

Consolidated Interim 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 nine months ended September 30, 2016 and 2015

The accompanying unaudited Consolidated Interim Financial Statements for the interim period ended September 30, 2016 have not been reviewed by the Corporation's auditors. These financial statements are the responsibility of the management and have been reviewed and approved by the Corporation's Audit Committee.

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

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Assets		
Current assets:		
Cash	\$ 444,956	\$ 42,169
Amounts receivable	22,835	103,631
Prepaid expenses and deposits	151,596	15,228
	619,387	161,028
Non-current assets		
Equipment (Note 5)	1,656	2,335
Intangible assets (Note 5)	314,252	346,430
Goodwill (Note 4)	2,166,515	2,166,515
	2,482,423	2,515,280
Total Assets	\$ 3,101,810	\$ 2,676,308
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 796,481	\$ 1,095,381
Customer liability	1,456,016	942,950
Secured convertible promissory note (Note 6)	215,735	213,479
Due to related parties (Note 8)	377,938	621,379
	2,846,170	2,873,189
Shareholders' deficit		
Share capital (Note 7(b))	7,566,958	5,214,221
Warrants (Note 7(d))	1,867,032	1,867,032
Cumulative translation reserve	(262,643)	(272,533)
Deficit	(8,915,707)	(7,005,601)
	255,640	(196,881)
Total Liabilities and Shareholders' Equity	\$ 3,101,810	\$ 2,676,308
Going concern (Note 2)		
Commitments and contingencies (Notes 11)		

See accompanying notes to the condensed interim consolidated financial statements.

Approved by the Board of Directors on November 29, 2016:

Signed "Thomas Cipolla"

Signed "Tom Frisina"

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenue	\$ (454,689)	\$ (266,919)	\$(1,332,485)	\$ (576,583)
Cost of revenue	161,984	491,488	510,380	681,372
	(292,705)	224,569	(822,105)	104,789
Expenses				
Advertising and promotion	400,654	809,663	1,103,318	1,539,210
Amortization	16,654	-	30,176	-
Consulting	(108,558)	-	120,816	-
General and administrative (note 8)	124,659	273,281	433,689	622,020
Professional fees	28,447	-	580,161	-
Finance costs (revenue)	17,311	25,017	41,801	25,017
Product development	234,431	268,526	422,250	346,050
	713,598	1,376,487	2,732,211	2,532,297
Net loss	420,893	1,601,056	1,910,106	2,637,086
Other comprehensive loss				
Exchange loss on translation	246,279	-	(9,890)	-
Net comprehensive loss	\$ 667,172	\$ 1,601,056	\$ 1,900,216	\$ 2,637,086
Net loss per share :	\$ 0.01	-	\$ 0.05	-
Weighted average shares outstanding	42,004,551	-	40,687,080	-

See accompanying notes to interim consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP.)

Interim Consolidated Statements of Changes in Equity

	Share Capital			Contributed surplus	Cumulative translation reserve	Deficit	Total
	Shares #	Convertible units #	Amount \$				
Balance – December 31, 2014	-	-	206,485	16,286	-	(642,582)	(419,811)
Net loss for the period	-	-	-	-	-	(2,637,086)	(2,637,086)
Balance - September 30, 2015	-	-	206,485	16,286	-	(3,279,668)	(3,056,897)
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 7)	59,384,000	-	1,109,234	-	-	-	1,109,234
Share issuance costs (Note 7)	-	-	(77,377)	-	-	-	(77,377)
Shares issued for debt	67,815,673	-	1,320,880	-	-	-	1,320,880
Shares consolidated 5:1	(168,018,163)	(46,031,562)	-	-	-	-	-
Foreign exchange loss on translation					9,890		9,890
Net loss for the period	-	-	-	-	-	(1,910,106)	(1,910,106)
Balance – September 30, 2016	42,004,551	11,507,891	7,566,958	1,867,032	(262,643)	(8,915,707)	255,640

See accompanying notes to interim consolidated financial statements.

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

For the nine months ended September 30,	2016	2015
Cash provided by (used in):		
Operations		
Net loss for the period	\$ (1,910,106)	\$ (2,637,086)
Items not involving cash:		
Amortization	30,176	9,351
Changes in operating assets and liabilities:		
Amounts receivable	83,052	-
Prepaid expense	(136,368)	(26,410)
Accounts payable and accrued liabilities	523,282	524,015
Customer liabilities	513,066	699,644
Net cash used in operations	(896,898)	(1,430,486)
Financing		
Proceeds from issuance of common shares, net of cash issue costs	1,031,857	-
Secured convertible promissory note	-	302,500
Loans	257,938	1,084,016
Net cash provided by financing activities	1,289,795	1,386,516
Increase (decrease) in cash	392,897	(43,970)
Effect of foreign exchange on cash	9,890	-
Cash – beginning of period	42,169	57,695
Cash – end of period	\$ 444,956	\$ 13,725

See accompanying notes to interim consolidated financial statements.

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP.)

