Consolidated Interim Financial Statements of

FANTASY ACES DAILY FANTASY SPORTS CORP.

(Expressed in United States Dollars, unless otherwise noted)

For the three months ended March 31, 2016 and 2015

FANTASY ACES DAILY FANTASY SPORTS CORP.
Interim Consolidated Statement of Financial Position

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Assets		
Current assets:		
Cash	$ 297,479	$ 42,169
Amounts receivable (Note 9(a))	7,498	103,631
Prepaid expenses and deposits	352,930	15,228
	657,907	161,028
Non-current assets		
Equipment (Note 5)	2,109	2,335
Intangible assets (Note 5)	342,410	346,430
Goodwill (Note 4)	2,312,510	2,166,515
	2,657,029	2,515,280
Total Assets	$ 3,314,936	$ 2,676,308
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,096,566	$ 1,095,381
Customer liability	723,833	942,950
Secured convertible promissory note (Note 6)	213,479	213,479
Due to related parties (Note 8)	872,379	621,379
	2,906,257	2,873,189
Shareholders' deficit		
Share capital (Note 7(b))	6,254,072	5,214,221
Warrants (Note 7(d))	1,867,032	1,867,032
Cumulative translation reserve	(81,663)	(272,533)
Deficit	(7,630,762)	(7,005,601)
	408,679	(196,881)
Total Liabilities and Shareholders' Equity	$ 3,314,936	$ 2,676,308

Going concern (Note 2)
Subsequent events (Note 13)
Commitments and contingencies (Notes 6, 11)

See accompanying notes to the condensed interim consolidated financial statements.

Approved by the Board of Directors on May 30, 2016:

Signed *"David Antony"*

Signed *"Tom Frisina"*

FANTASY ACES DAILY FANTASY SPORTS CORP.

Interim Consolidated Statements of Comprehensive Loss

For the three months ended March 31,	**2016**	**2015**
Revenue	$ 362,812	$ 123,748
Cost of revenue	(170,296)	(47,658)
	192,516	76,090
Expenses		
Advertising and promotion	265,825	235,592
Amortization	4,246	-
Consulting	222,400	-
General and administrative	136,955	130,044
Professional fees	80,050	-
Finance costs (revenue)	24,402	-
Product development	83,799	57,573
	817,677	423,209
Net loss	625,161	347,119
Other comprehensive loss		
Exchange gain on translation	190,870	-
Net comprehensive loss	$ 434,291	$ 347,119
Net loss per share :	$ 0.01	-
Weighted average shares outstanding	99,457,415	-

See accompanying notes to interim consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
Interim Consolidated Statements of Changes in Equity

	Share Capital						
	Shares	**Convertible units**	**Amount**	**Contributed surplus**	**Cumulative translation reserve**	**Deficit**	**Total**
	#	**#**	**$**	**$**	**$**	**$**	**$**
Balance – December 31, 2014	-	-	206,485	16,286	-	(642,582)	(419,811)
Net loss for the period	-	-	-	-	-	(347,119)	(347,119)
Balance - March 31, 2015	-	-	206,485	16,286	-	(989,701)	(766,930)
Balance – December 31, 2015	82,823,041	57,539,453	5,214,221	1,867,032	(272,533)	(7,005,601)	(196,881)
Private placement (Note 6)	59,384,000	-	1,109,234	-	-	-	1,109,234
Share issuance costs (Note 6)	-	-	(69,383)	-	-	-	(69,383)
Foreign exchange loss on translation					190,870		190,870
Net loss for the period	-	-	-	-	-	(625,161)	(625,161)
Balance – March 31, 2016	142,207,041	57,539,453	6,254,072	1,867,032	(81,663)	(7,630,762)	408,679

See accompanying notes to interim consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
Interim Consolidated Statements of Cash Flows

For the three months ended March 31,	2016	2015
Cash provided by (used in):		
Operations		
Net loss for the period	$ (625,161)	$ (351,109)
Items not involving cash:		
Amortization	4,246	4,020
Changes in operating assets and liabilities:		
Amounts receivable	96,133	-
Prepaid expense	(337,702)	(6,588)
Accounts payable and accrued liabilities	1,185	53,050
Customer liabilities	(219,117)	20,711
Net cash used in operations	(1,080,416)	(279,916)
Investing		
Restricted cash	-	17,981
Website development costs	-	-
Cash from transaction	-	-
Purchase of equipment	-	-
Net cash provided by (used in) investing activities	-	17,981
Financing		
Proceeds from issuance of common shares, net of cash issue costs	1,039,851	-
Secured convertible promissory note		-
Loans	251,000	207,500
Net cash provided by financing activities	1,290,851	207,500
Increase in cash	210,435	(54,435)
Effect of foreign exchange on cash	44,875	-
Cash – beginning of period	42,169	57,695
Cash – end of period	$ 297,479	$ 3,260

See accompanying notes to interim 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.

