

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States of America, its territories and possessions, any State of the United States or the District of Columbia (collectively, the “United States”) or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a “U.S. Person”) unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons in the United States or a U.S. Person, see “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of FansUnite Entertainment Inc. at 1080 – 789 West Pender Street, Vancouver, BC V6C 2X1 or at (604) 329-8669 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS



FANSUNITE

New Issue

June 22, 2021

FansUnite Entertainment Inc.

\$9,999,999.90
11,111,111 Units

Price: \$0.90 per Unit

This preliminary short form prospectus (the “**Prospectus**”) qualifies the distribution on a “commercially reasonable efforts” basis of up to 11,111,111 units (the “**Units**”) of FansUnite Entertainment Inc. (“**FansUnite**” or the “**Company**”) at a price of \$0.90 per Unit (the “**Offering Price**”) for aggregate gross proceeds of up to \$9,999,999.90 (the “**Offering**”). The Units will be sold pursuant to an agency agreement (the “**Agency Agreement**”) to be entered into between the Company, Stifel Nicolaus Canada Inc. (“**Stifel**”) and Gravititas Securities Inc. (“**GSI**” and together with Stifel, the “**Co-Lead Agents**”) and, if applicable, the other Agents (as defined herein). The Co-Lead Agents, at their sole discretion, may invite other investment dealers or exempt market dealers to form a syndicate of agents (collectively with the Co-Lead Agents, the “**Agents**”) in connection with the Offering. See “*Plan of Distribution*”.

Each Unit consists of one common share of the Company (a “**Common Share**”, and in respect of a Common Share underlying a Unit, a “**Unit Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one Common Share (a “**Warrant Share**”) at an exercise price of \$1.30 per Warrant Share for a period of 36 months from the Closing Date (as defined herein), subject to adjustment in certain customary events. The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on or prior to the Closing Date between the Company and Odyssey Trust Company (“**Odyssey**” or “**Warrant Agent**”), as warrant agent. The Unit Shares and Warrants comprising the Units will separate immediately upon closing of the Offering. The Offering Price was determined by negotiation between the Company and the Co-Lead Agents with reference to the prevailing market price of the Common Shares. See “*Description of Securities being Distributed – Warrants*”.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under the Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. An investment in the securities of the Company is speculative and involves a significant degree of risk. See “Risk Factors”.

The Company’s issued and outstanding Common Shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “FANS” and on the OTCQX under the symbol “FUNFF”. On June 21, 2021, the last full trading day before the date of this Prospectus, the closing price of the Common Shares on the CSE was \$1.12, and on the OTCQX was US\$0.9023.

	Price to the Public	Agents’ commission and fees ⁽¹⁾	Net Proceeds to the Company
Per Unit	\$0.90	\$0.063	\$0.837
Total Offering⁽²⁾	\$9,999,999.90	\$699,999.99	\$9,299,999.91⁽²⁾⁽³⁾

Notes:

- (1) In consideration for the services anticipated to be rendered by the Agents in connection with the Offering, the Company has agreed to pay the Agents an aggregate cash fee (the “**Commission**”) equal to 7.0% of the gross proceeds of the Offering. The Commission will be reduced to 3.5% in respect of certain president’s list purchasers designated by the Company (the “**President’s List Purchasers**”) in an aggregate amount of up to \$3,000,000. As additional compensation under the Agency Agreement, the Company also agreed to issue to the Agents that number of agent warrants (the “**Agent Warrants**”) representing 7.0% of the number of Units issued pursuant to the Offering, subject to a reduced number of Agent Warrants representing 3.5% of the Units sold by the Agents to President’s List Purchasers (in each case, including any Additional Units (as defined herein) issued upon the Agents’ exercise of the Over-Allotment Option (as defined herein)). Each Agent Warrant will entitle the holder thereof to acquire one unit of the company (an “**Agent Unit**”), which is comprised of one Common Share (an “**Agent Share**”) and one-half of one Common Share purchase warrant (each whole warrant, an “**Agent Unit Warrant**”), at an exercise price equal to the Offering Price for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. Each Agent Unit Warrant entitles the holder to purchase one Common Share (an “**Agent Unit Warrant Share**”) at an exercise price of \$1.30 for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. The Company also agreed to pay the Co-Lead Agents a corporate finance fee (the “**Corporate Finance Fee**”) in units of the Company (the “**CF Fee Units**”) representing 2.5% of the number of Units issued pursuant to the Offering, (including any Additional Units issued upon the Agents’ exercise of the Over-Allotment Option). Each CF Fee Unit is comprised of one Common Share (a “**CF Fee Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**CF Fee Warrant**”). Each CF Fee Warrant entitles the holder to purchase one Common Share (a “**CF Fee Warrant Share**”) at an exercise price of \$1.30 for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. This Prospectus also qualifies the issuance of the CF Fee Shares and CF Fee Warrants. See “*Plan of Distribution*”.
- (2) Assuming there are no President’s List Purchasers and after deducting the Commission, but before deducting the expenses of the Offering (estimated to be approximately \$250,000), which, together with the Commission, will be paid out of the gross proceeds of the Offering. See “*Plan of Distribution*”.
- (3) The Agents have been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Agents, at any time until the date that is 30 days following the Closing Date, to purchase from the Company up to that number of additional Units of the Company (the “**Additional Units**”) equal to 15.0% in Units from treasury or Units comprised of existing common shares held by insiders of the Company and warrants from treasury, at the Offering Price, to cover the Agents’ over-allocation position, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). Each Additional Unit consists of one Common Share (each, an “**Additional Unit Share**”) and one half of one Common Share purchase warrant (each, an “**Additional Warrant**”). Each Additional Warrant will entitle the holder thereof to purchase, subject to adjustment in certain circumstances, one Common Share (each, an “**Additional Warrant Share**”) at an exercise price of \$1.30 per Additional Warrant Share for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. If the Over-Allotment Option is exercised in full for the Additional Units, the total “Price to the Public”, “Agents’ Commission and Fees” and “Net Proceeds to the Company” will be \$ 11,499,999.30, \$804,999.95 and \$10,694,999.35, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, Additional Unit Shares and Additional Warrants issuable upon exercise of the Over-Allotment Option and the grant and issuance of additional CF Fee Units (“**Additional CF Fee Units**”). A purchaser who acquires securities forming part of the Agents’ over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

The Additional Units, together with the Units, are the “Units”. Unless the context otherwise requires, all references to the “Offering”, “Unit Shares”, “Warrants”, “Warrant Shares”, “Agent Warrants”, “Agent Units”, “Agent Shares”, “Agent Unit Warrants”, “Agent Unit Warrant Shares”, “CF Fee Units”, “CF Fee Shares”, “CF Fee Warrants” and “CF Fee Warrant Shares” in this Prospectus includes all securities issuable upon exercise of the Over-Allotment Option.

There is no minimum amount of funds that must be raised under this Offering. This means that the Company could complete this Offering after raising only a small proportion of the offering amount set out above.

Upon due issuance of the Unit Shares, Warrant Shares, Agent Shares, Agent Unit Warrant Shares, CF Fee Shares, and CF Fee Warrant Shares as fully-paid and non-assessable Common Shares they will be listed on the CSE. See “*Plan of Distribution*”.

The following table sets out the securities issuable to the Agents in connection with the Offering:

Agents' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option ⁽¹⁾	1,666,666 Additional Units / 1,666,666 Additional Unit Shares / 833,333 Additional Warrants	Exercisable at any time up to 30 days from the Closing Date	\$0.90 per Additional Unit
Agent Warrants	777,777 Agent Warrants (or 894,444 Agent Warrants if the Over-Allotment Option is exercised in full) ⁽²⁾	36 months from the Closing Date	\$0.90 per Agent Warrant
CF Fee Units	277,777 CF Fee Units (or 319,444 CF Fee Units if the Over-Allotment Option is exercised in full) ⁽³⁾	N/A	N/A

Notes:

- (1) This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units. See "*Plan of Distribution*".
- (2) Assuming that the maximum number of Units are sold pursuant to the Offering and there are no President's List Purchasers. Each Agent Warrant will entitle the holder thereof to acquire one Agent Unit, which is comprised of one Agent Share and one-half of one Agent Unit Warrant with each whole Agent Unit Warrant entitling the holder thereof to purchase one Agent Unit Warrant Share at an exercise price of \$1.30 for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. See "*Plan of Distribution*".
- (3) Assuming that the maximum number of Units are sold pursuant to the Offering and there are no President's List Purchasers. Each CF Fee Unit will be comprised of one CF Fee Share and one-half of one CF Fee Warrant with each whole CF Fee Warrant entitling the holder thereof to purchase one CF Fee Warrant Share at an exercise price of \$1.30 for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. See "*Plan of Distribution*".

