Consolidated Financial Statements of

FANLOGIC INTERACTIVE INC. (FORMERLY SPRIZA MEDIA INC.)

For the years ended December 31, 2017 and 2016

Independent Auditors' Report

To the Shareholders of Fanlogic Interactive Inc. (formerly Spriza Media Inc.)

We have audited the accompanying consolidated financial statements of Fanlogic Interactive Inc. (formerly Spriza Media Inc.), which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fanlogic Interactive Inc. (formerly Spriza Media Inc.) as at December 31, 2017 and 2016 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates the existence of a material uncertainty which may cast significant doubt about the ability of Fanlogic Interactive Inc. (formerly Spriza Media Inc.) to continue as a going concern.

MNP LLP

Calgary, Alberta
April 30, 2018

Chartered Professional Accountants

MNP LLP

FANLOGIC INTERACTIVE INC. (FORMERLY SPRIZA MEDIA INC.)

Consolidated Statements of Financial Position
As at,

		December 31, 2017		December 31, 2016
Assets				
Current assets:				
Cash	**$**	**403,928**	$	-
Restricted cash (note 3(c))		**10,000**		10,000
Trade and other receivables (note 13(b))		**34,063**		2,598
Prepaid expenses		**51,007**		2,017
Total current assets		**498,998**		14,615
Property and equipment (note 5)		**27,201**		28,228
Intangible assets (note 6)		**296,289**		387,518
Deposits		**3,777**		5,402
Total assets	**$**	**826,265**	$	435,763
Liabilities and Shareholders' Equity				
Current liabilities				
Bank indebtedness	**$**	**-**	$	5,583
Trade and other payables (note 11)		**225,772**		159,174
Short term loan (note 11)		**189,903**		25,000
Due to shareholder		**10,204**		10,204
Total current liabilities		**425,879**		199,961
Shareholders' equity				
Share capital (note 9)		**9,455,723**		4,303,114
Contributed surplus		**1,018,901**		582,796
Accumulated other comprehensive income		**11,887**		-
Deficit		**(10,086,125)**		(4,650,108)
Total shareholders’ equity		**400,386**		235,802
Total liabilities and shareholders’ equity	**$**	**826,265**	$	435,763

Going concern (note 2)
Subsequent events (note 17)

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors on April 30, 2018:

Signed *“Randy Brownell”*

Signed *“Stephen Kaye”*

FANLOGIC INTERACTIVE INC. (FORMERLY SPRIZA MEDIA INC.)

Consolidated Statements of Loss and Comprehensive Loss

Year ended December 31,

		2017		2016
Revenue	**$**	**34,140**	$	277,976
Other income		**5,779**		-
		39,919		277,976
Expenses				
Branding and marketing	**$**	**148,023**	$	92,977
Depreciation (note 5 and 6)		**101,114**		101,981
General and administration		**1,473,214**		1,077,663
Finance costs (note 10)		**14,749**		9,622
Professional fees		**400,941**		104,960
Impairment (note 8)		**2,901,790**		-
Share-based payments (note 9(c))		**436,105**		568,941
		5,475,936		1,956,144
Loss from operations		**(5,436,017)**		(1,678,168)
Other expenses:				
Listing expense (note 7(a))	**$**	**-**	$	(1,070,660)
Loss		**(5,436,017)**		(2,748,828
Other comprehensive income				
Exchange differences on translating foreign operations		**11,887**		-
Loss and comprehensive loss	**$**	**(5,424,130)**	$	$ (2,748,828)
Loss from operations per share (note 12):				
Basic and diluted	**$**	**(0.11)**	$	(0.15)
Weighted average number of common shares outstanding		**49,911,467**		18,522,759

See accompanying notes to the consolidated financial statements.

FANLOGIC INTERACTIVE INC. (FORMERLY SPRIZA MEDIA INC.)

Consolidated Statements of Changes in Equity

December 31,

		2017		2016
Share capital				
Balance, beginning of year	**$**	**4,303,114**	$	–
Shares issued on reverse acquisition (note 7 and 9)		**-**		883,279
Transfer of invested equity to share capital (note 9)		**-**		2,408,389
Shares issued on acquisition (note 7(b) and 9)		**2,850,000**		-
Share issued pursuant to a private placement, net of share issue costs (note 9)		**2,302,609**		1,011,446
Balance, end of year		**9,455,723**		4,303,114
Contributed surplus				
Balance, beginning of year		**582,796**		-
Share-based payments (note 9(c))		**436,105**		568,941
Value of agent options issued pursuant to private placement (note 9(e))		**-**		13,855
Balance, end of year		**1,018,901**		582,796
Invested equity				
Balance, beginning of year		**-**		2,389,874
Change in invested equity		**-**		18,515
Transfer of invested equity to share capital		**-**		(2,408,389)
Balance, end of year		**-**		-
Accumulated other comprehensive income				
Balance, beginning of year		**-**		-
Exchange differences on translating foreign operations		**11,887**		-
Balance, end of year		**11,887**		-
Deficit				
Opening deficit		**(4,650,108)**		(1,901,280)
Loss from operations		**(5,436,017)**		(2,748,828)
Balance, end of year		**(10,086,125)**		(4,650,108)
Shareholders' equity	**$**	**400,386**	$	235,802

See accompanying notes to the consolidated financial statements.

