The picture can't be displayed.

Enthusiast Gaming Inc

Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended June 30, 2018
(In Canadian Dollars)

NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Enthusiast Gaming Inc. for the three and six-month period ended June 30, 2018 and 2017 have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 3). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company’s independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

Enthusiast Gaming Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	Note		June 30, 2018		December 31, 2017
			(Unaudited)		(Audited)
ASSETS					
Current					
Cash		**$**	**554,333**	$	1,362,215
Cash in trust			**547,741**		834,260
Accounts receivable	11		**2,260,870**		1,236,075
Prepaid expenses			**46,956**		49,710
Total current assets			**3,409,900**		3,482,260
Non-current					
Investment in associated company	5		**120,000**		-
Intangible assets	6		**230,275**		243,856
Goodwill	7		**1,157,664**		765,532
Total Assets		**$**	**4,917,839**	$	4,491,648
EQUITY AND LIABILITIES					
Current					
Accounts payable and accrued liabilities	11	**$**	**1,229,542**	$	1,469,291
Warrant liability	9		**1,528,420**		1,167,900
Total current liabilities			**2,757,962**		2,637,191
Non-current					
Loan payable			**44,820**		50,000
Total liabilities		**$**	**2,802,782**	$	2,687,191
Shareholders' Equity					
Share capital	8		**7,102,428**		3,654,069
Contributed surplus	8,9		**630,797**		2,130,681
Accumulated other comprehensive loss			**(215,052)**		(39,271)
Deficit			**(5,403,116)**		(3,941,022)
Total shareholders' equity			**2,115,057**		1,804,457
Total liabilities and shareholders' equity		**$**	**4,917,839**	$	4,491,648

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Basis of preparation and going concern *(Note 2)*

Subsequent events *(Note 15)*

Enthusiast Gaming Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	Note	For the three months ended June 30		For the six months ended June 30	
		2018	2017	**2018**	2017
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue		**$ 2,561,225**	298,739	**$ 4,569,513**	$ 359,437
Cost of Sales		**1,931,966**	435,795	**4,199,740**	608,684
Gross Margin		**629,259**	(137,056)	**369,773**	(249,247)
Expenses					
Technology support and web development		**63,983**	-	**214,548**	-
Financing fees		**1,908**	5,233	**5,231**	5,822
Advertising and promotion		**113,556**	4,739	**256,718**	6,149
Professional and consulting fees		**241,243**	53,203	**861,937**	80,474
Office and general		**86,827**	22,418	**334,134**	34,576
Salaries and wages		**164,639**	74,155	**333,694**	130,927
Amortization and depreciation		**13,072**	-	**34,966**	-
Stock based compensation	10	**70,689**	-	**140,602**	5,551
Change in fair value of warrant liability	9	**(239,035)**	-	**(349,963)**	-
Total expenses		**516,882**	159,748	**1,831,867**	263,499
Net profit (loss) for the period		**112,377**	(296,804)	**(1,462,094)**	(512,746)
Other comprehensive loss					
Foreign exchange translation loss		**(80,169)**	-	**(175,781)**	-
Net profit (loss) for the period		**$ 32,208**	(296,804)	**$ (1,637,875)**	(512,746)
Net profit (loss) per share - basic and diluted		**$ 0.00**	(0.02)	**$ (0.05)**	$ (0.02)
Weighted average shares outstanding		**33,517,486**	13,977,049	**31,405,547**	13,977,049

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Enthusiast Gaming Inc.
Condensed Consolidated Interim Statements in Shareholders' Equity (Deficiency)
(Unaudited)
(Expressed in Canadian Dollar)