The Agent Warrants, Agent Units, Agent Shares, Agent Unit Warrants and Agent Unit Warrant Shares are not qualified for distribution by this Prospectus and shall be subject to the applicable hold periods under Canadian securities laws until the expiry of such hold periods.

The Corporation has not authorized anyone to provide holders of Units with information different from that contained or incorporated by reference in this Prospectus. An investment in the securities of the Company is speculative and involves significant risks. You should carefully review and evaluate the risk factors contained in this Prospectus and in the documents incorporated by reference herein before purchasing the Units. See "*Forward-Looking Information*" and "*Risk Factors*". Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess the income tax, legal and other aspects of the Offering.

The Offering is being conducted on a "commercially reasonable efforts" agency basis without underwriter liability by the Agents who conditionally offer the Units for sale, if, as and when issued by the Company and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain Canadian legal matters relating to the Offering on behalf of the Company by DLA Piper (Canada) LLP and on behalf of the Agents by Minden Gross LLP. See "*Plan of Distribution*".

The Units will be offered to purchasers resident in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "**Qualifying Jurisdictions**") by the Agents. Units may also be sold in jurisdictions outside of Canada pursuant to applicable securities law exemptions therein. See "*Plan of Distribution*".

Subject to applicable laws and in connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur in or about July, 2021 or such later date as may be agreed upon by the Company and the Agents (the "**Closing Date**"), but in any event, on or before a date that is not later than 90 days after the date of the receipt for the final short form prospectus.

Subject to certain exceptions, it is expected that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form with CDS on the Closing Date. Subject to certain exceptions, a purchaser of Units will receive only a customer confirmation from the registered dealer through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Unit Shares and Warrants

comprising the Units on behalf of owners who have purchased them in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”.

An investment in the Units involves a high degree of risk, and should only be made by persons who can afford the total loss of their investment. Prospective purchasers should consider the risk factors described under “Risk Factors” in this Prospectus and in the Annual Information Form (as defined herein) which can be found under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com, before purchasing Units. Prospective investors are advised to consult their legal counsel and other professional advisors in order to assess income tax, legal and other aspects of the investment. See “*Risk Factors*” and “*Cautionary Statement Regarding Forward-Looking Information*”.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus. Neither the Company nor the Agents have authorized anyone to provide investors with different information. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

This Prospectus has been filed with the securities commissions or similar regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The distribution of this Prospectus and the offer or sale of the Units in certain jurisdictions is restricted by law. No action has been taken by the Company or the Agents to permit a public offering in any jurisdiction other than in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. Persons into whose possession this Prospectus may come are required by the Company and the Agents to inform themselves about and to observe such restrictions. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in any jurisdiction to any person to whom it would be unlawful to make such an offer.

Harish Narayanan, and Chris Grove, directors of FansUnite, reside outside of Canada, and have each appointed FansUnite Entertainment Inc. of 2900 – 550 Burrard Street, Vancouver, B.C., V6C 0A3 as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Units, Unit Shares, Warrants and the Warrant Shares.

Information contained on the Company’s website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective investors for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.

The Company’s registered office is located at 2900 – 550 Burrard Street, Vancouver, B.C., V6C 0A3. The head and principal office of the Company is located at 1080 – 789 West Pender Street, Vancouver, BC V6C 2X1.

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GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, the “Company”, “FansUnite”, “we”, “us” and “our” refers to FansUnite Entertainment Inc. (formed under the *Business Corporations Act* (British Columbia)), and its subsidiaries.

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Company and the Agents have not authorized anyone to provide investors with additional or different information. The Company and the Agents take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide prospective purchasers. Information contained on, or otherwise accessed through, the Company’s website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference, despite any references to such information in this Prospectus or the documents incorporated by reference herein, and prospective purchasers should not rely on such information when deciding whether or not to invest in the Units. Other than this Prospectus in electronic format, the information on the Agents’ website and any information contained in any other website maintained by the Agents or its affiliates is not part of this Prospectus, has not been approved and/or endorsed by the Company or the Agents and should not be relied upon by prospective purchasers.

The Company and the Agents are not making an offer to sell or seeking offers to buy the Units in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof. The Company’s business, financial condition, results of operations and prospects may have changed since that date. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with the Offering.

Certain information in this Prospectus or in documents incorporated by reference herein is obtained from third-party sources, including public sources, and there can be no assurance as to the accuracy or completeness of such information. Although believed to be reliable, management of the Company has not independently verified any of the data from third-party sources unless otherwise stated.

EXCHANGE RATE DATA

Except as otherwise indicated in this Prospectus, references to “Canadian dollars”, “\$”, or “C\$” are to the currency of Canada, references to “U.S. dollars” or “US\$” are to the currency of the United States, references to “GBP” or “£” are to the currency of the United Kingdom and references to “EUR” or “€” are to European Euros.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada (in the case of the rates for the year period ended December 31, 2020 and the year period ended December 31, 2019, based on the daily average rates as reported by the Bank of Canada as being in effect at approximately 4:30 p.m. (Eastern time) on each trading day).

Currency: USD	Year Ended December 31, 2020	Year ended December 31, 2019
High	1.4496	1.3600
Low	1.2718 CAD	1.2988
Average rate per period	1.3415	1.3269
Rate at End of Period	1.2732	1.2988

As of the date of filing of this Prospectus, the last available indicative rate of exchange posted by the Bank of Canada was on June 21, 2021. Such indicative rate of exchange for conversion of U.S. dollars into Canadian dollars was US\$1.00 equals C\$1.2377.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one Euro, expressed in Canadian dollars, published by the Bank of Canada (in the case of the rates for the year period

ended December 31, 2020 and the year period ended December 31, 2019, based on the daily average rates as reported by the Bank of Canada as being in effect at approximately 4:30 p.m. (Eastern time) on each trading day).

Currency: EUR	Year ended December 31, 2020	Year ended December 31, 2019
High	1.5851	1.5441
Low	1.4282	1.4438
Average rate per period	1.5298	1.4856
Rate at End of Period	1.5608	1.4583

As of the date of filing of this Prospectus, the last available indicative rate of exchange posted by the Bank of Canada was on June 21, 2021. Such indicative rate of exchange for conversion of Euros into Canadian dollars was €1.00 equals C\$1.4741.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one GBP, expressed in Canadian dollars, published by the Bank of Canada (in the case of the rates for the year period ended December 31, 2020 and the year period ended December 31, 2019, based on the daily average rates as reported by the Bank of Canada as being in effect at approximately 4:30 p.m. (Eastern time) on each trading day).

