Group Limited, NYX Gaming Group Limited was purchased by Scientific Games Corporation (NASDAQ: SGMS) ("SGC") in January 2018; Scientific Games is a global leader in technology-based gaming systems, table games, table products and instant games, and a leader in products, services and content for gaming, lottery and interactive gaming markets.Scientific Games combined the acquired company with its own online B2B gaming division to create a new division SG Digital.

The NYX Agreement establishes a strategic relationship between the Company and NYX (now SGC and hereafter referred to as SGC) to develop and distribute the DFS Product on SGC's proprietary suite of software files (the "OGS Platform") to SGC clients as follows:

5. Intangible Assets (continued)

(i) the Company and SGC will co-operate in the development of the DFS Product;
(ii) SGC granted the Company an exclusive, irrevocable, non-transferable (except to an affiliate or a third party non-competitor of SGC) worldwide right to distribute the DFS Product on the OGS network (the "Network Distribution Rights");
(iii) SGC granted the Company an exclusive, irrevocable, non sub-licensable and non-transferable (except to an affiliate or a third party non-competitor of SGC) worldwide licence to use and exploit the OGS Platform and to use, display, install, copy and create derivative works or otherwise exploit the OGS Platform in connection with the distribution of the DFS Product on the OGS network (the "OGS Licence"); and
(iv) SGC agreed to offer and promote the DFS Product to its current and future customer base as its sole daily fantasy sports solution and to use its sales and marketing teams to maximize commercial exploitation of the DFS Product throughout the OGS network.

In consideration for the Network Distribution Rights and the OGS Licence, the Company paid SGC $159,488 (US $125,000) on April 12, 2016 and, on August 5, 2016, made a further payment of $163,175 (US $125,000).

The Company must also make a payment of US $250,000 to SGC upon the commercial launch of the DFS Product on the OGS Platform and the OGS network (the "Commercial Launch").

In addition, the Company will pay to SGC a monthly royalty (the "DFS Royalty"), comprising the greater of:

(i) 30% net gaming revenue earned from the use of the OGS Platform and OGS network to distribute the DFS Product; or
(ii) minimum royalty of US $5,000 per month for the first 24 months, and US $10,000 thereafter.

The Company's obligation to remit the applicable DFS Royalty will begin 30 days after the Commercial Launch. The term of the SGC Agreement is five years from the Commercial Launch, which initial term may be renewed by the Company on written notice to SGC for an additional five year period.

(c) Effective May 11, 2018 the Company entered into an asset purchase agreement (the "Mondogoal Purchase") with Mondogoal Limited ("Mondogoal") whereby the Company purchased Mondogoal's operating assets, comprising of software and documentation, client database, trademarks and domain names (the "Purchased Assets") for DFS operations in Italy. The purchase price for the Purchased Assets is:

(i) US $275,000 ($371,170), of which the Company has paid $335,696 and $37,081 remained outstanding as at June 30, 2018; and
(ii) issuance of common shares of the Company (the "Earn-out Shares"), the number of which will be determined on the anniversary of each of the next three years, having a value equal to the net gaming revenues derived from the Purchased Assets, and subject to a maximum of US $300,000 in Earn-out Shares.

All share issuances are subject to TSXV approvals.

6. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

(b) *Equity Financings*

During the six months to June 30, 2018 the company commenced a non-brokered private placement of 20,000,000 units at a price of $0.15 per unit for proceeds of $3,000,000. Each unit consisted of one common share of the Company and one half of one transferable warrant. Each whole warrant entitles the holder to purchase an additional common share at an exercise price of $0.40 per share for a period of 36 months after the closing. In the six months to June 30, 2017 $171,020 was received as shares subscriptions from this financing and 1,140,134 shares were subsequently issued after June 30, 2018 for this consideration.

No equity financings were conducted by the Company during fiscal 2017.

Also see Note 11.

(c) *Warrants*

758,750 warrants were exercised during the six months to June 30, 2018 at a price of $0.15 per share for a total of $113,794, no warrants were exercised in fiscal 2017. A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at June 30, 2018 and December 31, 2017, and the changes for the period ended on those dates is as follows:

	Six months to June 30, 2018		12 months to December 31, 2017	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of year	12,500,000	0.51	12,500,000	0.51
Warrants exercised	(758,750)	0.15	-	N/A
Balance, end of period	11,741,250	0.57	12,500,000	0.51

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at June 30, 2018:

Number	Exercise Price $	Expiry Date
1,898,740	0.15	July 15, 2018
1,202,500	0.15	August 9, 2018
5,157,583	0.75 / 1.00	September 16, 2018 / 2018
276,750	0.75 / 1.00	September 20, 2018 / 2018
773,125	0.75 / 1.00	September 29, 2018 / 2018
917,542	0.75 / 1.00	October 18, 2018 / 2018
57,500	0.75 / 1.00	October 26, 2018 / 2018
317,500	0.75 / 1.00	November 28, 2018 / 2018
10,601,240		

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV.

The vesting provisions are determined by the Board of Directors and, unless otherwise stated, fully vest when granted.

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

200,000 share options were granted and 200,00 share options were also cancelled in the six months to June 30, 2018. During fiscal 2017 the Company granted shares to purchase 3,025,000 common shares and recorded compensation expense of $376,280. The fair value of the share options granted was estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 1.407%; estimated volatility of 100.9679%; expected life of three years; expected dividend yield of 0%; estimated forfeiture rate of 0%.