Notes to the Interim Consolidated Financial Statements, page 1
Nine months ended September 30, 2016 and 2015

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 September 30, 2016, the Corporation had negative working capital of \$2,226,783, an accumulated deficit of \$8,915,707, and a net comprehensive loss of \$1,900,216 for the nine 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 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 United States Dollars unless otherwise stated.

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 September 30, 2016.

2. Basis of preparation and going concern (continued):

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP)

Notes to the Interim Consolidated Financial Statements, page 2
Nine months ended September 30, 2016 and 2015

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 financial statements are presented in United States dollars (“US dollars”), which is the Corporation’s presentation currency. Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the Corporation operates (the “functional currency”). The functional currency of the Company is 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.:

FANTASY ACES DAILY FANTASY SPORTS CORP.
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Notes to the Interim Consolidated Financial Statements, page 3
Nine months ended September 30, 2016 and 2015

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:

Purchase price:	
57,539,453 common shares valued at \$0.07642 per common share	\$ 4,397,165
Loan to related party	(720,000)
	\$ 3,677,165
Allocation of purchase price:	
Cash	\$ 3,189
Restricted cash	8,788
Prepaid	242,944
Accounts receivable	5,577
Current liabilities	(1,413,379)
Net assets acquired	(1,152,881)
Goodwill acquired	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:

FANTASY ACES DAILY FANTASY SPORTS CORP.
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 Nine months ended September 30, 2016 and 2015

	Equipment	Intangible	Total
	\$	assets	\$
	\$	\$	\$
<u>Cost</u>			
Balance, December 31, 2015	2,711	382,161	384,872
Additions	-	-	-
Balance, september 30, 2016	2,711	382,161	384,872
<u>Accumulated Depreciation</u>			
<u>and Impairment</u>			
Balance, December 31, 2015	(376)	(35,731)	(36,107)
Amortization	(679)	(32,178)	(32,857)
Balance, September 30, 2016	(1,055)	(67,909)	(69,964)
<u>Carrying Amounts</u>			
Balance, December 31, 2015	2,335	346,430	348,765
Balance, September 30, 2016	1,656	314,252	315,908

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 4) 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.

During the period the Lender extended the deadline to repay the balance of the loan and accrued interest to December 1, 2016.

7. Share capital:

a) Authorized:

FANTASY ACES DAILY FANTASY SPORTS CORP.
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Notes to the Interim Consolidated Financial Statements, page 5
Nine months ended September 30, 2016 and 2015

Unlimited number of common voting shares and preferred shares.

b) Issued:

During nine months ended September 30, 2016

In March 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 CAD\$0.025 per Common Share. The total gross proceeds of the Share Offering equals CAD\$1,484,600.

In May 2016 the Corporation settled indebtedness of CAD\$1,695,392 through the issuance of 67,815,673 common shares at a deemed price of CAD\$0.025 per Common Share.

In June 2016 the Corporation consolidated its common shares on the basis of one new post-consolidation common share for every five pre-consolidated common shares.

During the years ended December 31, 2015

Following the acquisition of DraftTeam (note 4) the Corporation issued 42,529,161 pre consolidated shares to its former shareholders and reserved 57,539,453 pre consolidated shares to be issued for Convertible DraftTeam LP Units which are convertible at any time following the completion of the acquisition at the option of the holder into in aggregate of 57,539,453 pre consolidated shares of the Corporation.

During the year ended December 31, 2015 the Corporation completed a private placement for aggregate gross proceeds of \$2,925,358, through the issuance of subscription receipts (the "Subscription Receipts"). The Corporation issued an aggregate of 38,280,000 pre consolidated subscription receipts at a price of \$0.076 per subscription receipt. Each subscription receipt issued pursuant to the private placement entitled the holder to receive, without payment of additional consideration, one common share and one warrant of the Corporation upon completion of the business combination with Fantasy Aces, LLC (note 4) and satisfaction of the conditions for conversion. Each warrant will entitle the holder thereof to acquire one common share of the Resulting Issuer for a period of two years at an exercise price of CAD\$0.15 per pre consolidated share.

In connection with the private placement, the Corporation issued 1,836,800 pre consolidated compensation options to the agents and 251,300 pre consolidated compensation options to certain finders, with each option entitling the holder thereof to acquire one pre consolidated common share of the resulting issuer at a pre consolidated price of \$0.10 per pre consolidated share for a period of 18 month from the closing date of the business combination. In addition the Corporation issued 2,013,880 pre consolidated shares to finders.

During the period the subscription receipts were converted and holders were issued one common share and one warrant of the Corporation, without payment of additional consideration, for each subscription receipt held and the net proceeds of the private placement were released from escrow to the Corporation.

7. Share capital (continued):

b) Issued (continued):

FANTASY ACES DAILY FANTASY SPORTS CORP.
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 Nine months ended September 30, 2016 and 2015

In accounting for unit offerings, the Company uses the residual method, in which the shares of the unit private placement are valued first, based on the market value of the shares, and any residual is applied to the warrants. All of the proceeds of the above private placement were allocated to the shares and none of the proceeds to warrants.

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 on a post consolidated basis is 4,200,455 (December 31, 2015 – 850,583).

