Consolidated Financial Statements of

FANTASY ACES DAILY FANTASY SPORTS CORP.

(FORMERLY DRAFTTEAM DAILY FANTASY SPORTS CORP.)

(Expressed in United States Dollars, unless otherwise noted)

For the years ended December 31, 2015 and 2014

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP.)
Consolidated Statement of Financial Position

As at December 31,		2015		2014 (Restated - Note 19)
Assets				
Current assets:				
Cash	$	42,169	$	57,695
Restricted cash		-		131,313
Amounts receivable (Note 13(a))		103,631		-
Prepaid expenses and deposits		15,228		-
		161,028		189,008
Non-current assets				
Equipment (Note 6)		2,335		-
Intangible assets (Note 6)		346,430		60,761
Goodwill (Note 5, 7)		2,166,515		-
		2,515,280		60,761
Total Assets	$	2,676,308	$	249,769
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	1,095,381	$	140,516
Customer liability		942,950		283,173
Warrant derivative liability (Note 9, 10)		-		16,286
Secured convertible promissory note (Note 9)		213,479		283,714
Due to related parties (Note 12)		621,379		50,000
		2,873,189		773,689
Shareholders' deficit				
Share capital (Note 11(b))		5,214,221		206,485
Warrants (Note 11(d))		1,867,032		-
Cumulative translation reserve		(272,533)		-
Deficit		(7,005,601)		(730,405)
		(196,881)		(523,920)
Total Liabilities and Shareholders' Equity	$	2,676,308	$	249,769

Going concern (Note 2)
Subsequent events (Note 18)
Commitments and contingencies (Notes 9, 15)

Signed *"David Antony"*

Signed *"Tom Frisina"*

See accompanying notes to the consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP.)
Consolidated Statements of Comprehensive Loss

For the years ended December 31,	2015	2014 (Restated - Note 19)
Revenue	$ 1,208,532	$ 185,531
Cost of revenue	1,443,784	140,674
	(235,252)	44,857
Expenses		
Advertising and promotion	2,134,395	407,500
Amortization and depreciation (Note 6)	16,458	14,916
Impairment of goodwill (Note 7)	2,400,000	-
General and administrative	166,054	125,243
Payroll expense	237,004	-
Insurance expense	62,485	40,906
Rent expense	40,451	6,044
Office expense	119,769	2,258
Consulting fees	90,222	-
Professional fees	322,682	-
Foreign exchange	1,607	-
Finance costs	82,032	5,287
Product development	366,785	79,355
	6,039,944	681,509
Net loss	6,275,196	636,652
Other comprehensive loss		
Items that may be reclassified subsequent to profit or loss:		
Foreign exchange loss on translation	272,533	-
Net comprehensive loss	$ 6,547,729	$ 636,652
Net loss per share (Note 17)	$ (0.33)	$ -

See accompanying notes to the consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP.)
Consolidated Statements of Changes in Equity

	Share Capital						
	Shares #	**Convertible units** #	**Amount** $	**Warrants** $	**Cumulative translation reserve** $	**Deficit** $	**Total** $
Balance – December 31, 2013	-	-	154,025	-	-	(93,753)	60,272
Contributions	-	-	52,460	-	-	-	52,460
Net loss for the year	-	-	-	-	-	(636,652)	(636,652)
Balance - December 31, 2014 (Restated – Note 19)	-	-	206,485	-	-	(730,405)	(523,920)
Issuance of equity instruments in relation to reverse take-over (Note 11)	42,529,161	57,539,453	4,397,165	-	-	-	4,397,165
Private placement (Note 11)	38,280,000	-	1,155,308	1,770,051	-	-	2,925,359
Issuance of finders' shares (Note 11)	2,013,880	-	107,223	-	-	-	107,223
Issuance of finders' warrants (Note 11)	-	-	(96,981)	96,981	-	-	-
Share issuance costs (Note 11)	-	-	(554,979)	-	-	-	(554,979)
Foreign exchange loss on translation	-	-	-	-	(272,533)	-	(272,533)
Net loss for the year	-	-	-	-	-	(6,275,196)	(6,275,196)
Balance – December 31, 2015	82,823,041	57,539,453	5,214,221	1,867,032	(272,533)	(7,005,601)	(196,881)

See accompanying notes to the consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP.)
Consolidated Statements of Cash Flows

December 31,	2015	2014 (Restated - Note 19)
Cash provided by (used in):		
Operations		
Net loss for the year	$ (6,275,196)	$ (636,652)
Items not involving cash:		
Amortization and depreciation (Note 6)	16,458	14,916
Interest expense	65,698	-
Impairment of goodwill (Note 7)	2,400,000	-
Changes in operating assets and liabilities:		
Amounts receivable	(98,854)	-
Prepaid expense and deposits	227,121	-
Accounts payable and accrued liabilities	(420,403)	126,466
Customer liability	581,840	257,506
Net cash used in operations	(3,503,336)	(237,764)
Investing		
Acquisition of DraftTeam (Note 5)	723,189	-
Purchase of intangible assets (Note 6)	(301,751)	(16,000)
Purchase of equipment (Note 6)	(2,711)	-
Net cash provided by (used in) investing activities	418,727	(16,000)
Financing		
Use of restricted cash	140,101	(126,853)
Proceeds from issuance of common shares, net of cash issue costs (Note 11)	2,477,603	52,460
Repayment of secured convertible promissory note (Note 9)	(103,000)	300,000
Settlement of derivative liability (Note 9)	(17,000)	-
Loans from related parties (Note 12)	571,379	50,000
Net cash provided by financing activities	3,069,083	275,607
(Decrease) increase in cash	(15,526)	21,843
Cash – beginning of year	57,695	35,852
Cash – end of year	$ 42,169	$ 57,695

See accompanying notes to the consolidated financial statements.