The share options are subject to vesting provisions and will vest over three years. During the six months ended June 30, 2018 the Company recorded compensation expense of $142,886 (2017 - $nil) on the vesting of share options.

The weighted average fair value of the share options granted during the six months to June 30, 2018 was $0.35, the weighted average fair value of the share options granted during fiscal 2017 was $0.48 per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at June 30, 2018 and December 31, 2017 and the changes for the six months ended June 30, 2018 and fiscal 2017, is as follows:

	2018		2017	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Balance, beginning of period	3,025,000	-	-	-
Granted	200,000	0.35	3,025,000	0.48
Cancelled	(200,000)	0.48	-	N/A
Balance, end of period	3,025,000	N/A	3,025,000	0.48

The following table summarizes the share options outstanding and exercisable at June 30 2018:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
2,825,000	483,332	0.48	September 12, 2022
200,000	-	0.35	April 18, 2020
3,025,000	483,332		

7. Related Party Disclosures

Transactions with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) *Transactions with Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

During the six months to June 30, 2018 the Company incurred $330,477 (2017 - $271,400) for compensation to directors and officers and/or their related companies. As at June 30, 2018, $119,178 (2017 - $65,400) remained unpaid and has been included in accounts payable and accrued liabilities.

(Unaudited - Expressed in Canadian Dollars)

7. Related Party Disclosures (continued)

(b) *Transactions with Other Related Parties*

During the six months to June 30, 2018 the Company was charged $10,353 (2017 - $27,500) by Chase Management Ltd. ("Chase"), a private corporation owned by a director, for accounting and administration services provided by Chase personnel, excluding the director. As at June 30, 2018, $4,910 (2017 - $11,600) remained unpaid and had been included in accounts payable and accrued liabilities.

8. 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"); held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	**Category**	**June 30, 2018 $**	**December 31, 2017 $**
Cash	FVTPL	480,315	2,296,236
Amounts receivable	Loans and receivables	47,372	6,753
Accounts payable and accrued liabilities	Other liabilities	(560,159)	(634,700)
Purchase obligation payable	Other liabilities	(37,081)	(36,215)

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 amounts for cash, amounts receivable, accounts payable and accrued liabilities and purchase obligation payable 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 amounts receivable is remote.

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

(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

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.

	Contractual Maturity Analysis at June 30, 2018				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	480,315	-	-	-	480,315
Amounts receivable	47,372	-	-	-	47,372
Accounts payable and accrued liabilities	(560,159)	-	-	-	(582,840)
Purchase obligation payable	(37,081)	-	-	-	(37,081)

	Contractual Maturity Analysis at December 31, 2017				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	2,296,236	-	-	-	2,296,236
Amounts receivable	6,753	-	-	-	6,753
Accounts payable and accrued liabilities	(634,700)	-	-	-	(634,700)
Purchase obligation payable	(36,215)	-	-	-	(36,215)

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.

Regulatory Risk

The Company is exposed to risk due to the regulatory uncertainty of the DFS industry and online gaming activities. The industry is currently unregulated. The Company is unable to predict whether regulations will be introduced in the future.

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.

(Unaudited - Expressed in Canadian Dollars)

9. Supplemental Cash Flow Information

During the six months ended June 30, 2018 and 2017 non-cash activities were conducted by the Company as follows:

	2018 $	2017 $
Operating activities		
Accounts payable and accrued liabilities	-	66,338
Purchase obligation payable	-	35,554
	-	101,892
Investing activities		
Intangible assets	-	(35,554)
Financing activities		
Common shares issued for finder's fees	-	(66,338)

10. Contractual Commitments

The Company has lease commitments for office space in Toronto, Canada and Sliema, Malta. The Company also has entered into a license agreement whereby it has agreed to pay monthly fees for access to real-time sports data feed and content.

Estimated contractual payments are as follows:

	2018 $	2019 - 2020 $	Total $
Office rent	53,427	66,367	119,794
Data license	29,406	44,109	73,515
	82,833	110,476	193,309

The Company must make a payment of US $250,000 to NYX upon the commercial launch of the DFS Product on the OGS Platform and the OGS Network. In addition, the Company will pay to NYX a monthly royalty payment.

See also Note 5.

11. Subsequent Events

On August 23, 2018 the Company announced that it had closed the first tranche of the private placement financing (the "Private Placement"). In the first tranche 6,234,257 units (the "Units") were issued at a price of $0.15 per Unit for gross proceeds of approximately $935,139. Each Unit is composed of one common share of the Company and one-half of one transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.40 until August 16, 2021 (the "Expiry Date"). Notwithstanding the foregoing, the Expiry Date of the Warrants may be accelerated by the Company, at its sole option, by giving notice to the holders of the Warrants thereof, if over a period of 15 consecutive trading days commencing at any time after August 16, 2019, the volume-weighted average trading price of the common shares of the Company on the TSX Venture Exchange (the "Exchange") or such other stock exchange where the majority of the trading volume occurs, exceeds $0.60.

On August 23, 2018 the Company also announced that the Board had approved a granting of stock options to a director and employee of the Company for the purchase of up to 300,000 shares, at a price of $0.15 per share, for a period of five years.