FANLOGIC INTERACTIVE INC. (FORMERLY SPRIZA MEDIA INC.)

Consolidated Statements of Cash Flows

Year ended December 31,

		2017		2016
Cash provided by (used in):				
Operations:				
Net loss from operations	**$**	**(5,424,130)**	$	(2,748,828)
Items not affecting cash:				
Depreciation (note 5 and 6)		**101,114**		101,981
Share-based payments (note 9(c))		**436,105**		568,941
Listing expense (note 7(a))		**-**		1,070,660
Impairment (note 8)		**2,901,790**		-
Change in non-cash operating working capital:				
Trade and other receivables		**(31,465)**		1,713
Prepaid expenses		**(3,990)**		(2,017)
Trade and other payables		**149,994**		329,257
Cash used in operating activities:		**(1,870,582)**		(678,293)
Financing:				
Change in invested equity		**-**		18,515
Change in restricted cash		**-**		3,840
Advances from shareholder (note 14)		**-**		10,204
Advances from short term loan (note 11)		**274,903**		25,000
Proceeds from issuance of units, net of issuance costs (note 9(b))		**2,000,609**		605,301
Cash provided by financing activities:		**2,275,512**		662,860
Investing:				
Additions to property and equipment (note 5)		**(5,957)**		-
Cash acquired on acquisition (note 7(b))		**8,913**		-
Deposits recovered (paid)		**1,625**		(1,614)
Cash acquired on reverse acquisition (note 7(a))		**-**		748
Cash provided by (used in) investing activities:		**4,581**		(866)
Net change in cash		**409,511**		(16,299)
Cash and cash equivalents, beginning of year		**(5,583)**		10,716
Cash (bank indebtedness), end of year	**$**	**403,928**	$	(5,583)

See accompanying notes to consolidated financial statements.

1. General information:

Fanlogic Interactive Inc. (formerly Spriza Media Inc. (the "Corporation") was incorporated under the Company Act (British Columbia) on July 6, 2007. The Corporation's principal place of business is located at Suite 301, 1107 17th Avenue SW, Calgary, Alberta, T2T 0B5.

The Corporation changed its name from Spriza Media Inc. to Fanlogic Interactive Inc. on March 28, 2017. The Corporation had previously changed their name from Iron Tank Resources Corp. to Spriza Media Inc. on February 19, 2016.

On February 19, 2016, the Corporation acquired substantially all of the operating assets of Spriza, Inc. constituting a change of business from a mining issuer to a technology issuer.

In accordance with IFRS 3, Business Combinations, the substance of the transaction was a reverse takeover acquisition of a non- operating entity. The transaction does not constitute a business combination as Fanlogic Interactive Inc (formerly Spriza Media Inc.) did not meet the definition of a business under the standards. As a result, the transaction was accounted for as a capital transaction with the assets acquired from Spriza Inc. ("Spriza Assets") being identified as the accounting acquirer, therefore the consolidated financial statements are presented as a continuance of Spriza Assets (Note 7).

These consolidated financial statements present the financial position, results of operations, changes in equity and cash flows of the Spriza Asset's technology development operations as if it has always operated as a stand-alone entity prior to February 19, 2016. The financial results for the periods prior to February 19, 2016 represent the financial position, results of operations and cash flows of Spriza Asset's technology development operations on a carved-out basis.

As the financial information prior to February 19, 2016 represents a portion of the business of Spriza Inc. which was not organized as a stand-alone entity, the net assets of Fanlogic Interactive Inc. prior to February 19, 2016 have been reflected as invested equity. Management believes both the assumptions and the allocations underlying the financial information prior to February 19, 2016 are reasonable. However, as a result of the basis of presentation described above, the financial information prior to February 19, 2016 may not necessarily be indicative of the financial position and operating results that would have resulted had Fanlogic Interactive Inc. historically operated as a stand-alone entity.

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC), in effect on January 1, 2017.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in note 4.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets recorded on the date of transaction. These consolidated financial statements have been prepared on a going concern basis.