1. General information:

Fantasy Aces Daily Fantasy Sports Corp. (formerly DraftTeam Daily Fantasy Sports Corp. (formerly Sabre Graphite Corp.)) ("Fantasy Aces" or "the Corporation") was incorporated under the Business Corporations Act (Alberta) on March 19, 1997. The address of its registered office is 120 Vantis, Suite 300 Aliso Viejo, California 92656. The Corporation's common shares are listed on the TSX Venture exchange under the trading symbol "FAS".

During the year ended December 31, 2015, the Corporation transitioned to the daily fantasy sporting industry. On March 12, 2015 the Corporation changed its name to DraftTeam Daily Fantasy Sports Corp.

On June 8, 2015, the Corporation and Fantasy Aces, LLC entered into a business combination agreement (the "Agreement") whereby the parties agreed to combine the business and assets of Fantasy Aces, LLC with those of the Corporation by way of corporate reorganization. The Agreement closed on October 5, 2015 and as part of the corporate reorganization (the "Transaction"), the following occurred:

i) The Corporation changed its legal name to Fantasy Aces Daily Sports Corp. from DraftTeam Daily Fantasy Sports Corp. ("DraftTeam")

ii) The Corporation formed a Canadian limited partnership ("DraftTeam LP" or "DTS LP") with a newly formed Canadian corporation ("1049628 B.C. Ltd") as the General Partner. 1049268 B.C. Ltd is wholly-owned by the Corporation.

iii) Fantasy Aces, LLC converted from a California limited liability company to a Delaware limited partnership ("Fantasy Aces, LP") and each member of Fantasy Aces, LLC exchanged their membership units for an equal amount of Fantasy Aces, LP units.

iv) The Corporation and Fantasy Aces, LP entered into a contribution agreement whereby the Corporation contributed to DraftTeam LP all the outstanding shares held in its wholly owned subsidiary, DraftTeam Fantasy Sports Inc., in exchange for 42,529,161 DTS LP units and members of Fantasy Aces, LP contributed to DraftTeam LP their respective units in exchange for 57,539,453 convertible DTS LP units ("convertible units"). Each convertible unit is convertible at the option of the holder, at any time, into one common share of the Corporation.

This Transaction was accounted for as a business combination (Note 5). For accounting purposes, Fantasy Aces, LLC was deemed to be the acquirer due to the previous owners of Fantasy Aces, LLC having significant representation on the Board of Directors, hold key management positions and have the ability to convert their convertible units at any time. These consolidated financial statements are a continuation of the financial statements of Fantasy Aces, LLC.

The consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2016.

2. Basis of preparation and going concern:

The consolidated financial statements have been prepared on a going concern basis which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying values of assets and liabilities.

As at December 31, 2015, the Corporation had negative working capital of $2,712,161, an accumulated deficit of $7,005,601, negative cash flow from operations of $3,503,336 and a net comprehensive loss of $6,547,729 for the year then ended. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Corporation's ability to continue as a going concern. The Corporation's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and obtain additional funds through equity raises as well as financings.

The daily fantasy sports industry is currently faced with regulatory uncertainty which could also have a significant impact on the Corporation's ability to continue as a going concern.

The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due, is dependent on the successful completion of the actions taken or planned. Management believes that the Corporation will be able to obtain additional capital as necessary. If for any reason the Corporation is unable to continue as a going concern, it could impact the Corporation'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 consolidated financial statements.

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"), effective as of January 1, 2015.

Functional and Presentation currency

The Corporation's functional currency is the Canadian dollar and the consolidated financial statements are presented in United States dollars ("US Dollars").

3. Significant accounting policies:

The consolidated financial statements have been prepared on a historical cost basis with some exceptions in accordance with IFRS, as detailed in the accounting policies set out below. These policies have been applied consistently for all periods presented in these consolidated financial statements.

3. Significant accounting policies (continued):

a) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expense, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. When the Corporation has less than 50% equity ownership in these limited partnership entities, the Corporation may still have control over these entities' activities, projects, financial and operating policies due to contractual arrangements. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date when such control ceases. Control exists when the Corporation has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All intra-group transactions, balances and unrealized gains and losses resulting from intra-group transactions are eliminated upon consolidation.

The subsidiaries of the Corporation that have been consolidated are as follows:

Name	% Equity Interest	Location	Functional Currency
DraftTeam Fantasy Sports Inc.	100%	Canada	Canadian Dollar
Draft Team Sports Inc.	100%	Canada	Canadian Dollar
DraftTeam LP	100%	Canada	Canadian Dollar
Fantasy Aces, LP	42.5%	United States	US Dollar
Gamboozle Media Inc.	100%	Canada	Canadian Dollar
1049628 B.C. Ltd	100%	Canada	Canadian Dollar

The Corporation has less than 50% equity ownership in Fantasy Aces, LP, however, it has control over this entity's activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and Fantasy Aces, LP indicates that it is controlled by the Corporation. The Corporation owns a 42.5% equity interest in Fantasy Aces, LP, however they are entitled to 100% of the profits and losses of Fantasy Aces, LP.

b) Cash

The Corporation classifies all highly liquid instruments with a maturity date of ninety days or less at the time of issuance, readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value cash.