	Number of Shares		Share Capital		Contributed Surplus		Accumulated other comprehensive loss		Deficit		Total Shareholders' Equity (Deficiency)
Balance December 31, 2016 (audited)	13,977,049	$	527,100.00	$	280,780	$	-	$	(1,547,188)	$	(739,308)
Stock based compensation			-		5,551		-		-		5,551
Net loss for the period			-		-		-		(512,746)		(512,746)
Balance June 30, 2017 (unaudited)	**13,977,049**	**$**	**527,100**	**$**	**286,331**	**$**	**-**	**$**	**(2,059,934)**	**$**	**(1,246,503)**
Private placements and share issuances	1,679,746		562,224		-		-		-		562,224
Share issue costs	-	-	42,267		-		-		-	-	42,267
Stock based compensation	-		-		235,084		-		-		235,084
Conversion of preferred shares to common shares	7,900,036		2,607,012		-		-		-		2,607,012
Other comprehensive loss	-		-		-	-	39,271		-	-	39,271
Shares to be issued	-		-		1,609,266		-		-		1,609,266
Net loss for the period	-		-		-		-	-	1,881,088	-	1,881,088
Balance December 31, 2017 (audited)	**23,556,831**	**$**	**3,654,069**	**$**	**2,130,681**	**$**	**(39,271)**	**$**	**(3,941,022)**	**$**	**1,804,457**
Shares issued in a private placement (Note 8(b)(i))	9,405,729		2,917,052		(1,555,691)		-		-		1,361,361
Share issued for the acquisition of assets in the prior year (Note 8(b)(ii)	300,000		53,575		(53,575)		-		-		-
Shares to be issued for the acquisition of two assets during the current period (Note 8(b)(iii)	-		-		26,321		-		-		26,321
Exercise of warrants (Note 8(b)(iv) & (v))	584,032		273,191		-		-		-		273,191
Exercise of options (Note 8(b)(vi))	1,130,769		204,541		(57,541)		-		-		147,000
Stock based compensation (Note 10(i)	-		-		140,602		-		-		140,602
Other comprehensive loss	-		-		-		(175,781)		-		(175,781)
Net loss for the period	-		-		-		-		(1,462,094)		(1,462,094)
Balance June 30, 2018 (unaudited)	**34,977,361**	**$**	**7,102,428**	**$**	**630,797**	**$**	**(215,052)**	**$**	**(5,403,116)**	**$**	**2,115,057**

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Enthusiast Gaming Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	For the six months ended June 30	
	2018	**2017**
	(unaudited)	(unaudited)
Cash flows from operations		
Net loss for the period	**$ (1,462,094)**	$ (512,746)
Items not affecting cash:		
Amortization	**34,966**	-
Stock based compensation	**140,602**	5,551
Revaluation loss on warrant liability	**(349,963)**	-
Changes in working capital		
Changes in accounts receivable	**(1,024,795)**	(17,095)
Changes in prepaid expenses	**2,754**	0
Changes in accounts payable and accrued liabilities	**239,749**	24,021
	(2,418,781)	(500,269)
Investing activities		
Net cash paid for business combinations and other strategic investments	**(1,143,023)**	(335,075)
Change in loan payable	**(5,180)**	(335,075)
	(1,148,203)	(335,075)
Financing activities		
Proceeds from the issuance of shares net of issuance costs	**2,123,924**	-
Proceeds from the issuance of preference shares	**-**	704,748
Proceeds from the exercise of warrants	**186,455**	-
Proceeds from the exercise of options	**147,000**	-
Proceeds received in respect of shares to be issued	**190,985**	-
	2,648,364	704,748
Foreign exchange effect on cash	**(175,781)**	-
Net change in cash	**(1,094,401)**	(130,596)
Cash, beginning of period	**2,196,475**	351,167
Cash, end of period	**$ 1,102,074**	$ 220,571

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

1. Nature of Operations

Enthusiast Gaming Inc. (the "Company" or "Enthusiast") was incorporated as a corporation in the Province of Ontario. The Company's owns and operates an online network of websites devoted to video gaming as well as Canada's largest video-gaming expo. Between its online digital media properties, its network of partner websites, and video-gaming expo, Enthusiast engages video gaming enthusiasts online worldwide.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 1, 2018.

Reverse Take Over

On September 21, 2018, the Company completed its previously disclosed transaction with Tova Ventures II Inc. (TSXV: TOVA.P) ("Tova") The Business Combination Agreement (as defined below) is structured as a three-cornered amalgamation (the "Transaction") under the Business Corporations Act (Ontario) (the "BCA"). As a result of the Transaction, Enthusiast became a wholly-owned subsidiary of Tova and changed its name to "Enthusiast Gaming Holdings Inc." (the "Resulting Issuer"). See note 15a.

2. Basis of Preparation

Statement of Compliance

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") using the accounting policies described herein as issued by International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The unaudited condensed consolidated interim financial statements are in compliance with IAS 34. Accordingly, certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2017.

This is the first set of the Company's consolidated financial statements where IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" have been applied. The changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2017 are described in note 4.

Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

2. Basis of Preparation (continued)

Foreign currencies

The functional currency of the Company is the United States dollar and the presentation currency is the Canadian dollar. The functional currency of the Company's two subsidiaries is the Canadian dollar

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that time. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses are recognized in profit or loss.

The consolidated accounts of the Company are presented in Canadian dollars. The financial statements of foreign entities for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive loss and in accumulated other comprehensive loss in shareholders' equity (deficiency).