Items included in the consolidated financial statements of the Corporation and its wholly-owned subsidiaries are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars. The functional currency of the Corporation, and Fanlogic Holdings Ltd. is Canadian dollars and the functional currency of Fanlogic Inc. and Iron Tank Resources USA Inc. is US dollars.

2. Going Concern:

The Corporation has incurred losses since its inception and has negative cash flow from operations. These conditions indicate the existence of material uncertainty that may cast significant doubt over the Corporation's ability to continue as a going concern. The Corporation expects that it has sufficient liquidity and additional financing, if needed, will be available to meet its obligations for the next twelve months.

The Corporation will manage its activity levels, expenditures and commitments based on its current cash position. The consolidated financial statements have been prepared on the basis that the Corporation will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Corporation's ability to continue as a going concern is dependent on its ability to generate additional financial resources in order to meet its planned business objectives. Financial resources will come from the generation of revenues or in the form of debt and/or equity financing dependent upon the Corporation's requirements, but may not be available. These consolidated financial statements do not reflect adjustments in the amounts and classifications of assets and liabilities reported that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

3. Significant accounting policies:

These policies have been applied consistently for all years presented in these consolidated financial statements.

a.) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, Fanlogic Holdings Ltd., Fanlogic Inc. and Iron Tank Resources USA Inc.

Subsidiaries are entities controlled by the Corporation. The Corporation controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealized gains or losses with the subsidiaries are eliminated. The financial statements of the subsidiaries are prepared using consistent accounting policies with that of the Corporation.

b.) Cash

Cash comprises cash on hand, deposits held with banks, and bank overdrafts which are repayable upon demand. In the statement of financial position, bank indebtedness is presented as a current liability.

c.) Restricted cash

Restricted cash, is cash that is being held in a secured GIC for the Corporation's credit card and not available for general use by the organization.

d.) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds of disposal with the carrying amount of the property or equipment and the result is recognized in the consolidated statement of loss and comprehensive loss.

The costs of the day to day servicing or maintenance of the property and equipment are expensed when incurred.

Depreciation on property and equipment is calculated over the depreciable amount, which is the cost of an asset. Depreciation is recognized over a straight line basis, over the estimated useful life of the asset.

The estimated useful lives for the current comparative periods are as follows:

Computer equipment	5 years
Furniture	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each year, and adjusted if appropriate.

3. Significant accounting policies (continued):

e.) Intangible assets

Intangible assets consist primarily of the cost of trademarks and intellectual property. Costs incurred were to develop internet websites 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, to preparing the website for its intended use in accordance with IFRS.

Content developed for advertising or promoting and maintenance expenditures are recognized as an expense when incurred. The intangible assets are depreciated on a straight line basis over a period of 5 years. The carrying amounts of the Corporation's intangible 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 amount of an intangible asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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.

An impairment loss is recognized if the carrying amount of an intangible asset exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of loss and comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed in a subsequent period when there has been an increase in the recoverable amount of a previously impaired intangible asset. An impairment loss is reversed only to the extent that the intangible asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

g.) Foreign currency translations

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date of the transaction. The foreign currency gains or losses resulting from such transactions are recognized in the consolidated statement of loss and comprehensive loss.

The financial results of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency. Income and expenditures of foreign operations are translated at the average rate of the exchange for the year. All assets and liabilities are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognized as other comprehensive income.

h.) Taxes

The Corporation follows the liability method of accounting for 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 is recovered or the liability is settled. Deferred tax assets or liabilities are not recognized when they arise on 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.

3. Significant accounting policies (continued):

h.) Taxes (continued)

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.

Current tax is calculated based on net earnings or loss for the year, adjusted for items that are non-taxable or taxed in different years, using income tax rates that are enacted or substantively enacted at each reporting date.

Income taxes are recognized in equity or other comprehensive loss, consistent with the items to which they relate.

i.) Revenue

Revenue is generated from users utilizing the online platform developed by the Corporation to run contests for their companies. Revenue is recognized when the following criteria are met: (i) evidence of an arrangement exists, (ii) the service has been provided, (iii) customer fees are fixed or determinable, and (iv) collection is reasonably assured.

Revenue arrangements are evidenced by a fully executed Master Service Agreement and Statement of Work ("MSA and SOW"). Generally, MSA and SOW's specify the services and deadlines for each contest and an agreed upon price. A typical MSA and SOW would have a determined launch date for the contest, and this date is used by the Corporation as an indicator that 90% of the revenue has been earned. The remaining revenue is recognized over the term of the contest.