Currency: GBP	Year ended December 31, 2020	Year ended December 31, 2019
High	1.7835	1.7743
Low	1.6733	1.5955
Average rate per period	1.7199	1.6945
Rate at End of Period	1.7381	1.7174

As of the date of filing of this Prospectus, the last available indicative rate of exchange posted by the Bank of Canada was on June 21, 2021. Such indicative rate of exchange for conversion of GBP into Canadian dollars was £1.00 equals C\$1.7220.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain certain “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company’s control and many of which, regarding future business decisions, are subject to change. Such statements can be identified by the use of forward-looking terminology such as “expect”, “likely”, “may”, “will”, “should”, “intend”, or “anticipate”, “potential”, “proposed”, “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of documents incorporated by reference herein, as of the date of each such document. Forward-looking statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the use of the net proceeds of the Offering;
- the performance of the Company’s business and operations;
- the intention to grow the business, operations and potential activities of the Company
- capital expenditures;
- business trends;
- management’s outlook regarding future trends;
- general business and economic conditions;
- the impact of unionization activities and labour organization;
- new and emerging markets;
- changes to legal and regulatory environments in current and new markets;
- technological developments;

- competition and changes in the competitive landscape;
- projections of market prices and costs;
- expected revenues;
- prices and price volatility of the Company's products;
- the Company's business plans and strategies;
- ability to attain profitability;
- expectations regarding the ability to raise capital;
- the Company's goal of creating shareholder value;
- expectations and implications of changes in legislation and government policies;
- the impact of conditions imposed on certain high limit players;
- volatile gaming holds;
- the development of new products and services, including additional platforms;
- the Company's management and protection of intellectual property and other proprietary rights;
- ability to obtain ongoing services from third-party vendors upon which the Company is dependent;
- the plans, costs, and timing for future research and development of the Company's current and future technologies, including the costs and potential impact of complying with existing and proposed laws and regulations; and
- management expectations with respect to common share purchase warrant exercises.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Neither the Company nor the Agents can guarantee future results, levels of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond the control of the Company which could cause results to differ materially from those expressed in the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein. The risks and other factors include, but are not limited to:

- the impact of SARS-CoV-2 coronavirus ("**COVID-19**");
- general economic, market and business conditions in Canada and the United States, including reduced availability of debt and equity financing generally;
- the risks related to management having discretion concerning the use of the proceeds of the Offering;
- the risks related to the continued development of the Company requiring additional financing;
- the risks related to dilution;
- money laundering/fraudulent activity in online transactions;
- reputational challenge of dealing in the gaming industry;
- risks related to the COVID-19 pandemic on the Company;
- risks related to fluctuations in the currency markets (particularly the Canadian dollar, British pound, U.S. Dollar and Euro);
- risks related to highly regulated nature of the gaming industry;
- uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that development activities will result in profitable gaming operations; competition for, among other things, capital reserves and skilled personnel;
- third-party performance of obligations under contractual arrangements;
- risks related to governmental regulations and obtaining necessary licenses and permits;
- stock market volatility and market valuations and uncertainty in global financial markets;
- risks related to the business of the Company being subject to gaming laws and regulations which may increase costs of doing business and restrict the Company's operations;
- risks related to gaming operators and suppliers, and their respective regulatory risk;
- risks relating to technological change;
- user data issues;
- reliance on collaborative partners;
- management of growth;
- new business areas and geographic markets;

- operational and financial infrastructure;
- information technology defects;
- technological change;
- reliance on third-party owned communication networks;
- governmental regulation of the internet;
- compliance with the terms of operating agreements with lottery corporations;
- changes to gaming laws and regulations that may impact the operating agreements;
- unanticipated fines, sanctions and suspensions imposed on the Company by its regulators;
- protection of intellectual property;
- infringement of intellectual property;
- decreases in levels of leisure and consumer spending;
- changes in public opinion and acceptance of gambling;
- negative connotations linked to the gaming industry;
- competition from established competitors and new entrants in the gaming business; and
- risks related to officers and directors becoming associated with other gaming companies which may give rise to conflicts of interests.

These factors should not be considered exhaustive. See “*Risk Factors*”. Such forward-looking information has been made by the Company in light of information available at the time the statements were made and reflect the Company’s experience and its perception of historical trends, including expectations and assumptions concerning:

- the use of the net proceeds of the Offering;
- that the Company will be able to obtain and retain qualified staff and equipment in a timely and cost-efficient manner;
- that the Company will be able to execute its business strategies;
- the impact of increasing competition;
- conditions in general economic and financial markets, including the demand for products;
- that the Company will be able to access and implement all technology necessary to efficiently and effectively operate its business;
- the environment in which the Company will operate in the future, including the ability to obtain services and supplies in a timely manner to carry out the Company’s activities;
- current technology;
- cash flow;
- timing and amount of capital expenditures;
- effects of regulation by governmental agencies;
- future operating costs;
- interest and foreign exchange rates; and
- the Company’s ability to obtain financing on acceptable terms.

Readers are cautioned that the foregoing list of factors is not exhaustive and that additional information on these and other factors that could affect the Company’s operations or financial results is discussed in this Prospectus and certain of the other documents on file with Canadian securities regulatory authorities and incorporated by reference herein. Copies of these documents are available on SEDAR at www.sedar.com. The above summary of assumptions and risks related to forward-looking statements is included in this Prospectus and the documents incorporated by reference herein in order to provide readers with a more complete perspective on the future operations of the Company. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company is not under any duty to update or revise any of the forward-looking statements except as expressly required by applicable securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, are specifically incorporated by reference and form an integral part of this Prospectus:

- (a) the annual information form of the Company for the financial year ended December 31, 2020 and dated June 15, 2021 (“**Annual Information Form**”);
- (b) the information circular of the Company dated May 17, 2021 relating to the annual and special meeting of shareholders to be held on June 25, 2021;
- (c) the audited consolidated financial statements of the Company for the years ended December 31, 2020 and 2019, together with the notes thereto and auditor’s report thereon;
- (d) management’s discussion and analysis of the financial condition and results of operations of the Company for the year ended December 31, 2020;
- (e) the unaudited condensed consolidated financial statements of the Company for the three months ended March 31, 2021, together with the notes thereto (the “**Interim Financial Statements**”);
- (f) management’s discussion and analysis of the financial condition and results of operations of the Company for the three months ended March 31, 2021; and
- (g) the material change report of the Company dated January 18, 2021 relating to the closing of the private placement of transferable special warrants of the Company (“**Special Warrants**”) for aggregate gross proceeds of \$13,388,120 (“**Special Warrant Offering**”).

Any documents of the type referred to in paragraphs (a)-(j) above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), business acquisition reports, marketing materials, all annual and interim financial statements and management’s discussion and analysis relating thereto, or information circular or amendments thereto that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of FansUnite Entertainment Inc. at 789 West Pender Street, Suite 1080, Vancouver, British Columbia V6C 2X1, and are also available electronically at www.sedar.com.

MARKETING MATERIALS

Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Agents in connection with the Offering are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed after the date of this Prospectus and before the termination of the distribution of the Offering is deemed to be incorporated by reference into this Prospectus.

DESCRIPTION OF THE BUSINESS

The Company is a sports and entertainment company, focusing on technology related to regulated and lawful online sports betting and other related products. The Company runs sports betting brands and has developed a full-suite Gaming platform to provide its partners and players a versatile and vertically integrated platform with a portfolio of unique products focusing on esports, sports betting, and casino products. Additional information regarding the business of the Company or its operations can be found in the Company’s Annual Information Form and the materials incorporated by reference into this Prospectus. See “*Documents Incorporated by Reference*”.

CONSOLIDATED CAPITALIZATION

Since March 31, 2021, the date of the Interim Financial Statements, there have been no material changes in the Company’s share and loan capitalization on a consolidated basis, except: (i) issuance of 400,613 Common Shares in connection with the exercise of stock options of the Company (“**Stock Options**”) and Common Share purchase warrants of the Company (“**Existing Warrants**”); and (ii) grant of 600,000 Stock Options to certain employees and contractors of the Company on June 10, 2021. The following table sets out the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to such material changes and the Offering on the share and loan capital of the Company since March 31, 2021. The table should be read in conjunction with the interim financial statements of the Company which are incorporated by reference into this Prospectus as well as the other disclosure in this Prospectus, including “*Description of the Business*” and “*Prior Sales*”.