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its directly owned subsidiaries, as follows:

Subsidiary	Ownership
Enthusiast Gaming Live Inc.	100%
Hexagon Games Corp.	100%

All inter–company balances, and transactions, have been eliminated upon consolidation.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary, should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cause significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $5,403,116 as at June 30, 2018 (December 31, 2017 – $ 3,941,022). The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

2. Basis of Preparation (continued)

Significant accounting judgments and estimates

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, the reported amounts of revenues and expenses and to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties, considered by management.

Determining the fair value of share-based payment transactions

The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price, assumptions regarding expected volatility, expected life of share option and expected dividend yield.

Fair value of derivative financial instruments

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policies in the consolidated financial statements. Fair value of the warrant liability has been measured using the Black-Scholes model, taking into account the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates, foreign exchange rates, and expected life could have a significant impact on the fair value attributed to the Company's financial derivatives.

Income Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Goodwill Impairment

The Company's impairment tests for goodwill and intangible assets are based on the greater of value in use calculations that use a discounted cash flow model over a five-year period and estimated fair value less cost to sell. The value-in-use calculations employ the following key assumptions: future cash flows, growth projections including economic risk assumptions and estimates of achieving key operating metrics. The cash flows are derived from the Company's budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit ("CGU") being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimated fair value less cost to sell is based on assessment of comparable company multiples and precedent transactions.

(Expressed in Canadian Dollars)

2. Basis of Preparation (Continued)

Significant accounting judgments and estimates (continued)

Business Combination

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

Amortization of intangible assets

Amortization of intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment and market comparable information.

3. Accounting Standards

Accounting standards implemented in 2018

The following accounting standards came into effect commencing in the Company's 2018 fiscal year:

(a) Financial Instruments

The Company has adopted IFRS 9 with a date of initial application of January 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets, amends the requirements related to hedge accounting, and introduces a forward-looking expected loss impairments model.

The standard contains three classifications categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and the adoption of IFRS 9 did not change the Company's accounting policies for financial liabilities. The classification changes for each class of the Company's financial assets and financial liabilities upon adoption at January 1, 2018 had no impact on the measurement of financial instruments, which are summarized in the following table:

Financial assets and liabilities	IAS 39	IFRS 9	IAS 39/IFRS 9 Carrying value	
Cash	Loans and receivables	Amortized cost	$	554,333
Cash in trust	Loans and receivables	Amortized cost	$	547,741
Accounts receivable	Loans and receivables	Amortized cost	$	2,260,870
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	$	1,229,542
Warrant liability	Other financial liabilities	Amortized cost	$	1,528,420
Loan payable	Other financial liabilities	Amortized cost	$	44,820

3. Accounting Standards (continued)

Accounting standards implemented in 2018 (continued)

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated (see note 4) and applied from January 1, 2018 and in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ending December 31, 2018. The Company has adopted IFRS 9 retrospectively, and the adoption of IFRS 9 did not result in any transition adjustments being recognized as at January 1, 2018.

(b) Revenue from contracts with customers

The Company has adopted IFRS 15 with a date of initial application of January 1, 2018. IFRS 15 includes a single, five-step revenue recognition model that requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services. The standard also requires more informative, relevant disclosures. IFRS 15 supersedes IAS 11 "Construction Contracts" and IAS 18 'Revenue", as well as various IFRIC and SIC interpretations regarding revenue.

The Company has applied IFRS 15 using the cumulative effect method (without practical expedients) and therefore the comparative information has not been restated. The adoption of IFRS 15 did not result in any transition adjustments being recognized as at January 1, 2018.

As a result of the adoption of IFRS 15, the Company's accounting policies have been updated. See note 4 for these changes in accounting policies, as well as the new disclosure requirements. The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ending December 31, 2018.

Standards Issued but Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for future. The International Accounting Standards Board has issued some new standards and amendments that will be effective in the coming years. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The impact on the Company is currently being assessed.

IFRS 16 Leases

IFRS 16 was issued by the IASB on January 13, 2016. The Company will be required to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on January 1, 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 16 will have on the Company's consolidated financial statements.

4. Accounting Policies

(a) Revenue

The Company has adopted IFRS 15 with an initial application date of January 1, 2018. The updated accounting policies, the impact on the 2018 unaudited condensed consolidated interim financial statements and additional disclosures are detailed as follows:

The Company determines revenue recognition through the following steps: a) identification of the contract with a customer; b) identification of the performance obligations in the contract; c) determination of the transaction price; d) allocation of the transaction price for the performance obligations in the contract and e) recognition of revenue when the Company satisfies a performance obligation.