Amounts billed in excess of revenue recognized to date on a contract to contract basis are classified as deferred revenue.

j.) Share-based payments

The Corporation's Stock Option Plan (the "Option Plan") provides directors, officers, employees and consultants with the right to elect to receive common shares in exchange for options surrendered. The Corporation records share-based payments over the graded vesting period based on the fair value of options granted. Share-based payments are recorded in the consolidated statement of loss and comprehensive loss as share-based payment 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 payments, 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.

k.) Financial instruments

The Corporation classifies its financial instruments into one of the following categories: fair value through profit or loss; held-to- maturity investments; loans and receivables; available for sale financial assets; and financial liabilities measured at amortized cost. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent years 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 the consolidated statement of loss and comprehensive loss. All other categories of financial instruments are measured at amortized cost using the effective interest method except for available for sale financial assets that are measured at fair value through other comprehensive loss.

Cash, restricted cash and trade and other receivables are classified as loans and receivables. Bank indebtedness, due from shareholder, short term loan and trade and other payables are classified as other financial liabilities measured at amortized cost.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized immediately in the consolidated statement of loss and comprehensive loss. Transaction costs in respect of other financial instruments are included in the initial measurement of the financial instrument and amortized to the consolidated statement of loss and comprehensive loss using the effective interest method.

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 loss and 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 years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

m.) Per common share amounts

Basic per share amounts are calculated by dividing the net earnings or loss by the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of issued instruments which may have a dilutive effect on net earnings or loss. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the year.

n.) Goodwill:

Goodwill represents the excess of the purchase price over the fair value of net assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is reviewed for impairment at least annually. An impairment loss in respect of goodwill is not reversed in a subsequent period.

o.) Future accounting standards:

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2017 or later periods. The standards impacted that are applicable to the Corporation are as follows:

a) IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for impairment and hedge accounting. IFRS 9 is effective for reporting periods beginning on or after January 1, 2018. Based on the Corporation's assessment it does not believe the new accounting standard will have a material impact.

b) IFRS 15, "Revenue from Contracts with Customers" was issued in May 2014 to replace IAS 18 "Revenue" and IAS 11 "Construction Contracts", and several revenue related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. Based on the Corporation's assessment it does not believe the new accounting standard will have a material impact.

c) IFRS 16, "Leases" was issued in January 2016 to replace IAS 17 "Leases" and related interpretations. IFRS 16 eliminates the distinction between operating leases and financing leases for lessees. The new standard is effective January 1, 2019 with earlier adoption permitted providing that IFRS 15 has been adopted. The new standard is required to be applied retrospectively, with a policy alternative of restating comparative prior periods or recognizing the cumulative adjustment in opening retained earnings at the date of adoption. The Corporation is currently assessing the impact of this standard on its consolidated financial statements.

4. Critical accounting estimates and judgments:

The Corporation has made estimates and assumptions regarding certain assets, liabilities, revenues and expenses in the preparation of the consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Accounting estimates and judgements

a.) Revenue recognition

In the determination of the amount and timing of the revenue to be recognized, the Corporation relies on assumptions and estimates supporting its revenue recognition policy. Revenue from fixed fee arrangements are recognized using the percentage of completion method. Estimates of the percentage of completion for customer projects are based upon current actual and forecasted information and contractual terms.

b.) Share-based payments

The Corporation has made various assumptions in estimating the fair values of the common stock options granted including expected volatility, expected exercise behavior, expected risk free rate and future forfeiture rates.

c.) Deferred taxes

Tax interpretations, regulations and legislation are subject to change and as such income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

d.) Functional currency

The Corporations expenses, debt and equity financings are in Canadian dollars. Based on these indicators, management has accessed the functional currency to be Canadian dollars.

e.) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Corporation’s ability to continue as a going concern and the existence of conditions that cast doubt upon the going concern assumption.

f.) Business combination

Management uses judgement to assess whether an acquisition meets the definition of a business under IFRS.

5. Property and equipment:

Cost		Computers & Furniture
At December 31, 2015 and 2016	$	61,631
Additions		**5,957**
At December 31, 2017	**$**	**67,588**
Accumulated depreciation		
At December 31, 2015	$	26,455
Depreciation		6,948
At December 31, 2016		33,403
Depreciation		**6,984**
At December 31, 2017	**$**	**40,387**
Net book value		
At December 31, 2016	$	28,228
At December 31, 2017	**$**	**27,201**

6. Intangible assets:

Cost		Trademarks & Intellectual Property
At December 31, 2015 and 2016	$	728,344
Additions		**2,901**
At December 31, 2017	**$**	**731,245**
Accumulated depreciation		
At December 31, 2015		245,793
Depreciation		95,033
At December 31, 2016		340,826
Depreciation		**94,130**
At December 31, 2017	**$**	**434,956**
Net book value		
At December 31, 2016	$	387,518
At December 31, 2017	**$**	**296,289**

Management reviewed the intangible assets for indicators of impairment at December 31, 2017 and concluded that no indicators existed.