Capital	Outstanding as at March 31, 2021 prior to giving effect to the Offering	Outstanding as at March 31, 2021 after giving effect to the Offering ⁽¹⁾	Outstanding as at March 31, 2021 after giving effect to the Offering and the Over-Allotment Option ⁽²⁾
Common Shares	182,751,034	194,540,535 ⁽³⁾	196,248,869 ⁽⁴⁾
Warrants	Nil	5,555,555	6,388,888
Agent Warrants	Nil	777,777	894,444
CF Fee Warrants	Nil	138,888	159,722
Existing Warrants	17,169,796	16,982,483	16,982,483
Stock Options	7,935,837	8,322,537	8,322,537
Fully Diluted Common Shares	207,856,667	226,317,775	228,996,945

Notes:

- (1) Assuming that the maximum number of Units are sold pursuant to the Offering and there are no President’s List Purchasers.
- (2) Assuming that the Over-Allotment Option is exercised in full, the maximum number of Units are sold pursuant to the Offering and there are no President’s List Purchasers.
- (3) Includes: 11,111,111 Common Shares to be issued as Unit Shares; and 277,777 Common Shares to be issued as CF Fee Shares, and 400,613 Common Shares issued in connection with the exercise of Stock Options and Existing Warrants.
- (4) Includes: 12,777,777 Common Shares to be issued as Unit Shares; and 319,444 Common Shares to be issued as CF Fee Shares.

USE OF PROCEEDS

The estimated net proceeds to the Company from the Offering is expected to be approximately \$9,000,000 after deducting the payment of the Agents’ Commission and the estimated expenses of the Offering in the amount of \$1,000,000.

Principal Purposes

The Company currently anticipates using the net proceeds from the Offering as set forth in the following table:

Item	
Funds Available from offering	\$9,000,000.00
Principal Purposes	
<i>Askott Games</i>	\$2,000,000.00
<i>Chameleon — Software Supplier Compliance</i>	\$2,000,000.00
<i>Launch and Market new B2C Brand</i>	\$1,500,000.00
<i>Partnerships and Brand Awareness</i>	\$1,000,000.00
<i>Working Capital & Other General and Administrative Costs</i>	\$2,500,000.00
Total	\$9,000,000.00

The above noted allocation represents the Company’s intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Actual expenditures may differ from the estimates set forth above. There may be circumstances where for sound business reasons, the Company reallocates the use of proceeds. In addition, the current COVID-19 pandemic as well as future unforeseen events may impact the ability of the Company to use the available funds as intended or disclosed. Use of funds will be subject to the discretion of management. Until the Company uses the unallocated funds, the Company will hold them in cash and/or invest them in short-term, interest-bearing, investment-grade securities. For the three months ended March 31, 2021 and the year-ended December 31, 2020, the Company had negative cash flow from operations. No proceeds have been allocated to related parties. See “*Risk Factors – Use of Proceeds in the Offering*”, “*Risk Factors – Additional Financing*” and “*Risk Factors – Negative Cash Flow*” for further detail.

As at March 31, 2021, the Company had working capital of \$16,355,113. The company’s working capital as of May 31, 2021 was approximately \$14,800,000. Such changes can be attributed to the regular operations of FansUnite.

Business Objectives and Milestones

The primary business objectives that FansUnite expects to accomplish using the net proceeds from the Offering relate to Askott Games, Chameleon Software Supplier Compliance, the Launch and Marketing of a new B2C Brand, and new partnerships and brand awareness, further details of which are set out below. FansUnite recognizes that it is operating during the COVID-19 pandemic, which previously resulted in the halting of most major sporting events and may continue to do so in the future. FansUnite also recognizes that the duration and extent of any such interruptions is unknown. The success of the Company in meeting its objectives will depend on its ability to secure technological superiority in its offerings and maintain such superiority in the face of new offerings, which cannot be determined in advance, and the Company’s ability to mitigate those factors described in “*Risk Factors*” in this Prospectus, including risks related to the COVID-19 pandemic.

Askott Games

FansUnite’s business objective is to develop newer, more innovative games under the Askott Games brand. This will consist of releasing a further five games in 2022, including a signature game. This will cost approximately \$2,000,000. The significant events that must occur to accomplish this business object, the specific time period in which each event is expected to occur, and the cost related to each event, are as follows:

Significant Event	Time Period	Cost
Develop five games	January 2022 – December 2022	\$1,200,000
Get all five games into aggregators	December 2021 – December 2022	\$400,000
Get all five games certified and integrated	December 2021 – October 2022	\$400,000
	Total	\$2,000,000

Chameleon Software Compliance

FansUnite’s business objective is to get the Chameleon Software Platform certified for use as a supplier to other clients around the world. This will consist of certifications in the United Kingdom, and, initially, expand the Company’s footprint in the US market. This will cost approximately \$2,000,000. The significant events that must occur to

accomplish this business object, the specific time period in which each event is expected to occur, and the cost related to each event, are as follows:

Significant Event	Time Period	Cost
Obtain U.K Gaming Commission Certification	June 2021 – December 2021	\$500,000
Prepare Chameleon for entry into the U.S. market	September 2021 – March 2022	\$500,000
Further expand Company’s U.S. footprint	January 2022 – December 2022	\$1,000,000
	Total	\$2,000,000

Launch and market new B2C brand

FansUnite’s business objective is to launch and market a new B2C brand. This will consist of marketing and brand ambassadors, hiring staff to run the site, and development and compliance for local regulations. This will cost approximately \$1,500,000. The significant events that must occur to accomplish this business object, the specific time period in which each event is expected to occur, and the cost related to each event, are as follows:

Significant Event	Time Period	Cost
Marketing and brand ambassadors	September 2021 – September 2022	\$800,000
Hire staff to run the site	September 2021 – September 2022	\$400,000
Development and compliance for local regulations	September 2021 – September 2022	\$300,000
	Total	\$1,500,000

Partnerships and brand awareness

FansUnite’s business objective is to establish themselves as a global leader in the gaming industry. This will consist of signing and executing on new partnerships, and increasing the brand awareness of the Company through unique, innovative marketing and advertising campaigns. This will cost approximately \$1,000,000. The significant events that must occur to accomplish this business object, the specific time period in which each event is expected to occur, and the cost related to each event, are as follows:

Significant Event	Time Period	Cost
Sign and execute one partnership that will execute on live sporting or esports events	August 2021 – August 2022	\$400,000
Sign and execute one partnership that will expand and engage Company’s esports audience	September 2021 – September 2022	\$300,000
Launch marketing campaign with a professional sports team to increase brand awareness	September 2021 – September 2022	\$300,000
	Total	\$1,000,000

Negative Operating Cash Flow

For the three months ended March 31, 2021 and the year ended December 31, 2020, the Company had negative cash flow from operations. If the Company continues to have negative cash flow into the future, net proceeds may need to be allocated to fund this negative cash flow. See “*Caution Regarding Forward-Looking Statements*” and “*Risk Factors*”.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement to be entered into between the Company and the Agents, the Co-Lead Agents will agree, as co-lead agents and sole bookrunners, together with the Agents to conditionally offer for sale to the public on a “commercially reasonable efforts” basis, without underwriter liability, and the Company will agree to sell, subject to compliance with all necessary legal requirements and pursuant to the terms and conditions of the Agency Agreement, on the Closing Date, up to 11,111,111 Units at the Offering Price of \$0.90 per Unit, payable in cash to

the Company against delivery of the Units. While the Agents have agreed to use their commercially reasonable efforts to sell the Units, they are not obligated to purchase any Units. The obligations of the Agents under the Agency Agreement will be conditional and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, including any material adverse change in the business, affairs or financial condition of the Company. There is no minimum amount of funds that must be raised under this offering.

Each Unit will consist of one Unit Share and one-half of one Warrant. Each whole Warrant will entitle the holder to purchase, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$1.30 until 5:00 p.m. (Pacific Time) on the date that is 36 months from the Closing Date, after which time the Warrants will be void and of no value. This Prospectus qualifies the distribution of the Unit Shares and the Warrants included in the Units.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. The Warrant Indenture will contain provisions designed to protect holders of the Warrants against dilution upon the happening of certain events. See “*Description of Securities Being Distributed*”.