Restricted cash consists of player cash deposits and earnings and is segregated from the Corporation's operational cash accounts. The Corporation is to normally maintain the same level of player cash accounts as the player customer liability. At times such restricted cash accounts may be less than the player customer liability due to insufficient funding of the account by the Corporation.

3. Significant accounting policies (continued):

c) Intangible assets

Intangible assets consist of costs incurred to develop internet websites and phone applications to promote, advertise, and earn revenue with respect to the Corporation's business operations. Costs are capitalized when the expenditure can be directly attributed or allocated on a reasonable and consistent basis, and was incurred in preparing the website for its intended use in accordance with IFRS.

Content developed for advertising or promoting is recognized as an expense when incurred.

The intangible assets are amortized on a straight line basis over a period of 5 years from the completion of the website development.

d) Equipment

Equipment consists of computer hardware and is recorded at cost and is depreciated on a straight-line basis over a period of three years.

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repair and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net in the consolidated statement of comprehensive loss.

e) Business combinations and goodwill

All business combinations are accounted for by applying the acquisition method. On acquisition, the assets (including intangible assets), liabilities and contingent liabilities of an acquired entity are measured at their fair value. The Corporation recognizes intangible assets as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgment and includes assumptions on the timing and amount of future incremental cash flows generated by the assets acquired and the selection of an appropriate cost of capital. Acquisition costs are recognized in profit or loss as incurred.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Corporation's share of the net assets/net liabilities of the acquired entity at the date of acquisition. If the cost of acquisition is less than the fair value of the Corporation's share of the net assets/net liabilities of the acquired entity (i.e. a discount on acquisition) the difference is credited to the consolidated statements of comprehensive loss in the period of acquisition. At the acquisition date, goodwill acquired is recognized as an asset and is allocated to each cash-generating unit ("CGU") expected to benefit from the business combination's synergies and to the lowest level at which management monitors the goodwill.

Goodwill is reviewed for impairment annually at December 31, or more frequently if there are indications that impairment may have occurred. Goodwill impairment is tested at the CGU level and is determined based upon the recoverable amount of each CGU compared to the CGU's respective carrying amount. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and the value in use ("VIU"). If the impairment loss exceeds the carrying amount of goodwill, the goodwill is written off completely. Any impairment loss left over is allocated to the remaining assets of the CGU. Impairment losses in respect of goodwill are irreversible.

3. Significant accounting policies (continued):

e) Business combinations and goodwill (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Corporation reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to the date the Corporation obtains complete information about facts and circumstances that existed as of the acquisition date up to a maximum of one year.

f) Foreign currency translation

Each subsidiary of the Corporation determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in a currency that is not the entities' functional currency are translated to its functional currency using the exchange rate in effect at that date of the transactions. At each reporting period, unsettled monetary assets and liabilities denominated in a foreign currency are translated into the functional currency by using the exchange rate in effect at the period-end date and the related translation differences are recognized in the consolidated statements of comprehensive loss.

Non-monetary assets and liabilities held in a currency other than the entities' functional currency that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of initial recognition and are not subsequently restated.

The assets and liabilities of foreign operations with a functional currency other than US Dollars are translated into US Dollars at the rate of exchange ruling at the reporting date and their statements of comprehensive loss are translated at the exchange rates at the date of transaction. The exchange differences arising on the translation are recognized in the cumulative translation reserve. On disposal of a foreign entity, the accumulated translation reserve relating to that particular foreign operation is recognized in profit or loss.

g) Customer liability

The Corporation records customer deposits, and other credits provided by the Corporation, as a customer liability. Customer withdrawals are paid and reduce the customer liability when requested.

h) Income taxes

The Corporation follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized based on the estimated tax effects of temporary differences in the carrying amount of assets and liabilities in the consolidated financial statements and their respective tax bases.

Deferred tax assets and liabilities are calculated using the enacted or substantively enacted income tax rates that are expected to apply when the asset or liability is recovered.

Deferred tax assets for deductible temporary differences and tax loss carryforwards are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax loss carryforwards can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date, and is reduced if it is no longer probable that sufficient future taxable profits will be available against which the temporary differences or tax loss carryforwards can be utilized.

3. Significant accounting policies (continued):

h) Income taxes (continued)

Deferred tax liabilities are generally recognized for all taxable temporary differences and are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognized on temporary differences that arise from goodwill or from the initial recognition of an asset or liability in a transaction (other than in a business combination) that, at the time of the transaction, affects neither accounting nor taxable profit.

Current income tax is calculated based on net earnings for the period, adjusted for items that are non-taxable or taxed in different periods, using income tax rates that were enacted or substantively enacted at each reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

i) Share-based compensation

The Corporation's Stock Option Plan (the "Option Plan") provides current officers, directors and consultants with the right to elect to receive common shares in exchange for options surrendered. The Corporation records compensation expense over the graded vesting period based on the fair value of options granted. Compensation expense is recorded in the consolidated statement of comprehensive loss as share-based compensation expense with a corresponding credit to contributed surplus. When stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in share capital.

The fair value of stock options granted is estimated using the Black-Scholes option pricing model, taking into account amounts that are believed to approximate the forfeiture rate, volatility of the trading price of the Corporation's shares, the expected lives of the awards of share-based compensation, the fair value of the Corporation's stock and the risk-free interest rate, as determined at the grant date. Forfeitures are estimated through the vesting period based on past experience and future expectations, and adjusted upon actual vesting.

j) Share capital

Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. Significant accounting policies (continued):

j) Share capital (continued)

Warrants

Warrants with the right to acquire common shares in the Corporation are typically issued through the Corporation's debt or equity financing activities. The fair values of these warrants are determined on their issuance date, using the Black-Scholes option pricing model, and are recorded as both a separate component of shareholders' equity and as a reduction in the values of related debt or share capital.