7. Acquisitions:

(a) Reverse take-over:

On February 19, 2016, the Corporation completed an arm's length acquisition of substantially all of the assets of Spriza, Inc. ("Spriza Assets") in exchange for 11,000,000 (post-consolidation) common shares (the "Transaction"). These common shares were subsequently distributed to Spriza Inc.'s shareholders.

In accordance with IFRS 3, Business Combinations, the substance of the transaction is a reverse takeover ("RTO") acquisition of a non-operating entity. The transaction does not constitute a business combination as Spriza Media Inc. does not meet the definition of a business under the standards. As a result, the transaction is accounted for as an equity settled share-based payment, under IFRS 2 – *Share-based Payments*, with Spriza Assets being identified as the accounting acquirer. For accounting purposes, the Corporation is considered to be a continuation of Spriza Assets and the comparatives are those of Spriza Assets, carved out from Spriza Inc.

The fair value of the consideration paid, calculated as $883,279, is determined based on the percentage of ownership of the merged entity that was transferred to the shareholder of Spriza Inc. upon the completion of the Transaction. This value represents the fair value of the number of shares that the Corporation would have had to issue for the ratio of ownership interest in the combined entity to be the same as if the Transaction had taken legal form of Spriza Assets acquiring 100% of the shares of the Corporation. The fair value of the Transaction is based on the market price of the Corporation's shares on the date of the Transaction. The Corporations units were valued at $0.175 per unit (post-consolidation).

7. (a) Reverse take-over (continued):

The Corporation has made a determination of the fair value of the tangible assets and liabilities assumed in the Transaction, presented below:

Total consideration value:	$883,279
Consideration received:	
Cash	$748
Trade and other receivables	4,311
Trade and other payables	(192,440)
Net assets acquired	$(187,381)
Listing expense	$1,070,660

Concurrent with the closing of the acquisition, the Corporation completed a brokered and non-brokered private placement for an aggregate of 4,565,000 shares at a price of $0.25 per share for gross proceeds of $1,141,250. In connection with the offering, the Corporation paid a cash commission of 7% on certain subscribers totaling $30,678, and legal and other fees of $85,271 and granted 122,710 agent options with a value of $13,855. Each agent option is exercisable into one common share of the Corporation at an exercise price of $0.25 for a term of 18 months following the closing of the acquisition.

(b) Acquisition of Fanlogic, LLC.

On January 31, 2017, the Corporation entered into an amalgamation agreement with Fanlogic, LLC, a private arm's length social fantasy platform developer and provider and a newly incorporate subsidiary of Fanlogic Interactive Inc. ("Subco"), pursuant to which the members of Fanlogic LLC, will receive common stock of the Corporation in exchange for all of the ownership interest outstanding of Fanlogic LLC. Under the terms of the amalgamation agreement, Fanlogic, LLC and Subco amalgamated to exist and be governed by the laws of the State of Nevada. The Subco will continue as the surviving corporation as a wholly-owned subsidiary of the Corporation, under the name Fanlogic, Inc.

Effective March 16, 2017, the Corporation acquired Fanlogic, LLC and the members of Fanlogic, LLC surrendered their membership interests in Fanlogic, LLC and received 19 million common shares (post-consolidation) of the Corporation at a price of $0.15 per share, for a 46% interest in the Corporation. The Corporation accounted for the acquisition as a business combination using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed are recorded at their fair value.

The Corporation has made a preliminary determination of the fair value of tangible and intangible assets and liabilities assumed in the acquisition. The fair value of the intangible assets has been measured provisionally and if new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identified adjustments to the amounts then the accounting for the acquisition will be revised. The final allocation of the fair value of the net assets acquired and the aggregate consideration may be significantly different from the preliminary allocation presented below:

Cash	$	8,913
Intangibles		2,901
Goodwill		2,901,790
Accounts payable and accrued liabilities		(23,242)
Due to members		(40,362)
Consideration	$	2,850,000

The acquired business contributed revenue of $nil and operating loss of $262,903 for the period from March 16, 2017 to December 31, 2017. Had the business combination occurred on January 1, 2017, additional pro-forma revenues of $nil and operating loss of $3,353 would have been recognized over the year ended December 31, 2017.

8. Goodwill:

At December 31, 2015 and 2016	$	-
Additions from business combination (note 7)		**2,901,790**
Impairment		**(2,901,790)**
At December 31, 2017	$	-

As a result of impairment testing performed in the year ended December 31, 2017, the Company recognized an impairment of goodwill of $2,901,790 related to the Fanlogic Inc. CGU. The Company determined the recoverable amount of the CGU based on their estimated fair value less cost of disposal. Subsequent to the transaction date, the Company determined the value of the business acquired would be $nil to a market participant. Thus, goodwill was impaired to $nil as at December 31, 2017.