Revenue is recognized when control of a product is transferred to a customer and the performance obligation is satisfied. Revenue is measured based on the consideration specified in a contract with a customer, net of returns and discounts, if applicable. For customer contracts where the Company expects to be paid within one year, the consideration is not adjusted for the effects of a financing component.

Contract liabilities are recorded when cash payments are received or due in advance of the Company's performance.

Impact on the 2018 unaudited condensed consolidated interim financial statements

IFRS 15 had no impact on the Company's unaudited condensed consolidated interim statement of loss and comprehensive loss for the six month period ended June 30, 2018.

(b) Financial instruments

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated as described below. There was no impact on the unaudited condensed consolidated interim financial statements as at and for the six month period ended June 30, 2018.

(i) Financial assets and liabilities

Financial assets are initially measured at fair value. On initial recognition, the Company classifies its financial assets at either amortized cost, fair value through other comprehensive income (loss) or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions: a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The adoption of IFRS 9 did not impact the Company's accounting policies for the financial liabilities.

(ii) Impairment of financial assets

For trade and other receivables, the Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all trade and other receivables. Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due under the contract and the cash flows that the Company expects to receive. The expected cash flows reflect all available information, including the Company's historical experience, the past due status, the existence of third-party insurance and forward-looking macroeconomic factors.

(Expressed in Canadian Dollars)

5. Investment in an Associated Company

On June 6, 2018, the Company purchased a 20% interest in 2643067 Ontario Ltd, an Ontario corporation trading as Canada Cup Gaming (Canada Cap) in consideration for $120,000, of which $40,000 was paid as of June 30, 2018 and $80,000 was recorded in accounts payable and accrued liabilities. The investment is accounted based on the equity method. Canada Cup has been hosting annual e-sports competitions since 2009 and in 2015 became the final Premier Event of the Capcom Pro Tour season.

In terms of the agreement signed between the Company and Canada Cup, the Company has an option to purchase the remaining 80% of Canada Cup within two years, subject to the fulfilment of certain milestones. The Company has also committed to invest up to $80,000 in services of the Company towards Canada Cups' 2018 fall tournament to be hosted at the Company's EGLX event in October 2018.

6. Intangibles Assets

	Website Content	Application & Technology Development	Destructoid Trademark	Daily Esports	Gamnesia	Gameumentary	Total
As at December 31, 2016	$ 35,180	$ 156,112	$ -				$ 191,292
Additions	-	-	-				-
Additions from business combination (Note 7)	-	-	148,534				148,534
As at December 31, 2017	**35,180**	**156,112**	**148,534**				**339,826**
Additions				10,000	9,713	579	20,292
As at June 30, 2018	**35,180**	**156,112**	**148,534**	**10,000**	**9,713**	**579**	**360,118**
Accumulated Amortization							
As at December 31, 2016	10,260	18,330	-	-	-	-	28,590
Amortization	17,589	31,225	18,566	-	-	-	67,380
As at December 31, 2017	**27,849**	**49,555**	**18,566**				**95,970**
Amortization	7,331	15,613	9,283	729	911	6	33,873
As at June 30, 2018	**35,180**	**65,168**	**27,849**	**729**	**911**	**6**	**129,843**
Net Book Value							
As at December 31, 2016	24,920	137,782	-	-	-	-	162,702
As at December 31, 2017	7,331	106,557	129,968	-	-	-	243,856
As at June 30, 2018	**$ -**	**$ 90,944**	**$ 120,685**	**$ 9,271**	**$ 8,802**	**$ 573**	**$ 230,275**

7. Business Combinations

During the six months ended June 30, 2018, the Company acquired all the assets of Pixelfame LLC ("Pixelfame"), Gamnesia Media ("Gamnesia"), www.dailyesports.tv ("Daily esports") and www.gameumentary.com ("Gameumentary") and related social media accounts.

The Pixelframe assets consist of a suite of video game content focused Facebook pages, Gamnesia is a leading online video game news, analyst, opinion, and overall entertainment venue for gamers and Dailyesports is an online content platform covering the latest news and opinions about the E-Sports industry. Gameumentary is a video games journalism outlet that produces video game documentaries.

The total consideration paid was $382,800 and 87,734 common shares of the Company which were valued at $26,321. The acquisitions were accounted for as a business combination under IFRS 3. Transaction costs incurred were expensed in the period.