When share purchase warrants are exercised, the cash proceeds along with the amount previously recorded as a separate component of shareholders' equity are recorded as share capital. When share purchase warrants expire, the amount previously recorded as a separate component of shareholders' equity is reclassified to contributed surplus.

k) Financial instruments

The Corporation classifies its financial instruments into one of the following categories: fair value through profit or loss; available for sale; loans and receivables; and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the classification of the respective financial instrument.

Fair value through profit or loss financial instruments are subsequently measured at fair value with changes in fair value recognized in consolidated statements of comprehensive loss. Available for sale financial instruments are subsequently measured at fair value with changes in fair value recognized in other comprehensive loss. All other categories of financial instruments are measured at amortized cost using the effective interest method.

Cash, restricted cash and warrant derivative liability are classified as fair value through profit or loss. Amounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities, customer liability, due to related parties and secured convertible promissory note are classified as other financial liabilities.

The fair value of financial assets and liabilities are categorized using a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements for these assets and liabilities. The fair values of financial assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Cash and restricted cash is measured at level 1.

Fair values of financial assets and liabilities in Level 2 are based on inputs other than Level 1 quoted prices that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). The fair values of Level 3 financial assets and liabilities are not based on observable market data. Derivative warrant liability are measured using level 3 inputs. The disclosure of the fair value hierarchy excludes financial assets and liabilities where carrying value approximates fair value due to the short term liquid nature of the asset or liability.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized immediately in comprehensive loss. Transaction costs in respect of other financial instruments are included in the initial measurement of the financial instrument.

3. Significant accounting policies (continued):

l) Impairment of financial assets

At each reporting date, the Corporation 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.

m) Impairment of Non-financial Assets

The carrying amounts of the Corporation'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:

• an intangible asset with an indefinite useful life

• an intangible asset not yet available for use

• goodwill acquired in a business combination

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable 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 CGU). The recoverable amount of an asset or CGU is the greater of its VIU and its 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.

The Corporation'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 goodwill and 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.

3. Significant accounting policies (continued):

n) Revenue Recognition

Revenue consists of management fees related to online entry fees and 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. Customers make deposits to participate in various games. When players pay the entry fees a management fee is charged. Once the games commence the entry fee and management fee are non-refundable. As the entry fees and management fees are non-refundable, the Corporation is not subject to any returns from revenue.

Overlay expense

Overlay expense is the amount of cash that was required to be paid by the Corporation to guarantee a payout due to the shortage of seats filled and fees paid.

Free games

To entice players to join, the Corporation will have free games for players. The Corporation will provide the prize payout. The winner of the game is credited with the funds from the game. No management fee is recognized as there was no actual cash provided. In these circumstances, the prize is recorded as an overlay expense which is recorded as a cost of revenues. For the year ended December 31, 2015, these amounts totaled approximately $196,968.

Normal heads up games

These games are for players to enter into. If seats are not filled by the by the time the games lock, everyone is removed from the game, and refunds of the entry fees are issued to each player. At such a time, no management fee is recognized. In instances in which all seats are filled, the game will be locked and revenue is recognized at that time. Management fees are charged on the payout amount.

Guaranteed Prize Payout Games (GPP)

These games are for players to enter into. If all seats are not filled by the by the time the games lock, the Corporation must pay the payout fee for the unfilled seats. The fee for unfilled seats are recorded as an overlay expense and recorded as cost of revenues. Management fee revenues are recorded on the payout amount (excluding the guaranteed portion of what the Corporation must pay for unfilled seats).

Survivor

Survivor games are a form of a guaranteed game. All seats must be met or guaranteed to be met by the Corporation. In survivor games, which can last over various days or weeks, people with the highest scores on day one move on to day two. The highest scores from day two are moved on to day three and so forth until the survivor game is finished and the winner is paid out. No new players are allowed to enter the contest after games lock on day one of the survivor game.

The management fee is usually at or around 10% of the fee paid to play the game. Based on the type of game and the prize pool, it can affect the management fee.

3. Significant accounting policies (continued):

o) Provisions

A provision is recognized when the Corporation 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.

p) Per common share amounts

Basic income (loss) per share, is calculated by dividing the net income (loss) by the weighted average number of shares outstanding during the period. Diluted income (loss) per share, is calculated by using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of shares which may have a dilutive effect on net earnings or loss.

q) Use of Estimates and Judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods

Key sources of estimation uncertainty

Business acquisition

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets require a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates. The Corporation performed a preliminary allocation of the purchase price and the fair value of assets acquired but the allocation still remains subject to change.

Impairment of non-financial assets

Management uses judgment in estimating the recoverable values of the Corporation's 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 and the valuation of goodwill.

3. Significant accounting policies (continued):

q) Use of Estimates and Judgments (continued)

Embedded derivative and derivative liability

Estimating the fair value of warrants and their conversion feature requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the warrants and their conversion feature, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value of warrants and their conversion feature are described in Note 10.

Valuation of deferred income tax assets

The Corporation assesses the probability of taxable profits being available in the future based on its budget forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When a forecast shows a net profit, the Corporation considers that the use of deferred income taxes is probable and recognizes the benefit. When management believes that the benefits will not be realized, the deferred income tax asset is not recognized.