9. Share capital:

a.) Authorized:

Unlimited number of common voting shares and preferred shares.

b.) Issued:

	Number of Shares	Amount
Balance, January 1, 2016	–	–
Fanlogic Interactive Inc. shares outstanding prior to RTO (note 7)	5,047,308	–
Shares issued on completion of RTO (note 7(a))	11,000,000	883,279
Transfer of invested equity to share capital	–	2,408,389
Private placement, net issue costs	4,565,000	1,011,446
Balance, December 31, 2016	20,612,308	$4,303,114
Private placement, net issue costs (a)(c)(d)(e)(f)	**17,230,028**	**2,302,609**
Shares issued upon amalgamation (note 7(b))	**19,000,000**	**2,850,000**
Balance December 31, 2017	**56,842,336**	**9,455,723**

a) On January 6, 2017, the Corporation completed a private placement, issuing 1,480,000 units (“Units”) for aggregate proceeds of $222,000. Each Unit consisted of one common share of the Corporation and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Corporation for $0.50 per common share for a period of 24 months from issuance. The Corporation settled debt of $25,000 and consulting expenses of $12,000, through the issuance of 246,667 Units.

b) On February 22, 2017, the Corporation received approval to consolidate the common shares outstanding on a basis of one new share for five old shares. All competitive references to the number of shares and price per share as well as issued and outstanding warrants have been restated for the consolidation.

c) On March 16, 2017, the Corporation completed a private placement, issuing 4,233,334 units (“Units”) for aggregate proceeds of $635,000. Each Unit consisted of one common share of the Corporation and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Corporation for $0.50 per common share for a period of 24 months from issuance.

d) On April 25, 2017, the Corporation completed a private placement, issuing 2,473,334 units (“Units”) for aggregate proceeds of $371,000. Each Unit consisted of one common share of the Corporation and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Corporation for $0.50 per common share for a period of 24 months from issuance. Included is prepaid consulting expenditures of $90,000 settled through the issuance of 600,000 Units as part of this private placement, of which $45,000 is in prepaid expenses as at Dec 31, 2017.

9. Share capital (continued)

e) On August 4, 2017, the Corporation completed a private placement, issuing 2,226,693 units ("Units") at a price of $0.15 per unit for aggregate proceeds of $334,003. Each unit consisted of one common share of the Corporation and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Corporation for $0.25 per common share for a period of 6 months from the issuance and an additional 18 months at $0.50 per common share. The Corporation settled debt of $60,000 and consulting expenses of $45,000 through the issuance of 700,000 Units.

f) On November 7, 2017, the Corporation completed a private placement, issuing 5,000,000 common shares at a price of $0.05 per common share for aggregate proceeds of $250,000. The Corporation settled debt of $25,000 through the issuance of 500,000 common shares.

g) On December 4, 2017, the Corporation completed a private placement, issuing 1,816,667 units ("Units") at a price of $0.30 per unit for aggregate proceeds of $545,000. Each unit consisted of one common share of the Corporation and one half common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Corporation for $0.50 per common share for a period of 24 months from issuance. The Corporation settled consulting expenses of $20,000 through the issuance of 66,667 Units.

h) The Corporation incurred share issue costs of $54,394 which have been netted against the total proceeds from the completed private placements.

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. Options granted under the plan vest 1/3 on the grant date and 6 months, and 12 months from the date of the grant and expire five years after the grant date. The maximum number of common shares to be issued upon the exercise of options granted under the plan is 5,684,234. The details of this plan are as follows:

On February 22, 2017, the Corporation received approval to consolidate the common shares outstanding on a basis of one new share for five old shares. All competitive references to the number of options, exercise price and weighted average exercise price have been restated for the consolidation.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2017:

		As at December 31, 2017		As at December 31, 2016
	Number	**Weighted Average Exercise Price**	Number	Weighted Average Exercise Price
Balance, beginning of period	**1,480,000**	**$0.50**	-	-
Options transferred from RTO	-	-	180,000	$0.50
Granted	**4,050,000**	**$0.16**	1,650,000	$0.50
Cancelled	**(660,000)**	**$0.50**	(350,000)	$0.50
Options outstanding, end of period	**4,870,000**	**$0.22**	1,480,000	$0.50
Options exercisable, end of period	**2,170,000**	**$0.29**	1,013,333	$0.50

9. Share capital (continued):

Exercise Prices	Number of options exercisable	Weighted Average Remaining Life	Weighted Average Exercise Price
$0.50	820,000	3.21 years	$0.50
$0.15	1,250,000	4.61 years	$0.15
$0.30	100,000	1.87 years	$0.30
	2,170,000	**3.95 years**	**$0.29**