During the year ended December 31, 2015, the Corporation and Fantasy Aces, LLC completed a business combination pursuant to which the two companies combined their assets into a newly formed partnership. The business combination and the name change were approved at an annual and special meeting of the shareholders of the Corporation held on September 30, 2015. The business combination was approved by the TSX Venture on October 5, 2015. The 2014 comparative numbers in these financial statements are those of Fantasy Aces, LLC.

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 March 31, 2016, the Corporation had negative working capital of $2,248,350, an accumulated deficit of $7,630,762, and a net comprehensive loss of $434,291 for the three month 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.

These interim consolidated financial statements have been prepared in accordance with International accounting standard ('IAS') 34 - Interim Financial Reporting and are in accordance with IFRS. The interim consolidated financial statements are presented in US Dollars.

Statement of compliance

These interim 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 March 31, 2016.

The interim 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 in the Corporations December 31, 2015 yearend financials. These policies have been applied consistently for all periods presented in these interim consolidated financial statements

Functional and Presentation currency

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

3. Future Accounting Standards

The following are revised accounting standards, amendments and interpretations that are effective for annual periods beginning on or after January 1, 2016. The Company has not yet fully assessed the impact of these standards and amendments. Where permitted, the Company has determined to not adopt any of these future accounting policies early.

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.

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 Company has yet to assess the impact of the new standard on its results of operations, financial position and disclosures.

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.

4. Acquisition of DraftTeam Fantasy Sports Inc.:

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.

4. Acquisition of DraftTeam Fantasy Sports Inc. (continued):

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.

5. Equipment and Website Development Costs:

	Equipment $	Intangible assets $	Total $
Cost			
Balance, December 31, 2015	2,711	382,161	384,872
Additions	-	-	-
Balance, March 31, 2016	2,711	382,161	384,872
Accumulated Depreciation and Impairment			
Balance, December 31, 2015	(376)	(35,731)	(36,107)
Amortization	(226)	(4,020)	(4,246)
Balance, March 31, 2016	(602)	(39,751)	(40,353)
Carrying Amounts			
Balance, December 31, 2015	2,335	346,430	348,765
Balance, March 31, 2016	2,109	342,410	344,519

6. 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.

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 March 31, 2016 plus accrued interest from January 1, 2016 to the date of settlement.

7. Share capital:

a) Authorized:

Unlimited number of common voting shares and preferred shares.

b) Issued:

During three months ended March 31, 2016

The Corporation issued 29,680,000 common shares as first tranche and 29,704,000 common shares as second tranche at a price of $0.025 per Common Share. The total gross proceeds of the Share Offering equals $1,484,600.

During the years ended December 31, 2015

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.

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)).

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.

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 March 31, 2016, 2,878,124 common shares were held in escrow.

7. Share capital (continued):

c) Stock options:

The Corporation has implemented a stock option plan for directors, officers, employees, and consultants. The exercise price of each option approximates the market price for the common shares on the date the option was granted. The maximum number of common shares to be issued upon the exercise of options granted under the plan is 4,252,916 (December 31, 2015 – 4,252,916).

The details of this plan are as follows:

	March 31, 2016		**December 31, 2015**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	4,235,004	$0.18	1,960,000	$0.33
Granted to DFS shareholders	-	-	758,388	0.26
Granted	-	-	2,150,000	0.15
Cancelled	-	-	(538,384)	0.55
Expired	-	-	(95,000)	1.50
Options outstanding, end of period	**4,235,004**	**$0.18**	**4,235,004**	**$0.18**
Exercisable, end of period	**4,235,004**	**$0.18**	**4,235,004**	**$0.18**

The following table summarizes information about stock options outstanding and exercisable at March 31, 2016:

Exercise Prices	Number	Weighted Average Remaining Life	Weighted Average Exercise Price
$0.32	170,335	1.36 years	$0.32
$0.25	1,200,000	2.47 years	$0.25
$0.21	214,669	3.10 years	$0.21
$0.20	500,000	1.53 years	$0.20
$0.15	2,150,000	3.89 years	$0.15
	4,235,004	**3.33 years**	**$0.18**

7. Share capital (continued):

c) Stock options (continued):

In connection with the private placement closed during the year ended December 31, 2015(note 6(b)) the Corporation recorded $127,439 as subscription receipts issue costs related to the finders' options. The fair value of the finder's option of $0.061 was determined using the Black-Scholes option pricing model with the following assumptions: a 2 years expected life; share price at the grant date of $0.10; 140.02% volatility; risk free interest rate of 0.51%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options.

d) Warrants:

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Balance, December 31, 2014	-	-
Issued with units in private placement	38,280,000	$ 0.15
Issued to finders	2,088,100	$ 0.10
Balance, December 31, 2015 and March 31, 2016	40,368,100	$ 0.15

During the period ended December 31, 2015 the Corporation granted 38,280,000 warrants to the holders of the subscription receipts and 2,088,100 to finders in a private placement (note 6(b)). The warrants entitle the holder to acquire one common share of the Corporation for a period of two years at an exercise price of CAD$0.15 per share.

8. 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.

8. Related parties (continued):

Key management compensation:

Key management personnel are composed of the Corporation's directors and officers as set out in its information circular.

For the three months ended March 31, 2016 the Corporation incurred consulting and director fees of $272,833 (2015 – $62,761) paid to companies which are controlled by key management of the Corporation and are included in general and administrative expense on the statement of loss and comprehensive loss.

9. Financial instruments:

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

March 31, 2016				
Asset (liability)	**Fair value through profit or loss**	**Loans and receivables at amortized cost**	**Other financial liabilities**	**Total**
Cash	$297,479	$ –	$ –	$297,479
Amounts receivable	–	7,498	–	7,498
Accounts payable and accrued liabilities	–	–	(1,096,566)	(1,096,566)
Customer liability	–	–	(723,833)	(723,833)
Secured convertible promissory note	–	–	(213,479)	(213,479)
Due to related parties	–	–	(872,379)	(872,379)
	$297,479	**$7,498**	**$(2,906,257)**	**$(2,601,280)**

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)**

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

9. Financial instruments (continued):

Financial risk factors

a) Credit risk:

The Corporation is subject to credit risk in its cash, trade and other receivables. At March 31, 2016, the Corporation's amounts receivable is comprised of $7,498 (December 31, 2015 - $7,026) in refundable tax amounts due from the Canadian government and $nil (December 31, 2015 - $96,605) 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 trade and other receivables to ensure collection is likely. The maximum exposure to credit risk is the carrying value of cash and trade and other receivables.

b) 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.

The following are the contractual maturities of financial liabilities as at March 31, 2016:

Financial Liabilities	**< One Year**	**> One Year**
Accounts payable and accrued liabilities	$1,096,566	$ -
Customer liability	723,833	-
Secured convertible promissory note	213,479	-
Due to related parties	872,379	-
Total	**$2,906,257**	**$ -**

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	**$2,873,189**	**$ -**

10. 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.

10. Capital disclosures (continued):

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.

11. Commitments and contingencies:

In the ordinary course of conducting its business, the Company 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 Company determines the amount of the loss contingency based on the amount of exposure and an analysis of the likelihood that the Company will incur a loss. It is the best judgment of management that neither the financial position nor results of operations of the Company will be materially affected by the final outcome of these legal proceedings.

At March 31, 2016, the unearned customer bonuses were $959,868 (December 31, 2015 - $874,598). Unearned customer bonuses will be earned as players enter into paid contests.

12. Loss per share:

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

Three months ended March 31,	2016	2015
Numerator:		
Net loss:	$ (625,161)	$ (347,119)
Denominator:		
Weighted average number of common shares outstanding	99,457,415	-
Weighted average effect of convertible units		
Net loss per share basic and diluted	$ (0.01)	-

As the company reported a net loss for the three months ended March 31, 2016 and 2015, the effect of the conversion or exercise of stock options and broker warrants was anti-dilutive and excluded from the calculation.

13. Subsequent events:

On May 11, 2016, The Corporation completed a debt for shares conversion, as part of this conversion the Corporation issued 20,985,728 common shares at a price of CDN $0.025 per common share for settlement of CDN $1,695,392 in liabilities.

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