Valuation of share-based compensation expense

The valuation of stock options involves key estimates such as volatility, forfeiture rates, estimated lives and market rates.

Judgements

Consolidation

The Corporation applies judgment in determining control over certain limited partnerships where the Corporation holds less than 50% equity ownership. The judgment is based on a review of all contractual agreements to determine if the Corporation has control over the activities, projects, financial and operating policies of the limited partnerships.

Legal contingencies

The Corporation applies judgment as it relates to the outcome of legal proceedings to determine whether a provision and disclosure in the consolidated financial statements is required. Among the factors considered in making such judgments are the nature of the litigation, claim or assessment, the legal process and potential level of damages, the progress of the case, the opinions or views of legal advisors and any decision of the Corporation's management as to how it will respond to the litigation, claim or assessment.

4. Future Accounting Standards

The following are revised accounting standards, amendments and interpretations that have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") but are not yet effective:

IFRS 9 Financial Instruments

The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for the periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact of this standard.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the International Accounting Standard Board ("IASB") issued a new International Financial Reporting Standard ("IFRS") on the recognition of revenue from contracts with customers. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. The standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation is currently assessing the impact of this standard.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and 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. This standard is effective for reporting periods beginning on or after January 1, 2019. The Corporation is currently assessing the impact of this standard.

5. Acquisition of DraftTeam Fantasy Sports Inc.:

As described in Note 1, the Corporation completed a reverse acquisition of DraftTeam effective October 5, 2015. This acquisition has been accounted for by the reverse-take-over method, and results of operations have been included in these consolidated financial statements from the date of acquisition.

The purchase price allocation has been allocated as follows:

Consideration:	
57,539,453 convertible units valued at $0.07642	$ 4,397,165
Loan to related party	(720,000)
	$ 3,677,165

Allocation of purchase price:	
Cash	$ 3,189
Restricted cash	8,788
Prepaids	242,944
Accounts receivable	5,577
Current liabilities	(1,413,379)
Net assets acquired	(1,152,881)
Goodwill	4,830,046
	$3,677,165

The purchase price allocation for this transaction has not been finalized as of the current reporting date as management is still assessing the fair value of certain intangible assets. Under IFRS, the allocation must be finalized within one year of the acquisition date.

The convertible units were valued at CAD$0.10 (USD$0.07642) which was the trading price of the Corporation's common shares on the day of the Transaction.

As of the effective date of the Transaction, 2,163,000 stock options remained outstanding and will continue to be governed by the terms and provisions of the option commitments; the holder will be entitled upon the exercise thereof to receive one common share of the Corporation upon exercise of each option.

The goodwill is not deductible for income tax purposes. Transaction costs relating to the acquisition totaled $290,480 and are included in the Corporation's consolidated statement of comprehensive loss.

Deductible temporary differences of approximately $14.3 million were also acquired.

6. Equipment and intangible assets:

	Equipment $	Intangible assets $	Total $
Cost			
Balance, December 31, 2013	-	64,410	64,410
Additions	-	16,000	16,000
Balance, December 31, 2014	-	80,410	80,410
Additions	**2,711**	**301,751**	**304,462**
Balance, December 31, 2015	**2,711**	**382,161**	**384,872**
Accumulated Depreciation and Impairment			
Balance, December 31, 2013	-	(4,733)	(4,733)
Additions	-	(14,916)	(14,916)
Balance, December 31, 2014	-	(19,649)	(19,649)
Amortization and depreciation	**(376)**	**(16,082)**	**(16,458)**
Balance, December 31, 2015	**(376)**	**(35,731)**	**(36,107)**
Carrying Amounts			
Balance, December 31, 2014	-	60,761	60,761
Balance, December 31, 2015	**2,335**	**346,430**	**348,765**

As at December 31, 2015, there was $301,751 (2014 - $nil) included in intangible assets not available for use which were not subject to amortization.

7. Goodwill:

	December 31, 2015	December 31, 2014
Balance – beginning of year	**-**	**-**
Addition through business combination (Note 5)	**4,830,046**	**-**
Impairment of goodwill (Note 8)	**(2,400,000)**	**-**
Foreign exchange effect	**(263,531)**	**-**
Balance – end of year	**2,166,515**	**-**

8. Impairment:

The Corporation's non-financial assets are tested for impairment in accordance with the accounting policy stated in Note 3(m). The Corporation assesses at each reporting date whether there is an indication that an asset or CGU may be impaired. As a result of the decline in the Corporations market capitalization, the corporation performed an impairment test on its fantasy sports CGU, which is the Corporations only CGU.

Regardless if any indicators of impairment are present, the Corporation must complete an annual impairment assessment for any CGU or group of CGUs, whose net carrying value includes indefinite-life intangible assets or an allocation of goodwill. The Corporation completed this review as at December 31, 2015 and as a result, recorded impairment of $2,400,000 against the goodwill acquired on its acquisition of DraftTeam Fantasy Sports Inc. (refer to Note 5).

The Corporation used the value in use method to determine the recoverable amount of its CGU determined by using discounted cash flows. The cash flow projections include specific estimates for a three year period and terminal valuation. The estimated cash flows were based on management's best estimates of new users, revenue growth and operating expenses over the three year period, and a terminal value thereafter was applied. The Corporate used a terminal growth rate of 2%. The discount rate used to calculate the net present value of cash flows is based on estimates of the Corporation's weighted average cost of capital, taking in to account the nature of the assets being valued and their specific risk profile. The Corporation used a pre-tax discount rate of 30%. Changes in the general economic environment could result in significant changes to these estimates.