For the year ended December 31, 2017 the Corporation recorded share-based payments of $436,105. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

Risk-free interest rate	1.44% - 1.55%
Expected life of options	2 - 5 years
Expected volatility	162% - 187%
Forfeiture rate	0.00%
Weighted average fair value per option	$0.13 - $0.25

d.) Warrants:

			December 31, 2017
	Number of Warrants	Value	Weighted Average Exercise Price
Warrants outstanding, beginning of year	-	-	-
Warrants issued on private placement (note 9(b)(a))	1,480,000	$ 154,195	$0.50
Warrants issued on private placement (note 9(b)(c))	4,233,334	372,622	$0.50
Warrants issued on private placement (note 9(b)(d))	2,473,334	257,632	$0.50
Warrants issued on private placement (note 9(b)(e))	2,226,693	287,926	$0.25
Warrants issued on private placement (note 9(b)(g))	908,334	558,533	$0.50
Warrants outstanding, end of year	11,321,695	1,630,908	$0.45

For the year ended December 31, 2017 the Corporation recorded a fair value of $1,630,908 related to the issuance of warrants which has been included in the share capital balance. The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes option pricing model with assumptions for grants as follows:

Risk-free interest rate	0.70% - 1.55%
Expected life of options	2 years
Expected volatility	190%
Forfeiture rate	0.00%
Weighted average fair value per option	$0.09 - $0.61

9. Share capital (continued):

e.) Agent options:

	Number of Options	Weighted Average Exercise Price
Options outstanding, Dec 31, 2016	122,710	$0.25
Expired	(122,710)	$0.25
Options outstanding, December 31, 2017	-	-

10. Finance costs:

The following table reconciles the Corporation' finance costs:

Year ended December 31,	**2017**	2016
Interest expense	**2,450**	2,208
Bank charges	**9,330**	7,414
Dues and filing fees	**2,969**	-
	$14,749	**$9,622**

11. Short term loan:

a.) On August 10, 2016, the Corporation obtained a loan for $25,000, which was due on or before December 31, 2016. In the event the loan is not repaid by December 31, 2016, all outstanding amounts will bear interest at a rate of 2% per month, compounded monthly. The loan was repaid through the issuance of 166,667 units (Note 9(b)(a)) on January 6, 2017.

b.) On June 26, 2017, the Corporation obtained a loan for $30,000. The loan is non-interest bearing, unsecured, with no terms of repayment. The loan was repaid through the issuance of 200,000 common shares (Note 9(b)(e)) on August 4, 2017.

c.) On July 12, 2017, the Corporation obtained a loan for $30,000. The loan is non-interest bearing, unsecured, with no terms of repayment. The loan was repaid through the issuance of 200,000 common shares (Note 9(b)(e)) on August 4, 2017.

d.) On September 15, 2017, the Corporation obtained a loan for $6,000 and on September 27, 2017, the Corporation received an additional advance of $24,000. The loan is non-interest bearing, unsecured, with no terms of repayment. The loan was partially repaid, $25,000, through the issuance of 500,000 units (Note 9(b)(f)) on November 7, 2017. Subsequent to December 31, 2017, the remaining $5,000 which currently sits in trade and other payables, was repaid in cash on January 15, 2018.

e.) On November 10, 2017, the Corporation issued three notes payable for $62,725 each. The notes payable are interest bearing at 1.33% per month, unsecured, and all outstanding principle and accrued interest are due on May 10, 2018. As at December 31, 2017, the total principle and accrued interest owing is $63,301 each, for a total amount due of $189,903.

12. Earnings per share:

Basic loss per share is calculated based on the weighted average number of shares outstanding during the year. All agent options and stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive due to the loss position of the Corporation.

13. Financial risk management

a) Fair values:

The fair value of cash, restricted cash, trade and other receivables, trade and other payables, short term loan, due to shareholder and bank indebtedness approximates their carrying value due to their short term nature.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The Corporation does not have any balances subject to valuation.

b) Credit risk:

The Corporation is subject to credit risk in its cash and restricted cash. Cash and restricted cash is held with the Corporation's bank, determined to be a credit worthy institution. The maximum exposure to credit risk is the carrying value of cash, restricted cash and trade and other receivables.

At December 31, 2017, the Corporation's trade and other receivables of $34,063 (2016 - $2,598) consisted of $24,443 (2016 - $1,805) due from customers, and $9,620 (2016 - $793) of goods and service tax receivable.

The Corporation's receivables are normally collected within a 60-90 day period. The Corporation has not experienced any collection issues with its customers. The Corporation attempts to mitigate the risk from its receivables by obtaining an upfront deposit due at signing of the MSA and SOW. The Corporation does not typically obtain collateral from its customers.