The preliminary purchase price allocation for the above-mentioned acquisitions is shown below:

Cash Paid	$	382,200
Fair value of 87,734 common shares to be issued (see also note 15(c)(1)(A))		26,321
Total Purchase Price	**$**	**409,121**
Initial identification of intangible assets		20,292
Excess attributed to Goodwill		388,829
Total	**$**	**409,921**

The allocation of the consideration paid will be adjusted once a valuation of certain intangible assets has been finalized. Management expects to complete the assessment within the next fiscal year.

8. Share Capital

a. The Company is authorized to issue an unlimited number of common shares.

b. During the six-month ended June 30, 2018, the Company issued the following shares:

(i) The Company completed a non-brokered private placement with several closings of 9,405,729 units at a price of $0.47 per unit ("Unit") for gross proceeds of $4,377,620, including funds held in trust in December 2017. Each Unit is comprised of one common share and one common share purchase warrant ("Non-Brokered Private Placement Warrant"). The Non-Brokered Private Placement Warrants are exercisable for $0.58 per common share from the date of issue until such date as is 18 months following the completion of a going-public transaction. The Company incurred $49,992 of share issuance costs relating to this issuance, which has been capitalized as share issue costs.

The Non-Brokered Private Placement Warrantshave been valued using the Black & Scholes option pricing model, with the following assumptions:

Stock Price: $0.30

Exercise Price: $0.58

Risk-free rate: 1.77%

Dividend yield: Nil

Volatility factor: 105.4%

Expected life:2 years

Since the Non-Brokered Private Placement Warrants have an exercise price denominated in a different currency (Canadian Dollars) than the functional currency of the Enthusiast Gaming (US Dollars), these warrants are recorded at their fair value as a derivative liability.

(ii) The Company issued 300,000 shares in respect to the acquisition of the assets of Destructoid LLC, which was completed in June 2017.

(iii) As disclosed in note 7, the Company completed four business combinations during the six months ended June 30, 2018. The fair value ($26,321) of the shares to be issued as part of the consideration for those business combinations have been recorded as contributed surplus in the statement of changes in equity. See also note 15(c)(i)(a).

(iv) During the six months ended June 30, 2018, 394,996 warrants were exercised at $0.20 per warrant for a total consideration of $76,814, for which the Company issued 394,996 shares. The fair value of the warrants that had previously been accounted for as a liability amounted to $63,527.

(v) During the six months ended June 30, 2018, 189,036 warrants were exercised at $0.58 per warrant for a total consideration of $109,641, for which the Company issued 189,036 shares. The fair value of the warrants that had previously been accounted for as a liability amounted to $23,209.

(vi) During the six months ended June 30, 2018, 1,130,769 options were exercised at $0.13 per option for a total consideration of $147,000, for which the Company issued 1,130,769 shares. The fair value of the options amounted to $57,541.

(Expressed in Canadian Dollars)

9. Warrants

a. Common Share Warrants

Each warrant entitles the holder to purchase one common share of the Company. The following table reflects the continuity of warrants for the periods presented:

Warrant activity	June 30, 2018		Weighted average exercise price	December 31, 2017		Weighted average exercise price
Balance – Beginning of Period	**7,948,525**	$	0.504	942,182	$	0.197
Issued (note 8(b)(i))	9,405,729		0.580	2,317,611		0.475
Warrants to be issued	(4,688,732)		0.580	4,688,732		0.580
Expired	-		-	-		-
Exercised (note 8(b)(iv) and (v))	(584,032)		0.44	-		-
Balance – End of Period	**12,081,490**	**$**	**0.54**	7,948,525	$	0.50

The following table summarizes information about warrants outstanding as at June 30, 2018 and December 31, 2017:

Date of issuance	Date of expiry	Exercise price		June 30, 2018	December 31, 2017
August 31, 2016	August 31, 2018	$	0.197	192,694	587,690
December 28, 2016	December 28, 2018	$	0.197	354,492	354,492
February 14, 2017	February 14, 2019	$	0.197	65,834	65,834
March 22, 2017	March 22, 2019	$	0.197	18,231	18,231
April 10, 2017	April 10, 2019	$	0.197	290,426	290,426
June 12, 2017	June 12, 2019	$	0.197	101,282	101,282
June 13, 2017	June 13, 2019	$	0.197	101,283	101,283
June 30, 2017	June 30, 2019	$	0.197	60,769	60,769
November 30 - December 6, 2017	18 months from going public	$	0.580	1,679,786	1,679,786
January 1 - 31, 2018	18 months from going public	$	0.580	4,688,732	4,688,732
Janaury 31, 2018	18 months from going public	$	0.580	3,680,635	-
April 17, 2018	18 months from going public	$	0.580	420,106	-
May 7, 2018	18 months from going public	$	0.580	32,000	-
May 10, 2018	18 months from going public	$	0.580	203,838	-
May 11, 2018	18 months from going public	$	0.580	42,500	-
May 16, 2018	18 months from going public	$	0.580	42,500	-
May 22, 2018	18 months from going public	$	0.580	106,382	-
				12,081,490	7,948,525