The fantasy sports industry is currently facing regulatory uncertainty and any potential impacts on the Corporation are unknown at this time. Assumptions that are valid at the time of preparing the cash flow models may change significantly when new information becomes available.

The estimated VIU for the CGU was particularly sensitive to the following estimates:

- An increase of 1% to the pre-tax discount rate would have increased the impairment by approximately $157,000.
- A 1% decrease in the terminal growth rate would have increased the impairment by approximately $178,500.

For the year ended December 31, 2015, no impairment has been recorded on the assets or other intangible assets included in the Corporations CGU. The impairment of $2,400,000 which has been recorded against goodwill was based on the CGUs recoverable amount of $1,750,000 as determined by its VIU.

9. Secured convertible promissory note:

On August 25, 2014, the Corporation entered into a secured convertible promissory note and purchase warrant agreement with a third party lender (the "lender") to purchase a 0.25% percentage interest in the Corporation for a principal amount of $300,000. The secured convertible promissory note accrues interest at a rate of 5% per annum. All principle and interest is due August 25, 2015. The Corporation has accrued interest of $5,286 at December 31, 2014 and is included in accounts payable and accrued liabilities in the consolidated statement of financial position. The secured convertible promissory note was secured by all present and future assets of the Corporation.

The conversion feature of the secured convertible promissory note was deemed immaterial and was not recorded.

9. Secured convertible promissory note:

In conjunction with the secured convertible promissory note the Corporation also issued a warrant to the lender. The warrant was considered to be a derivative liability.

On September 25, 2015, the Corporation entered into a cancellation agreement with the lender whereby the Corporation agreed to repay the principal amount owing plus accrued interest of $16,479 at the earlier of (a) the date on which the Corporation completes the reverse takeover transaction (Note 5) and (b) December 31, 2015. The cancellation agreement also required the Corporation to pay the lender $17,000 in lieu of exercise of the warrant. On November 3, 2015, the Corporation repaid a total of $120,000 to the lender, $17,000 was repaid in lieu of exercise of the warrant and $103,000 against the principal and interest owing.

On January 6, 2016, the Corporation was named as a defendant in a claim filed by the lender. The lender is seeking repayment of the $213,479 outstanding as at December 31, 2015 plus accrued interest from January 1, 2016 to the date of settlement.

10. Warrant derivative liability

As discussed in Note 9, during the year ended December 31, 2014, the Corporation issued a convertible secured promissory note for $300,000. In conjunction with this, the Corporation also issued a warrant to the convertible secured promissory note holder which expires on August 25, 2024. The Corporation determined the warrant to be a derivative instrument. The derivative instrument balance as of December 31, 2014 represents its fair value which was determined using the following assumptions:

Risk free interest rate	2.39%
Expected life of warrant	10 years
Expected volatility	96%
Forfeiture rate	0%
Weighted average fair value per warrant	$16,286

The Corporation performed a calculation to determine the value of the conversion feature on the secured convertible promissory note and determined the impact to be not material and therefore did not allocate a value to a liability. On November 3, 2015, the Corporation paid $17,000 in lieu of exercise of the warrant.

11. Share capital:

a) Authorized:

Unlimited number of common voting shares and preferred shares.

b) Issued and outstanding:

	Number of common shares	Number of convertible units	Share capital
Balance at December 31, 2014	-	-	**$ 206,485**
Acquisition of DraftTeam (i)	42,529,161	57,539,453	4,397,165
Private placement (ii)	38,280,000	-	1,155,308
Shares issued to finders (iii)	2,013,880	-	107,223
Issuance of finders' warrants (iv)	-	-	(96,981)
Share issuance costs	-	-	(554,979)
Balance at December 31, 2015	**82,823,041**	**57,539,453**	**$ 5,214,221**

i. Following the acquisition of DraftTeam (Note 5) the Corporation issued 42,529,161 shares to its former shareholders and issued 57,539,453 convertible units which are convertible at any time at the option of the holder into in aggregate of 57,539,453 common shares of the Corporation.

ii. During the year ended December 31, 2015 the Corporation completed a private placement of 38,280,000 subscription receipts at a price of CAD$0.10 (USD$0.076) per subscription receipt for gross proceeds of $2,925,359. Each subscription receipt is comprised of one common share and one warrant. Each warrant entitles the holder thereof to acquire one common share of the Corporation for a period of two years at an exercise price of CAD$0.15 per share. Of the total proceeds, $1,770,051 was allocated to warrants with the remainder allocated to share capital. The fair value of the warrants was determined using the Black-Scholes valuation model assuming a volatility of 138%, risk free rate of 0.51%, expected life of two years and no expected dividends (Note 11(d)).

iii. In connection with the private placement, the Corporation issued 2,013,880 common shares to finders. The Corporation recorded $107,223 as share issue costs related to the issuance of these common shares.

iv. In connection with the private placement, the Corporation issued 2,088,100 compensation warrants to the finders, with each warrant entitling the holder thereof to acquire one common share of the Corporation for a period of 18 months at an exercise price of CAD$0.10 per share. The Corporation recorded $96,981 as share issue costs related to the finders' warrants. The fair value of the warrants was determined using the Black-Scholes valuation model assuming a volatility of 139%, risk free rate of 0.51%, expected life of 18 months and no expected dividends (Note 11(d)).

At December 31, 2015, 2,878,124 common shares were held in escrow.