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. The Corporation's financial liabilities consist of trade and other payables as at December 31, 2017, which have contractual maturities of less than one year. The Corporation will rely on operating cash flows and equity issuances to provide liquidity.

d) Market risk:

The Company generates expenses in US dollars and, therefore, fluctuations in the value of the Canadian dollar relative to the US dollar can affect the Company's net income (loss). The Company does not hedge its exposure to currency fluctuations. As the Company's US dollar-denominated operations continue to grow, exposure to changes in currency rates will increase.

14. Key management compensation and related party transactions:

Key management personnel are comprised of the Corporation's Directors and Officers.

During the year ended December 31, 2017, consulting fees in the amount of $309,288 (2016 - $305,456) were paid to directors and officers of the Corporation. Included in this amount is $45,000 relating to the fair value of shares issued in lieu of consulting fees, included in the April 25, 2017 private placement. There is $45,000 in prepaid consulting fees relating to the same officer in prepaids as at December 31, 2017 (note 9(b)(d)). As at December 31, 2017 $12,654 (2016 - $2,029) was payable to these directors and officers.

During the year ended December 31, 2017, the Corporation recorded share-based payments of $178,056 (2016 - $396,413) related to stock options granted to directors and officers of the Corporation.

During the year, an officer lent the Corporation funds of $10,204 (2016 - 10,204). The loan in non-interest bearing, unsecured, with no terms of repayment.

All related party transactions are in the normal course of business.

15. Capital disclosures:

As at December 31, 2017, in the definition of capital, the Corporation includes shareholders' equity of $400,386 (December 31, 2016 - $235,802). The Corporation`s objectives when managing capital is 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. For the year ended December 31, 2017, the Corporation did not have any externally imposed capital restrictions.

16. Tax

The income tax provision differs from income taxes, which would result from applying the expected tax rate to net loss before income taxes. The differences between the "expected" income tax expenses and the actual income tax provision are summarized as follows:

December 31,		**2017**		**2016**
Loss before income taxes	**$**	**(5,424,130)**	$	(2,748,828)
Expected income tax recovery at 27% (2016 – 27%)		**(1,464,515)**		(742,184)
Share-based payments		**117,748**		153,614
Non-deductible expenses		**1,875**		7,717
Impairment		**1,166,117**		-
Non-deductible listing expense		**-**		289,078
Rate difference between Canada and foreign operations		**(420,087)**		
Deferred tax assets not recognized		**598,862**		291,775
Total income taxes	**$**	**-**	$	–

The components of the Canadian net deferred tax liabilities are as follows:

December 31,	**2017**	**2016**
Property and equipment	**(2,130)**	(129)
Non-capital losses	**2,130**	129
Net deferred tax liabilities	**$ -**	$ -

The unrecognized deductible temporary differences are composed of:

December 31,	**2017**	**2016**
Non-capital losses available for future periods	**$ 3,100,045**	$ 1,063,668
Intangible assets	**118,857**	49,411
Share issue costs and other items	**123,354**	107,399
Net deferred tax assets	**$ 3,342,256**	$ 1,220,478

As at December 31, 2017 the Corporation has for tax purposes, non-capital losses and net operating losses available to carry forward to future years totaling $3,100,045 (2016 - $1,063,668) expiring starting in 2036.

17. Subsequent events:

a) On January 9, 2018, the Corporation announced the creation of a stand-alone subsidiary based out of the United Kingdom called Fanblock.i.o. The mission of Fanblock.io is to source, develop and adapt new blockchain technology as it relates to any composite part of the brand/celebrity advertising ecosystem specifically in the loyalty and social segment, which the Corporation currently operates within.

b) On January 19, 2018, the Corporation granted 250,000 options to acquire 250,000 common shares at $0.43 to a consultant of the company. The options will vest one third upon issuance, one third upon six month anniversary, one third upon twelve month anniversary, and be subject to all securities rules and regulations. The options will expire three years from the date of the grant.

c) On January 23, 2018, the Corporation granted 350,000 options to acquire 350,000 common shares at $0.47 to a consultant of the company. The options will vest one third upon issuance, one third upon six month anniversary, one third upon twelve month anniversary, and be subject to all securities rules and regulations. The options will expire three years from the date of the grant.

d) On March 16, 2018, the Corporation granted 300,000 options to acquire 300,000 common shares at $0.15 to a consultant of the company. The options will vest one third upon issuance, one third upon six month anniversary, one third upon twelve month anniversary, and be subject to all securities rules and regulations. The options will expire three years from the date of the grant.

e) On March 28, 2018, the Corporation completed a private placement, issuing 916,666 units (“Units”) for aggregate proceeds of $142,083. Each Unit consisted of one common share of the Corporation and one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Corporation for $0.235 per common share for a period of 24 months from issuance.