The warrants have been classified as a liability, as the Canadian Dollar exercise price differs from the Company's US Dollar functional currency. The warrant liability as at June 30, 2018 was valued at $1,528,420 (December 31, 2017 - $1,167,900). The warrants fair value as at June 30, 2018 was determined using the Black & Scholes option pricing model and the following assumptions: share price – $0.33; exercise price – $0.197 - $0.58; expected life – 0.76 – 1.67 years; annualized volatility – 105%; dividend yield - 0%; risk free rate – 1.77%.

The warrants fair value as at December 31, 2017 was determined using the Black & Scholes option pricing model and the following assumptions: share price – $0.33; exercise price – $0.197 - $0.58; expected life – 1.01- 1.92 years; annualized volatility – 105.4%; dividend yield NIL; risk free rate – 1.68%.

(Expressed in Canadian Dollars)

9. Warrants (continued)

b. Liquidity Warrants

Each liquidity warrant entitles the holder to purchase one common share of the Company if the Company does not file a final prospectus in relation to an initial public offering of the common shares of the Company. The following table reflects the continuity of the liquidity warrants for the periods presented:

Warrant activity	June 30, 2018	Weighted average exercise price	December 31, 2017	Weighted average exercise price
Balance – Beginning of Year	**903,206**	$ 0.0001	443,115	$ 0.000
Issued		-	460,091	$ 0.0001
Expired	-	-	-	-
Exercised	-	-	-	-
Balance – End of Period	**903,206**	**$ 0.0001**	903,206	$ 0.0001

The following table summarizes information about liquidity warrants outstanding as at June 30, 2018 and December 31, 2017:

Date of issuance	Date of expiry	Exercise price	June 30, 2018	December 31, 2017
December 28, 2016	March 28, 2019	$ 0.0001	443,115	443,115
April 10, 2017	April 10, 2019	$ 0.0001	333,488	333,488
June 12, 2017	June 12, 2019	$ 0.0001	126,603	126,603
			903,206	903,206

The weighted average remaining life of the warrants outstanding as at June 30, 2018 is 0.78 years (December 31, 2017 - 1.28 years).

The warrants have been classified as a liability, as the Canadian Dollar exercise price differs from the Company's US Dollar functional currency. The warrant liability as at June 30, 2018 and 2017 was valued at a nominal amount, as the Company expects to have an initial public offering in 2018.

(Expressed in Canadian Dollars)

10. Stock Options

The Company maintains a stock option plan (the "Plan") for the directors, officers, consultants and employees of the Company. The maximum number of options issuable under the Plan shall be equal to ten percent (10%) of the outstanding shares of the Company less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement of the Company.

A summary of the status of the Plan as at June 30, 2018, and changes during the six-month ended June 30, 2018 is as follows:

			Average Exercise Price
Balance outstanding at December 31, 2016	2,577,692	$	0.13
Options granted:			
November 18, 2017 grant	2,090,780	$	0.197
Balance outstanding at December 31, 2017	**4,668,472**	**$**	**0.15**
Issued	-		
Expired	-		
Exercised (note 8(b)(vi))	(1,130,769)	**$**	**0.13**
Balance outstanding at June 30, 2018	**3,537,703**	**$**	**0.17**

The following table summarizes information about the options outstanding as at June 30, 2018 and December 31, 2017:

Options Outstanding			**Options Exercisable**			
Number Outstanding at June 30, 2018		**Exercise Price**	**Weighted Average Remaining Contractual Life (years)**	**Number Exercisable at March 31, 2018**		**Weighed Exercise Price**
1,446,923	$	0.130	2.65	1,446,923	$	0.13
2,090,780	$	0.197	4.65	696,927	$	0.197
3,537,703	**$**	**0.15**	**3.30**	**2,143,850**	**$**	**0.15**

(i) Share-based compensation expense is recognized over the vesting period of options. During the three and six months ended June 30, 2018, share-based compensation of $70,689 and $140,602, respectively (June 30, 2017 – nil and $5,551, respectively) was recognized based on options vested during period.