11. Share capital (continued):

c) Stock options:

As discussed in Note 5, the Corporation had 2,163,000 stock options outstanding. The following table summarizes information about stock options outstanding and exercisable at December 31, 2015:

Exercise Prices (CAD)	Number	Weighted Average Remaining Life	Weighted Average Exercise Price (CAD)
$0.32	35,000	1.90 years	$0.32
$0.25	600,000	2.47 years	$0.25
$0.21	28,000	3.10 years	$0.21
$0.20	350,000	1.53 years	$0.20
$0.15	1,150,000	4.13 years	$0.15
	2,163,000	**3.20 years**	**$0.19**

d) Warrants:

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Amount	Weighted Average Exercise Price (CAD)
Balance, December 31, 2014	-	-	-
Private placement (Note 11b(ii))	38,280,000	1,770,051	$ 0.15
Finders' warrants (Note 11b(iv))	2,088,100	96,981	$ 0.10
Balance, December 31, 2015	40,368,100	1,867,032	$ 0.15

12. Related parties:

Transactions with related parties

During the year ended 2014, the Corporation entered into a loan agreement with an individual who is an officer and director of the Corporation for $50,000. During 2015, that individual provided additional advances to the Corporation of $221,379 for a total amount owing of $271,379 as at December 31, 2015. The loan is non-interest bearing and is due on demand.

During 2015, the Corporation received a loan of $350,000 from an entity related through a common director. The loan bears interest at rate of 21% per annum and is due on demand. The Chief Executive Officer has provided a personal guarantee for the loan amount. Interest for the year ended December 31, 2015 was $31,235 and is included in accounts payable and accrued liabilities at December 31, 2015.

Key management compensation

Compensation for key management personnel, which includes senior management and the directors, is as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Consulting fees	25,500	14,300
Salaries	216,833	-
	$242,333	**$14,300**

During the year ended December 31, 2015, a member of key management's spouse received $17,500 in consulting fees (2014 - $18,950).

13. Financial instruments:

The carrying values of the Corporation's financial instruments by category were as follows:

December 31, 2015				
Asset (liability)	**Fair value through profit or loss**	**Loans and receivables at amortized cost**	**Other financial liabilities**	**Total**
Cash	$42,169	$ -	$ -	$42,169
Amounts receivable	-	103,631	-	103,631
Accounts payable and accrued liabilities	-	-	(1,095,381)	(1,095,381)
Customer liability	-	-	(942,950)	(942,950)
Secured convertible promissory note	-	-	(213,479)	(213,479)
Due to related parties	-	-	(621,379)	(621,379)
	$42,169	**$103,631**	**$(2,873,189)**	**$(2,727,389)**

13. Financial instruments (continued):

December 31, 2014				
Asset (liability)	**Fair value through profit or loss**	**Loans and receivables at amortized cost**	**Other financial liabilities**	**Total**
Cash	$57,695	**$** -	$ -	$57,695
Restricted cash	131,313	-	-	131,313
Accounts payable and accrued liabilities	-	-	(140,516)	(140,516)
Customer liability			(283,173)	(283,173)
Warrant derivative liability	(16,286)	-	-	(16,286)
Secured convertible promissory note payable	-	-	(283,714)	(283,714)
Due to related parties	-	-	(50,000)	(50,000)
	$172,722	**$** -	**$(757,403)**	**$(584,681)**

The carrying value of the Corporation's financial instruments approximates their fair value, due to their short term nature.

Financial risk factors

a) Credit risk:

The Corporation is subject to credit risk in its cash and amounts receivable. At December 31, 2015, the Corporation's amounts receivable is comprised of $7,026 (December 31, 2014 - $nil) in refundable tax amounts due from the Canadian government and $96,605 (December 31, 2014 - $nil) due from the Corporations previous credit card merchant with a maturity of less than twelve months and greater than three months. The Corporation monitors the aging of the outstanding amounts receivable to ensure collection is likely. The maximum exposure to credit risk is the carrying value of cash, restricted cash and amounts receivable.

b) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Corporation is not exposed to significant interest rate risk as it has not borrowed funds at variable interest rates.

c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking harm to the Corporation's reputation.

13. Financial instruments (continued):

c) Liquidity risk (continued):

The following are the contractual maturities of financial liabilities as at December 31, 2015:

Financial Liabilities	< One Year	> One Year
Accounts payable and accrued liabilities	$1,095,381	$ -
Customer liability	942,950	-
Secured convertible promissory note	213,479	-
Due to related parties	621,379	-
Total	**$2,873,189**	**$ -**

The following are the contractual maturities of financial liabilities as at December 31, 2014:

Financial Liabilities	< One Year	> One Year
Accounts payable and accrued liabilities	$140,516	$ -
Customer liability	283,173	-
Warrant derivative liability	16,286	-
Secured convertible promissory note	283,714	-
Due to related parties	50,000	-
Total	**$773,689**	**$ -**

d) Currency risk:

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Corporation has entities within the group that hold foreign currency denominated financial instruments. Accordingly, the Corporation is exposed to foreign exchange risks pertaining to the Canadian Dollar – US Dollar exchange rate.

As at December 31, 2015, the Corporation recorded $1,607 of foreign exchange losses (2014 - $nil) on the consolidated statement of comprehensive loss.

A sensitivity analysis with respect to these foreign currency denominated financial instruments would be negligible.

e) Regulatory risk:

The Corporation is exposed to risk due to the regulatory uncertainty of the daily fantasy sporting industry The industry is currently unregulated but it is expected that regulations will be introduced in the future.

14. Capital disclosures:

The Corporation does not have any externally imposed regulatory capital requirements for managing capital. The Corporation has defined its capital to mean working capital and shareholders equity, as determined at each reporting date.