The Company has also granted the Agents the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Agents until the date that is 30 days following the Closing Date, to purchase up to 699,999 Additional Units representing 15.0% in Units from treasury or Units comprised of existing common shares held by insiders of the Company and warrants from treasury, to cover over-allotments, if any, and for market stabilization purposes. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, Additional Unit Shares and Additional Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Agents’ over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Agents’ obligations may be terminated at their discretion upon the occurrence of certain customary stated events to be set forth in the Agency Agreement. Nothing in the Agency Agreement obligates the Agents to purchase any of the securities under the Offering.

The Co-Lead Agents, at its sole discretion, may invite other investment dealers or exempt market dealers to form a syndicate of agents. Any fees payable to members of such selling group will be paid by the Agents out of the Commission and the Agent Units.

The Company will also agree to indemnify the Agents and any of their affiliates and the directors, officers, employees and shareholders of the Agents from certain liabilities and expenses in connection with the Offering.

The Units, the Unit Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Each Agent will agree that, except as permitted by the Agency Agreement and as expressly permitted by applicable U.S. federal and state securities laws, it will not offer or sell the Units at any time to, or for the account or benefit of, persons in the United States or U.S. Person as part of its distribution. The Agency Agreement will permit the Agents, by or through their U.S. registered broker-dealer affiliates, to offer and sell Units to, or for the account or benefit of, persons in the United States or U.S. Persons who are (i) “accredited investors”, as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act (“**U.S. Accredited Investors**”), or (ii) “qualified institutional buyers” within the meaning of Rule 144A under the U.S. Securities Act, who are also U.S. Accredited Investors (a “**Qualified Institutional Buyer**”), provided such offers and sales are made in transactions in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act and pursuant to similar exemptions under applicable state securities laws. Moreover, the Agency Agreement will provide that the Agents will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units to, or for the account or benefit of, persons in the United States or U.S. Persons. In addition, until 40 days after the commencement

of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part. Subject to certain exceptions, it is anticipated that the Unit Shares and Warrants comprising the Units will be registered in the name of CDS or its nominee, and will be deposited with CDS at the closing of the Offering on the Closing Date, which is expected to occur in or about April or such other date as the Agents and the Company may agree, but in any event not later than 90 days after the date of the receipt of the (final) Prospectus or such later date as may be permitted under securities legislation. A purchaser of Units pursuant to the Offering will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS participant. No definitive certificates will be issued unless specifically requested or required.

The Offering Price was negotiated among the Company and the Co-Lead Agents. Among the factors considered in determining the Offering Price were the following:

- the market price of the Common Shares;
- prevailing market conditions;
- the capital structure of the Company;
- estimates of the business potential and earnings prospects of the Company;
- availability of comparable investments;
- an overall assessment of management of the Company; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

In consideration for the services anticipated to be rendered by the Agents in connection with the Offering, the Company has agreed to pay the Agents a Commission equal to 7.0% of the gross proceeds of the Offering. The Commission will be reduced to 3.5% in respect of the President's List Purchasers. As additional compensation under the Agency Agreement, the Company also agreed to issue to the Agents that number of Agent Warrants representing 7.0% of the number of Units issued pursuant to the Offering, subject to a reduced number of Agent Warrants representing 3.5% of the Units sold by the Agents to President's List Purchasers (in each case, including any Additional Units issued upon the Agents' exercise of the Over-Allotment Option). Each Agent Warrant will entitle the holder thereof to acquire one Agent Unit, which is comprised of one Agent Share and one-half of one Agent Unit Warrant, at an exercise price equal to the Offering Price for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. Each Agent Unit Warrant will entitle the holder to purchase one Agent Unit Warrant Share at an exercise price of \$1.30 for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. The Company also agreed to pay the Co-Lead Agents a Corporate Finance Fee in CF Fee Units representing 2.5% of the number of Units issued pursuant to the Offering, (including any Additional Units issued upon the Agents' exercise of the Over-Allotment Option). Each CF Fee Unit is comprised of one CF Fee Share and one-half of one CF Fee Warrant. Each CF Fee Warrant entitles the holder to purchase one CF Fee Warrant Share at an exercise price of \$1.30 for a period of 36 months from the Closing Date, subject to adjustment in certain customary events. This Prospectus qualifies the distribution of the CF Fee Shares, CF Fee Warrants and the CF Fee Warrant Shares.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments made to the Agents in accordance with the terms of the Agency Agreement.

Pursuant to the Agency Agreement, for a period up to and expiring on January 10, 2022, the Co-Lead Agents will be granted the exclusive right and opportunity to act as lead agents and sole book runner for any offering of securities of the Company to be issued and sold in Canada by private placement or public offering.

Upon due issuance of the Unit Shares, Warrant Shares, Agent Shares, Agent Unit Warrant Shares, CF Fee Shares and CF Fee Warrant Shares as fully-paid and non-assessable Common Shares they will be listed on the CSE.

There is no market through which the Warrants may be sold, and purchasers may not be able to resell the Warrants acquired pursuant to the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “*Risk Factors*”.

Except in respect of certain purchasers of Units who settled directly with the Company and received physical Unit Share and Warrant certificates, the Offering was conducted through the non-certificated inventory system maintained by CDS and the Units issued pursuant to the Offering were registered and deposited with CDS on the Closing Date in electronic form. Except in respect of holders of Unit Shares and Warrants holding physical certificates or as otherwise agreed to by a holder of Warrants and the Company, the Warrant Shares to be issued upon the exercise of the Warrants will also be registered and deposited in the non-certificated inventory system of CDS and a purchaser of the Units will not receive a definitive certificate representing the Unit Shares, Warrants or Warrant Shares.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Units

Each Unit will be comprised of one Unit Share and one-half of one Warrant.

Common Shares

FansUnite is authorized to issue an unlimited number of Common Shares, of which 183,151,647 Common Shares are issued and outstanding as of the date hereof. See “*Consolidated Capitalization*”.

The holders of Common Shares are entitled to receive notice of any meeting of the shareholders of the Company and to attend and vote thereat, except those meetings at which only the holders shares of another class or of a particular series are entitled to vote. Each Common Share entitles its holder to one vote. The holders of Common Shares are entitled to receive on a pro-rata basis such dividends as the board of directors may declare out of funds legally available therefor. In the event of the dissolution, liquidation, winding-up or other distribution of the Company’s assets, such holders are entitled to receive on a pro-rata basis all of assets of the Company remaining after payment of all of liabilities. The Common Shares carry no pre-emptive or conversion rights.

Warrants

The Warrants and CF Fee Warrants (collectively referred to as “**Warrants**” for the purposes of this section) will be issued in registered form under and be governed by the terms of the Warrant Indenture to be entered into on or prior to the Closing Date. The Company will appoint the principal transfer offices of the Warrant Agent in Vancouver, British Columbia as the location at which Warrants may be surrendered for exercise or transfer.

Each Unit Share and each half Warrant comprising each Unit will separate immediately upon closing of the Offering. Each whole Warrant will entitle the holder to purchase one Warrant Share at a price of \$1.30. The exercise price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. Warrants will be exercisable at any time prior to 5:00 p.m. (Vancouver time) until the date that is 36 months after the Closing Date, after which time the Warrants will expire and become null and void.

The following is a summary description of certain anticipated material provisions of the Warrant Indenture; it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Warrant Indenture. Upon execution, a copy of the Warrant Indenture may be obtained on request without charge from the Corporate Secretary of the Company by sending a written request to 1080-789 West Pender Street, Vancouver, BC V6C 2X1 (telephone: 604-329-8669) or electronically under the Company’s profile on SEDAR at www.sedar.com.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any outstanding warrants or options);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (e) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness or cash, securities or any property or other assets (other than cash dividends in the ordinary course).

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the Common Shares; (2) consolidations, amalgamations, plans of arrangement or mergers of the Company with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the Common Shares or a change of the Common Shares into other shares); or (3) the transfer (other than to one of the Company’s subsidiaries) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of the Common Shares would have.