11. Related Party Transactions and Balances

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors, Chief Executive Officer and Chief Financial Officer. Compensation of key management personnel may include short-term and long-term benefits. Short-term benefits include salaries, bonuses and consulting fees. Long-term benefits include stock options vesting. Compensation provided to current and former key management for the three and six months ended June 30, 2018 and 2017, are as follows:

		Three months ended June 30, 2018		Three months ended June 30, 2017		**Six months ended June 30, 2018**		Six months ended June 30, 2017
Short-term benefits	$	**153,002**	$	29,661	$	**359,585**	$	84,245
Long-term benefits		**55,555**		3,917		**116,285**		7,791
	$	**208,557**	$	33,578	$	**475,870**	$	92,036

Additionally, for the six months ended June 30, 2018, $35,866 (2017 - $6,191) of technology consulting services were paid to a Company owned by a director.

As at June 30, 2018, $67,258 was due to related parties (December 31, 2017 - $45,961) and $154,500 was owing by related parties (December 31, 2017 – nil). The amounts due to related parties represent unpaid salaries, compensation and unpaid expenses. The amounts owing by related parties relate to short term loans. These amounts are non-interest bearing, unsecured and have no specified terms of repayment. These amounts are included in accounts receivable and in accounts payable and accrued liabilities in the condensed consolidated statements of financial position.

12. Financial and Capital Risk Management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of cash, cash in trust, accounts receivable, accounts payable and accrued liabilities and warrant liability approximates their fair value because of the relatively short-term nature of these instruments.

Foreign exchange risk

The Company’s functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company’s exposure to foreign currency risk is minimal.

Credit risk

The Company’s cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

(Expressed in Canadian Dollars)

12. Financial and Capital Risk Management (Continued)

Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

13. Commitments

The Company is committed under a lease agreement with respect to its office premises located in Toronto, Ontario, expiring December 31, 2020. The commitment for the years ended 2018 and 2019 is $36,225. The commitment for year ended 2020 is $38,640.

14. Segmented Information

IFRS 8 "Operating Segments" defines an operating segment as i) a component of an entity that engages in business activities from which it may earn revenues and incur expenses; ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance; and iii) for which discrete financial information is available.

The Company has one operating segment, which consists of providing digital media publishing services, digital advertising servicing, and live events.

The Company operates in three principal geographical areas, Canada, United States of America ("USA)" and International. Information about its non-current assets by locations are detailed below:

NON-CURRENT ASSETS

		June 30, 2018		December 31, 2017
USA	**$**	**1,284,422**	$	895,500
Canada		**223,517**		113,888
	$	**1,507,939**	$	1,009,388

The Company's revenue from external customers by location of operations is presented below:

		Three months ended June 30, 2018		Three months ended June 30, 2017		**Six months ended June 30, 2018**		Six months ended June 30, 2017
USA	**$**	**1,536,899**	$	217,008	**$**	**2,516,545.60**	$	251,606
Canada		**102,433**		18,361		**600,383**		21,566
International		**921,894**		63,370		**1,452,585**		86,265
	$	**2,561,225**	$	298,739	**$**	**4,569,513**	$	359,437

15. Subsequent Events

a. **Reverse Take Over**

On June 11, 2018, the Company and Tova Ventures II Inc. (TSXV: TOVA.P) ("Tova") entered into a definitive business combination agreement (the "Business Combination Agreement"). The Business Combination Agreement, as amended, is structured as a three-cornered amalgamation (the "Transaction") under the Business Corporations Act (Ontario) (the "BCA"). As a result of the Transaction, Enthusiast will become a wholly-owned subsidiary of Tova. Upon completion of the Transaction, it is intended that Tova will change its name to "Enthusiast Gaming Holdings Inc." (the "Resulting Issuer").

The Company and Tova completed the Transaction on September 21, 2018, as described below.

In connection with the transaction, the Company entered into a brokered financing engagement agreement (the "Engagement Agreement") with a syndicate of agents co-led by Haywood Securities Inc. and Canaccord Genuity Corp. (the "Co-Lead Agents") and including Interward Asset Management Ltd and PowerOne Capital Markets Limited (together with the "Co-Lead Agents", the "Agents") to raise, on a best efforts agency basis up to an aggregate of up to $8,500,000 of subscription receipts (each a "Subscription Receipt" and together, the "Subscription Receipts") at $1.25 per Subscription Receipt (the "Brokered Financing").

In addition to the Brokered Financing, the Company intends to complete a non-brokered private placement of Subscription Receipts on identical terms concurrently with the completion of the Brokered Financing ("Non-brokered Financing", together with the Brokered Offering, the "Concurrent Offering").