The details of this plan on a post consolidated basis are as follows:

	<u>September 30, 2016</u>		<u>December 31, 2015</u>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	432,600	\$0.95	392,000	\$1.65
Granted to DFS shareholders	-	-	151,678	1.30
Granted	-	-	430,000	0.75
Cancelled	-	-	(522,078)	2.75
Expired	-	-	(19,000)	7.50
Options outstanding, end of period	432,600	\$0.95	432,600	\$0.95
Exercisable, end of period	432,600	\$0.95	432,600	\$0.95

7. Share capital (continued):

c) Stock options (continued):

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP)

Notes to the Interim Consolidated Financial Statements, page 7
 Nine months ended September 30, 2016 and 2015

The following table summarizes information about stock options outstanding and exercisable at September 30, 2016 on a post consolidated basis:

Exercise Prices	Number	Weighted Average Remaining Life	Weighted Average Exercise Price
\$1.60	7,000	0.95 years	\$0.75
\$1.25	120,000	1.47 years	\$1.25
\$1.05	5,600	2.10 years	\$0.50
\$1.00	70,000	0.53 years	\$1.00
\$0.75	230,000	3.25 years	\$0.75
	432,600	2.29 years	\$0.93

In connection with the private placement closed during the year ended December 31, 2015(note 7(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 on a pre consolidated basis 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 on a post consolidated basis:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Balance, December 31, 2014	-	-
Issued with units in private placement	7,656,000	\$ 0.75
Issued to finders	417,620	\$ 0.50
Balance, December 31, 2015 and September 30, 2016	8,073,620	\$ 0.75

During the period ended December 31, 2015 the Corporation granted 38,280,000 pre consolidated warrants to the holders of the subscription receipts and 2,088,100 pre consolidated warrants to finders in a private placement (note 7(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

FANTASY ACES DAILY FANTASY SPORTS CORP.
(Formerly DRAFTTEAM DAILY FANTASY SPORTS CORP)

Notes to the Interim Consolidated Financial Statements, page 8
 Nine months ended September 30, 2016 and 2015

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 CAD\$50,000. During 2015, that individual provided additional advances to the Corporation of CAD\$221,379 for a total amount owing of CAD\$271,379 as at December 31, 2015. The loan is non-interest bearing and is due on demand. In May 2016 the debt was settled by issuing 2,160,000 post consolidated shares at a deemed price of CAD\$0.125 per post consolidated common share.

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. In May 2016 the debt was settled by issuing 4,197,146 post consolidated shares at a deemed price of CAD\$0.125 per post consolidated common share.

Key management compensation:

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

For the nine months ended September 30, 2016 the Corporation incurred consulting and director fees of \$419,000 (2015 – \$62,761) 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. In May 2016 the debt was settled by issuing 3,352,000 post consolidated shares at a deemed price of CAD\$0.125 per post consolidated common share.

9. Financial instruments:

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

September 30, 2016				
Asset (liability)	Fair value through profit or loss	Loans and receivables at amortized cost	Other financial liabilities	Total
Cash	\$444,956	\$ –	\$ –	\$444,956
Amounts receivable	–	22,835	–	22,835
Accounts payable and accrued liabilities	–	–	(796,481)	(796,481)
Customer liability	–	–	(1,456,016)	(1,456,016)
Secured convertible promissory note	–	–	(328,735)	(328,735)
Due to related parties	–	–	(264,938)	(264,938)
	\$444,956	\$22,835	\$(2,846,170)	\$(2,378,379)

9. Financial instruments (continued):

FANTASY ACES DAILY FANTASY SPORTS CORP.
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Notes to the Interim Consolidated Financial Statements, page 9
 Nine months ended September 30, 2016 and 2015

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.

Financial risk factors

a) Credit risk:

The Corporation is subject to credit risk in its cash, trade and other receivables. At September 30, 2016, the Corporation's amounts receivable is comprised of \$22,835 (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 September 30, 2016:

Financial Liabilities	< One Year	> One Year
Accounts payable and accrued liabilities	\$796,481	\$ —
Customer liability	1,456,016	-
Secured convertible promissory note	328,735	-
Due to related parties	264,937	-
Total	\$2,846,170	\$ —

9. Financial instruments (continued):

b) Liquidity risk (continued):

FANTASY ACES DAILY FANTASY SPORTS CORP.
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Notes to the Interim Consolidated Financial Statements, page 10
Nine months ended September 30, 2016 and 2015

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.

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 September 30, 2016, the unearned customer bonuses were \$1,033,646 (December 31, 2015 - \$342,631). 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:

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Notes to the Interim Consolidated Financial Statements, page 11

Nine months ended September 30, 2016 and 2015

Nine months ended September 30,	2016	2015
Numerator:		
Net loss:	\$ (1,910,106)	\$ (2,637,086)
Denominator:		
Weighted average number of common shares outstanding	40,687,080	-
Weighted average effect of convertible units	-	-
Weighted average number of common shares basic and diluted		
Net loss per share basic and diluted	\$ (0.05)	-

As the company reported a net loss for the nine months ended September 30, 2016 and 2015, the effect of the conversion or exercise of stock options and broker warrants was anti-dilutive and excluded from the calculation.