The Warrants will not be exercisable by or on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing, or other evidence reasonably satisfactory to the Company, to such effect in form and substance satisfactory to the Company. The Warrant Shares issued to, or for the account or benefit of, persons in the United States and U.S. Persons upon exercise of the Warrants will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may be offered, sold, pledged or otherwise transferred only pursuant to an applicable exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws (and in compliance with the provisions of the Warrant Indenture and the terms of the original subscription agreement with the Company, if applicable).

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the

Warrant Indenture that is prejudicial to the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are at least two holders of Warrants present in person or represented by proxy representing at least 50% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants. In addition, the Warrants will not be listed for trading on the CSE or any other stock exchange. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of DLA Piper (Canada) LLP, counsel to the Company, and Minden Gross LLP, counsel to the Agents, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable an investor who, as beneficial owner, acquires Unit Shares and Warrants underlying the Units. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies to holders of Common Shares and Warrants who, for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder, as amended (collectively, the “**Tax Act**”), and at all relevant times: (i) acquires and holds the Common Shares and Warrants as capital property; (ii) deals at arm’s length with the Company and the Agents; and (iii) is not affiliated with the Company or the Agents (a “**Holder**”). Common Shares and Warrants will generally be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a “financial institution” (as defined in the Tax Act) for purposes of the mark-to-market provisions of the Tax Act; (ii) that is a “specified financial institution” (as defined in the Tax Act); (iii) that has made a functional currency reporting election under section 261 of the Tax Act to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency; (iv) an interest in which is, or for whom a Common Share or Warrant would be, a “tax shelter investment” for the purposes of the Tax Act; (v) that is exempt from tax under Part I of the Tax Act; (vi) that has entered or will enter into a “synthetic disposition arrangement” or a “derivative forward agreement” (as those terms are defined in the Tax Act) in respect of Common Shares or Warrants; (vii) that receives dividends on Common Shares under or as part of a “dividend rental arrangement” (as defined in the Tax Act); or (viii) that is a corporation resident in Canada, and is or becomes (or does not deal at arm’s length within the meaning of the Tax Act with a corporation resident in Canada that is or becomes) controlled by a corporation that is a non-resident of Canada (or pursuant to the Proposed Amendments (as defined below), a non-resident person or a group of persons comprising any combination of non-resident corporations, non-resident individuals or non-resident trusts that do not deal with each other at arm’s length) for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Units. **Such Holders should consult their own tax advisors with respect to an investment in the Units.**

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, all specific proposals (“**Proposed Amendments**”) to amend the Tax Act that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented in their current form, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the laws of any province or territory of Canada or of any jurisdiction outside of Canada. **Holders that are not residents of Canada for the purposes of the Tax Act should**

consult with their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Common Shares and Warrants in any jurisdiction in which they may be subject to tax, including Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, all investors, including Holders, should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the one-half Warrant to determine the cost of each for purposes of the Tax Act. For its purposes, the Company intends to allocate \$0.90 to each Unit Share and \$0.00 to each one-half Warrant. Although the Company believes that its allocation is reasonable, such allocation is not binding on the CRA.

The cost to a Holder of a Unit Share must be averaged with the adjusted cost base of all other Common Shares (if any) held by the Holder as capital property at the Closing Date to determine the Holder's adjusted cost base of the Unit Share.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the exercise price paid for the Warrant Share. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Shares must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act ("**Resident Holder**"). Certain Resident Holders whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election is not available in respect of Warrants.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares.

In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to "taxable dividends" received from "taxable Canadian corporations" (as each term is defined in the Tax Act), including the enhanced dividend tax credit in respect of dividends designated by the Company as "eligible dividends" (as defined in the Tax Act). There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a dividend or deemed dividend received by a Resident Holder that is a corporation as a capital gain or proceeds of disposition. Such Resident Holders should consult their own tax advisors in this regard.

A Resident Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year. A “subject corporation” is generally a corporation (other than a private corporation) resident in Canada and controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Dispositions of Common Shares and Warrants

A Resident Holder that disposes of or is deemed to have disposed of a Common Share (other than on a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or Warrant (other than on the exercise or expiry of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Common Share or Warrant, as the case may be, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*”.

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains.

Alternative Minimum Tax

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable to pay alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the application of alternative minimum tax.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold and is not deemed to use or hold the Common Shares or Warrants in connection with carrying on a business in Canada (“**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Non-Resident Holder will generally realize a capital loss equal to the Non-Resident Holder’s adjusted cost base of such Warrant. The tax treatment of capital losses realized by a Non-Resident Holder is discussed in greater detail below under “*Holders Not Resident in Canada – Dispositions of Common Shares and Warrants*”.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on Common Shares will generally be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable tax treaty or convention. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Tax Convention (1980)*, as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%, and further reduced to 5% in the case of a Non-Resident Holder that is a company that owns beneficially at least 10% of the voting stock of the Company. Non-Resident Holders should consult their own tax advisors to determine their entitlement to relief under an applicable tax treaty or convention, if any.

Dispositions of Common Shares and Warrants

Generally, a Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption pursuant to the terms of an applicable tax treaty or convention.

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the CSE), unless at any time during the 60-month period immediately preceding the disposition: (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of the Common Shares was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in, such properties, whether or not such property exists. A Common Share or Warrant may also be deemed to be “taxable Canadian property” in certain other circumstances. Non-Resident Holders should consult their own tax advisors as to whether their Common Shares or Warrants constitute “taxable Canadian property” in their own particular circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention, the consequences described above under “*Holders Resident in Canada - Dispositions of Common Shares and Warrants*” and “*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*” will generally be applicable to such disposition.

Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus.

Date	Description of Securities	Number of Securities	Issue Price or Exercise Price, as applicable	Expiry Date, as applicable
June 18, 2020	Common Shares, warrant exercise	124,320	\$0.05	N/A
August 11, 2020	Warrants	779,762	\$0.55	July 21, 2022
August 11, 2020	Warrants	6,262,307	\$0.55	August 11, 2022
August 11, 2020	Warrants	239,912	\$0.32	May 31, 2023
August 11, 2020	Stock Options	3,234,018	\$0.26	January 1, 2025
August 11, 2020	Stock Options	239,912	\$0.32	September 27, 2020
August 11, 2020	Common Shares	84,641,927	\$0.39	N/A
August 31, 2020	Common Shares	57,273	\$0.275	N/A
October 9, 2020	Stock Options	2,050,000	\$0.25	September 27, 2030
November 1, 2020	Stock Options	50,000	\$0.25	September 27, 2030
November 20, 2020	Common Shares, warrant exercise	5,714	\$0.35	N/A
November 23, 2020	Common Shares, option exercise	12,500	\$0.42	N/A
November 26, 2020	Common Shares, warrant exercise	62,500	\$0.55	N/A
November 26, 2020	Common Shares, warrant exercise	342,753	\$0.27	N/A
November 27, 2020	Common Shares, warrant exercise	620,000	\$0.55	N/A
December 1, 2020	Common Shares, warrant exercise	150,000	\$0.55	N/A
December 1, 2020	Common Shares, warrant exercise	137,500	\$0.55	N/A
December 2, 2020	Common Shares, warrant exercise	11,718	\$0.38	N/A
December 2, 2020	Common Shares, warrant exercise	75,000	\$0.55	N/A
December 2, 2020	Common Shares, warrant exercise	187,500	\$0.55	N/A
December 7, 2020	Common Shares, option exercise	200,000	\$0.25	N/A
December 7, 2020	Common Shares, warrant exercise	17,599	\$0.35	N/A
December 23, 2020	Common Shares, warrant exercise	50,000	\$0.55	N/A
December 23, 2020	Common Shares, option exercise	6,250	\$0.42	N/A
December 24, 2020	Common Shares, warrant exercise	125,000	\$0.55	N/A
December 29, 2020	Common Shares, warrant exercise	92,500	\$0.55	N/A
December 30, 2020	Common Shares, warrant exercise	88,125	\$0.55	N/A
December 31, 2020	Common Shares, option exercise	82,083	\$0.47	N/A
January 5, 2021	Common Shares, warrant exercise	137,500	\$0.55	N/A
January 6, 2021	Common Shares, warrant exercise	19,375	\$0.55	N/A
January 6, 2021	Common Shares, warrant exercise	34,372	\$0.55	N/A
January 7, 2021	Common Shares, warrant exercise	17,500	\$0.55	N/A
January 8, 2021	Common Shares, option exercise	9,000	\$0.50	N/A
January 8, 2021	Common Shares, warrant exercise	18,750	\$0.55	N/A
January 11, 2021	Special Warrants ⁽¹⁾	21,420,992	\$0.625	N/A
January 11, 2021	Warrants ⁽¹⁾	1,490,160	\$0.625	January 11, 2023
January 11, 2021	Common Shares ⁽¹⁾	931,350	\$0.625	N/A
January 11, 2021	Warrants ⁽¹⁾	465,675	\$0.78	January 11, 2023
January 11, 2021	Warrants ⁽¹⁾	79,839	\$0.625	January 11, 2023
January 11, 2021	Common Shares ⁽¹⁾	49,899	\$0.625	N/A
January 11, 2021	Warrants ⁽¹⁾	24,949	\$0.78	January 11, 2023
January 12, 2021	Common Shares, warrant exercise	18,750	\$0.55	N/A
January 13, 2021	Common Shares, warrant exercise	24,375	\$0.55	N/A
January 14, 2021	Common Shares, warrant exercise	99,628	\$0.55	N/A
January 14, 2021	Common Shares, warrant exercise	78,750	\$0.55	N/A
January 15, 2021	Common Shares, warrant exercise	153,750	\$0.55	N/A
January 18, 2021	Common Shares, warrant exercise	312,500	\$0.55	N/A