The Corporation'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 Corporation sets the amount of capital in proportion to risk. The Corporation 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 Corporation may issue new shares, or engage in debt financing.

15. Commitments and contingencies:

In the ordinary course of conducting its business, the Corporation may periodically be a defendant in various legal proceedings. Any estimated loss contingencies in excess of amounts covered by business liability insurance are included in accrued expenses. The Corporation determines the amount of the loss contingency based on the amount of exposure and an analysis of the likelihood that the Corporation will incur a loss. It is the best judgment of management that neither the financial position nor results of operations of the Corporation will be materially affected by the final outcome of these legal proceedings (see Note 9).

The Corporation offers its users a one-time bonus credit when they register on its website. The bonus is earned in increments at a rate of 5% of the entry fee each time a user plays a paid contest. The unearned portion of the users bonuses at December 31, 2015 was $874,235 (2014 - $239,517). The bonus amount may or may not be entirely accessed by the user depending on game play.

The Corporation has a lease commitment for office space that requires monthly payments of $3,100 from January 1, 2016 thru April 30, 2016. The lease payments are reduced to $2,250 per month from May 1, 2016 thru April 30, 2017.

16. Income tax note:

The following table reconciles the expected income tax expense (recovery) at the Canadian federal and provincial statutory income tax rates to the amounts recognized in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2015 and 2014.

Years ended December 31,	**2015**	**2014**
Net loss before recovery of income taxes	(6,275,196)	(548,829)
Statutory income tax rates	26.00%	39.83%
Expected income tax recovery	(1,631,551)	(218,599)
Non-deductible items	631,490	-
Allocation of partnership loss	709,559	181,050
Difference in tax rates for foreign country	(512,152)	-
Foreign exchange	236,938	-
Change in unrecorded deferred tax benefits	565,716	37,549
Income tax expense (recovery)	-	-

Unrecognized Deductible Temporary Differences

Details of the unrecognized deductible differences are as follows (Canada):

Year ended December 31,	**2015**	**2014**
Equipment	1,409,806	-
Eligible capital expenditures	485	-
Share issuance costs	1,102,398	-
Net-capital costs carried forward	753,064	-
Non-capital costs carried forward	12,337,736	-
Unrecognized deductible temporary differences	**15,603,489**	**-**

Details of the unrecognized deductible differences are as follows (United States):

Year ended December 31,	**2015**	**2014**
Equipment	376	-
Intangible assets	477,138	94,271
Organization costs	203,121	-
Unrecognized deductible temporary differences	**680,635**	**94,271**

16. Income tax note (continued):

As at December 31, 2015, the Corporation has non-capital losses of approximately $12.3 million (2014 - $Nil) which may be carried forward to apply against future years' taxable income for Canadian tax purposes, subject to final determination by taxation authorities. The Canadian non-capital loss carry forward expire between 2025 and 2035.

17. Loss per share:

The following table sets forth the computation of basic and diluted loss per share for the following periods:

Year ended December 31,		**2015**		**2014**
Net loss:	$	(6,275,196)	$	(636,652)
Weighted average number of common shares basic and diluted		19,614,480		-
Net loss per share basic and diluted	$	(0.33)	$	-

As the Corporation reported a net loss for the years ended December 31, 2014 and 2015, the effect of the conversion or exercise of stock options, finders' warrants and convertible units was anti-dilutive and excluded from the calculation.

18. Subsequent events:

On February 12, 2016, the Corporation completed the first tranche of a private placement of 29,680,000 common shares at a price of CAD$0.025 per common share for gross proceeds of CAD$742,000.

On March 31, 2016, The Corporation completed the second tranche of the private placement of 29,704,000 Common Shares at a price of CAD$0.025 per common share for gross proceeds of CAD$742,600. The Corporation also completed a private placement of convertible debentures for gross proceeds of CAD$138,460. The convertible debentures have a term of one year, accrue interest at 24% per annum and are convertible into common shares of the Corporation at any time at the option of the holder at a price of CAD$0.05 per common share.

The Common Shares issued pursuant to the above transactions are subject to a four month hold period.

19. Restated comparative information

During the year ended December 31, 2015, management noted that it had received a number of invoices related to fiscal 2014 which had not been accrued at December 31, 2014. Management has restated the comparative figures to reflect the impact on the 2014 fiscal year.

As at December 31,	As previously reported	Impact of restatement	As reported
Current liabilities:			
Trade and other payables	52,693	87,823	140,516
Customer liability	283,173	-	283,173
Warrant derivative liability	16,286	-	16,286
Secured convertible promissory note	283,714	-	283,714
Due to related parties	50,000	-	50,000
	685,866	87,823	773,689
Shareholders' Equity			
Share capital	206,485	-	206,485
Contributed surplus	-	-	-
Deficit	(642,582)	(87,823)	(730,405)
	(436,097)	(87,823)	(523,920)
Statement of comprehensive loss:			
Advertising and promotion	319,677	87,823	407,500
Amortization	14,916	-	14,916
General and administrative	125,243	-	125,243
Insurance expense	40,906	-	40,906
Rent expense	6,044	-	6,044
Office expense	2,258		2,258
Finance costs	5,287	-	5,287
Product development	79,355	-	79,355
Net loss and comprehensive loss	548,829	87,823	636,652
Statement of cash flows			
Net loss	(548,829)	(87,823)	(636,652)
Changes in operating assets and liabilities			
Accounts payable and accrued liabilities	38,643	87,823	126,466