Enthusiast has granted to the Agents an option, exercisable in whole or in part by notice to Enthusiast at any time up to 48 hours prior to the Closing Date, to increase the size of the Brokered Financing by selling up to an additional 800,000 Subscription Receipts for additional gross proceeds to the Company of up to an additional $1,000,000.

15. Subsequent Events (continued)

a. **Reverse Take Over (continued)**

The Business Combination Agreement

The Business Combination Agreement provides for the combination of the businesses of Enthusiast and Tova by way of a three-cornered amalgamation under the BCA. As part of the Transaction, a special purpose amalgamation vehicle created by Tova and incorporated under the BCA will amalgamate with Enthusiast and Enthusiast will become a wholly-owned subsidiary of Tova. Concurrent with the amalgamation, Tova will change its name to "Enthusiast Gaming Holdings Inc.". Pursuant to the Transaction, the security holders of Enthusiast will receive common shares of Tova (the "Tova Shares") and convertible securities of Tova.

Immediately prior to the Transaction, Tova will file articles of amendment to complete a consolidation of its common shares on the basis of one (1) consolidated Tova Share for every 4.2 Tova Shares outstanding (the "Consolidation"). Tova is expected to approve the Consolidation at its annual and special meeting to be held on June 18, 2018. Upon completion of the Consolidation, one share of the Resulting Issuer (each a "Resulting Issuer Share" and together, the "Resulting Issuer Shares") will be issued for every one common share held by shareholders of Enthusiast who have not validly exercised their dissent rights.

Completion of the Transaction is conditional upon all necessary regulatory approvals, including the approval of the Exchange, and other conditions which are typical for a business combination transaction of this type. Approval of 66 2/3% of Enthusiast shareholders will be required to complete the Transaction. Tova shareholder approval will not be required to complete the Transaction.

Concurrent Offering

At the completion of the Transaction, the Company issued 6,799,300 Units at a price of $1.25 per Unit for gross proceeds of $8,499,125.

Each Unit consists of one common share and one-half of one common share purchase warrant (each full common share purchase warrant, ("Underlying Warrant"). Each Underlying Warrants entitles the holder thereof to acquire one share at a price of $1.60 for a period of 24 months following the completion of the qualifying transaction, subject to adjustment and acceleration.

The Agents received a cash commission equal to 5.0% of the aggregate gross proceeds realized by Enthusiast from the Brokered Financing, other than those proceeds received from certain purchasers agreed to between Enthusiast and the Agents (the "Agent's Fee"). Enthusiast will also issue to the Agents that number of compensation options (the "Compensation Options") equal to 5.0% of the aggregate number of Subscription Receipts sold pursuant to the Brokered Financing. Each Compensation Option will entitle the holder thereof to acquire one share at an exercise price of $1.25 for a period of 24 months following the closing of the qualifying transaction. In addition, the Company paid the Agents a corporate finance fee of $35,000 and issued an additional 30,000 compensation options (on the same terms as the Compensation Options).

(Expressed in Canadian Dollars)

15. Subsequent Events (continued)

b. **Business Combinations**

Subsequent to the balance sheet date, the Company completed the following business combinations:

On July 3, 2018, Enthusiast purchased assets related to "The Escapist" online gaming magazine brand ("The Escapist"). The Escapist is a well-known online video gaming content brand magazine with content across multiple platforms of interest to video gamers.

On July 6, 2018, Enthusiast purchased all the assets related to the IncGamers brand ("IncGamers"). including PC Invasion and Diablo Wiki. IncGamers is a leading online video game news, analyst, opinion, and overall entertainment venue for gamers.

The preliminary purchase price allocation for the abovementioned acquisitions is shown below:

Cash Paid	$	842,752
Fair value of common shares to be issued		38,689
Total Purchase Price	**$**	**881,441**
Initial identification of intangible assets		43,719
Excess attributed to Goodwill		837,722
Total	**$**	**881,441**

The allocation of the consideration paid will be adjusted once a valuation of certain intangible assets has been finalized. Management expects to complete the assessment within the next fiscal year.

c. **Changes in Share Capital**

(i) Shares issued in respect of certain business combinations

A. 87,734 shares were issued in respect of business combinations that were concluded during the six months ended June 30, 2018. The fair value of the shares was $26,321 and had been credited to Contributed Surplus.

B. 37,736 shares were issued in respect of a business combination that was concluded after June 30, 2018. The fair value of the shares was $38,689.

(ii) 187,622 warrants were exercised at $0.20 per warrant for a total consideration of $37524. The fair value of the warrants that had previously been accounted for as a liability amounted to $63,843.