Date	Description of Securities	Number of Securities	Issue Price or Exercise Price, as applicable	Expiry Date, as applicable
January 19, 2021	Common Shares, option exercise	12,500	\$0.50	N/A
January 19, 2021	Common Shares, warrant exercise	171,500	\$0.05	N/A
January 19, 2021	Common Shares, warrant exercise	11,000	\$0.55	N/A
January 19, 2021	Common Shares, warrant exercise	81,250	\$0.55	N/A
January 26, 2021	Common Shares, warrant exercise	20,000	\$0.55	N/A
January 28, 2021	Common Shares, warrant exercise	313,683	\$0.11	N/A
February 3, 2021	Common Shares, warrant exercise	72,840	\$0.35	N/A
February 5, 2021	Common Shares, warrant exercise	27,887	\$0.53	N/A
February 12, 2021	Common Shares, warrant exercise	443,101	\$0.20	N/A
February 17, 2021	Common Shares, warrant exercise	31,250	\$0.55	N/A
February 18, 2021	Common Shares, warrant exercise	212,500	\$0.55	N/A
February 19, 2021	Common Shares, warrant exercise	522,500	\$0.40	N/A
February 19, 2021	Common Shares, warrant exercise	60,735	\$0.38	N/A
February 19, 2021	Common Shares, warrant exercise	131,250	\$0.55	N/A
February 22, 2021	Common Shares, warrant exercise	150,000	\$0.55	N/A
February 24, 2021	Common Shares, option exercise	81,250	\$0.50	N/A
February 24, 2021	Common Shares, warrant exercise	12,500	\$0.55	N/A
February 26, 2021	Common Shares, option exercise	250,413	\$0.26	N/A
March 2, 2021	Common shares, special warrant exercise	21,420,992	\$0.625	N/A
March 3, 2021	Common Shares, warrant exercise	43,750	\$0.55	N/A
March 3, 2021	Common Shares, warrant exercise	25,147	\$0.38	N/A
March 4, 2021	Common Shares, warrant exercise	25,000	\$0.55	N/A
March 12, 2021	Common Shares, warrant exercise	37,500	\$0.55	N/A
March 19, 2021	Common Shares, warrant exercise	160,000	\$0.78	N/A
March 19, 2021	Common Shares, warrant exercise	18,750	\$0.55	N/A
March 19, 2021	Common Shares, warrant exercise	320,000	\$0.78	N/A
March 23, 2021	Common Shares, warrant exercise	20,000	\$0.78	N/A
June 10, 2021	Stock Options	600,000	\$0.76	June 9, 2031
June 14, 2021	Common Shares, warrant exercise	31,250	\$0.55	N/A
June 14, 2021	Common Shares, warrant exercise	27,500	\$0.78	N/A
June 16, 2021	Common Shares, warrant exercise	4,063	\$0.55	N/A
June 16, 2021	Common Shares, warrant exercise	42,000	\$0.625	N/A
June 16, 2021	Common Shares, option exercise	83,300	\$0.35	N/A
June 16, 2021	Common Shares, option exercise	25,000	\$0.42	N/A
June 17, 2021	Common Shares, warrant exercise	82,500	\$0.55	N/A
June 17, 2021	Common Shares, option exercise	101,000	\$0.26	N/A
June 17, 2021	Common Shares, option exercise	4,000	\$0.25	N/A

Note:

- (1) Issued as part of Special Warrant Offering.

TRADING PRICE AND VOLUME

The outstanding Common Shares are currently traded on the CSE under the trading symbol “FANS” and on the OTCQX under the trading symbol “FUNFF”.

The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares on the CSE for the period from trading commencement to the date of this Prospectus.

Period	High	Low	Volume
June 1-21, 2021	\$1.17	\$0.58	26,920,713
May, 2021	\$0.80	\$0.55	17,058,038
April, 2021	\$1.06	\$0.73	11,627,162
March, 2021	\$1.88	\$0.95	33,260,102
February, 2021	\$2.37	\$0.83	52,572,699
January 2021	\$1.32	\$0.88	22,244,304
December 2020	\$0.94	\$0.61	33,199,329
November 2020	\$1.070	\$0.185	50,646,239
October 2020	\$0.245	\$0.190	8,755,915
September 2020	\$0.300	\$0.210	7,319,489
August 2020	\$0.400	\$0.200	4,837,307
July 2020	\$0.530	\$0.385	5,577,757
June 2020	\$0.480	\$0.350	4,579,504
May 5-31, 2020	\$0.445	\$0.350	4,655,118

On June 21, 2021, the last trading day prior to filing of this Prospectus, the closing price per Common Share on the CSE was \$1.12.

ELIGIBILITY FOR INVESTMENT

In the opinion of DLA Piper (Canada) LLP, counsel to the Company, and Minden Gross LLP, counsel to the Agents, based on the current provisions of the Tax Act, in force as of the date hereof, the Unit Shares and Warrants and the Warrant Shares issuable upon the exercise of the Warrants, if issued on the date hereof, would be qualified investments for trusts governed by a “registered retirement savings plan”, “registered retirement income fund”, “registered education savings plan”, “registered disability savings plan”, or “tax-free savings account”, as those terms are defined in the Tax Act (collectively referred to as “**Registered Plans**”), or a “deferred profit sharing plan” (“**DPSP**”) (as defined in the Tax Act), provided that:

- (a) in the case of Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares, as applicable, are then listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE) or the Company qualifies as a “public corporation” other than a “mortgage investment corporation” (as each such term is defined in the Tax Act); and
- (b) in the case of the Warrants, (i) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE), or (ii) the Warrant Shares are qualified investments as described in (a) above and neither the Company, nor any person with whom the Company does not deal at arm’s length (within the meaning of the Tax Act), is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under, a Registered Plan, as the case may be (the “**Controlling Individual**”), will be subject to a penalty tax in respect of Unit Shares, Warrants or Warrant Shares held in the Registered Plan if such securities are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. A Unit Share, Warrant or Warrant Share generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length with the Company for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company. However, the Unit Shares and Warrant Shares will generally not be a “prohibited investment” if such securities are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for the Registered Plan. Controlling Individuals should consult their own tax advisors as to whether the Unit Shares, Warrant Shares, or Warrants will be a prohibited investment in their particular circumstances. Purchasers who hold or intend to hold the Unit Shares, Warrants or Warrant Shares in a Registered Plan or DPSP should consult their own tax advisors as to whether such securities will be a “prohibited investment” in their particular circumstances, including with respect to whether such securities would be “excluded property” in their particular circumstances.

RISK FACTORS

An investment in the securities of the Company is speculative and involves certain risks. When evaluating the Company and its business, prospective investors should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading “*Risk Factors*” in the Annual Information Form, which is incorporated by reference herein.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company is unaware of or that are currently deemed immaterial, may also adversely affect the Company and its business. The following risk factors, together with all of the other information included or incorporated by reference in this Prospectus, including information contained in the section entitled “*Cautionary Note Regarding Forward-Looking Information*”, should be carefully reviewed and considered before a decision to invest in the securities of the Company is made.

An Investment in the Securities of the Company is Speculative

An investment in the securities described herein and the Company’s prospects generally, are speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment and should carefully consider the risk factors described below and under the heading “*Risk Factors*” in the Annual Information Form. The risks described below and in the Annual Information Form are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company’s operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the Annual Information Form actually occur, then the Company’s business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the Annual Information Form and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Company. An investment in the securities of the Company should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company described herein is appropriate only for holders who have the capacity to absorb a loss of some or all of their investment.

Use of Proceeds of the Offering

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading “*Use of Proceeds*” if they believe it would be in the Company’s best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company’s results of operations may suffer.

COVID-19 Public Health Crisis

The Company’s business, operations and financial condition, and the market price of the Common Shares, could be materially and adversely affected by the epidemics, pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries, including Canada and the United States. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether, or to what extent, this outbreak, government responses to it, and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in global supply chains and government and consumer responses to them, and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, exchange rates, credit ratings, credit risk, share prices and inflation. The Company

cannot accurately predict the impact COVID-19 on the Company's ability to remain open in response to government public health efforts to contain COVID-19 and to obtain financing or third parties ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries, and demand for the Company's products.

The risks to the Company of such public health crises also include risks to employee health and safety, cancellation of sporting events that could affect demand for the Company's service and likely impact operating results, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may further impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 and its related impacts may have a material adverse effect on the Company's business, results of operations and financial condition and the market price of the Common Shares.

The Company's Stock Price

There has been significant volatility in the market prices of technology companies' securities. Various factors and events may have a significant impact on the market price of the Common Shares of the Company. These factors include:

- fluctuations in the Company's operating results and revenues generated by its marketed products, including those to be marketed by the Company;
- announcements of technological innovations, acquisitions or licensing by the Company or competitors of the Company;
- published reports by securities analysts;
- commercial success of the Company's products and services;
- developments in patent or other proprietary rights;
- developments in the Company's relationships with collaborative partners;
- announcements by the Company's collaborative partners regarding the Company's products and services;
- developments in new or pending litigation; and
- general market conditions.

Additional Financing

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company intends to fund its business objectives by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing Shareholders could suffer significant dilution. The Company will require additional financing to fund its operations until positive cash flow is achieved, see "*Risk Factors – Negative Cash Flow from Operations*".

Volatile Market Price of the Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by government and regulatory authorities, the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Risk Factors Related to Dilution

The Company may issue additional securities in the future, which may dilute a Shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares may be issued pursuant to the Over-allotment Option and will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants.

Negative Cash Flow from Operations

The Company had a negative operating cash flow for the financial year ended December 31, 2020 and for the three months ended March 31, 2021. Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status in the future. If the Company does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on the Company's business, financial condition and results of operation. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities, see "*Use of Proceeds*".

Holders of Warrants have no Rights as a Shareholder

Until a holder of Warrants acquires Warrant Shares upon the exercise of such Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants. Upon the exercise of such Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date.

Forward-Looking Statements May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility and access to equity financing has been, or may be, negatively impacted by the liquidity crisis and market turmoil, and any worsening of these situations. These factors, which include the nature, effects and timing of administrative and legislative change, and possible changes in regulation or regulatory approach resulting from the 2020 general election in the United States, may impact the ability of the Company to obtain equity or debt financing in the future whether on terms favourable to the Company or at all. If these increased levels of volatility and market turmoil continue, or worsen, the Company's operations could be adversely impacted and the trading price of the Common Shares could be adversely affected.

Risks Related to the Business

FansUnite and its officers, directors, major shareholders, key employees and business partners are generally subject to the laws and regulations relating to online gaming of the jurisdictions in which FansUnite conducts business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes and climates, as well as personal biases, may have a material impact on FansUnite's operations and financial results.

Any gaming license may be revoked, suspended or conditioned at any time in addition to the other regulatory sanctions that gaming authorities typically have available to them (notably, the regulatory discretion to impose fines and in extreme cases the ability to instigate prosecutions under local laws).

Furthermore, FansUnite may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals, and could incur fines or experience delays related to the licensing process, which could adversely affect its operations. The determination of suitability process may be expensive and time-consuming. FansUnite's delay or failure to obtain gaming licenses in any jurisdiction may prevent it from distributing its product offerings, increasing its customer base and/or generating revenues. Additionally, a gaming regulatory body may refuse to issue or renew a gaming license or restrict or condition the same, based on the historic activities of FansUnite or its current or former directors, officers, employees, major shareholders or business partners, which could adversely affect its operations or financial condition.

Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on FansUnite's operations and financial results. Governmental authorities could view FansUnite or its officers, directors, major shareholders, key employees or business partners as having violated their local laws, despite FansUnite's efforts to obtain all applicable licenses or approvals. There can be no assurance that legally enforceable prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to FansUnite's business to prohibit, legislate or regulate various aspects of the internet, e-commerce, payment processing, or the online gaming and interactive entertainment industries (or that existing laws in those jurisdictions will not be interpreted negatively). Compliance with any such legislation may have a material adverse effect on FansUnite's business, financial condition and results of operations, either as a result of its determination that a jurisdiction should be blocked, or because a local license or approval may be costly for it or its business partners to obtain and/or such licenses or approvals may contain other commercially undesirable conditions.

In addition to regulations governing online gaming, FansUnite's business is subject to complex and evolving domestic and foreign laws and regulations regarding the internet, privacy, data protection, competition, consumer protection and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to FansUnite's business practices, monetary penalties, increased cost of operations, or declines in customer growth or engagement, or otherwise harm its business.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides

a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Harish Narayanan, and Chris Grove, directors of FansUnite, reside outside of Canada, and have each appointed FansUnite Entertainment Inc. of 2900 – 550 Burrard Street, Vancouver, B.C., V6C 0A3 as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

INTEREST OF EXPERTS

Each of DLA Piper (Canada) LLP, counsel for the Company, and Minden Gross LLP, counsel for the Agents, have provided its opinion on certain matters contained in this Prospectus. As of the date hereof, partners and associates of DLA Piper (Canada) LLP and Minden Gross LLP each as a group, own, directly or indirectly, in the aggregate, less than 1% or no securities of the Company.

DMCL Chartered Professional Accountants LLP is the auditor of the Company and prepared the annual financial statements of the Company for the financial year ended December 31, 2020. DMCL LLP report that they are independent of the Company in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Odyssey Trust Company at its offices in Vancouver, British Columbia.

CERTIFICATE OF THE COMPANY

June 22, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

(signed) "Scott Burton"

Scott Burton
Chief Executive Officer

(signed) "Graeme Moore"

Graeme Moore
Chief Financial Officer

On behalf of the Board of Directors:

(signed) "Christopher Grove"

Christopher Grove
Director

(signed) "Darius Eghdami"

Darius Eghdami
Director

CERTIFICATE OF THE AGENTS

June 22, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

STIFEL NICOLAUS CANADA INC.

(signed) "*Matthew Gaasenbeek*"

Matthew Gaasenbeek
Vice-Chairman, Managing Director and Co-Head of
Investment Banking Canada

GRAVITAS SECURITIES INC.

(signed) "*Blayne Creed*"

Blayne Creed
Chief Executive Officer