FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Imagination Park Technologies Inc. (the "Issuer").

Trading Symbol: IP

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

The Issuer's unaudited interim consolidated financial statements for the period ended February 28th, 2019 are attached.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below can be found in the Issuer's financial statements attached as Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship.

(b) Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(c) A description of the transaction(s), including those for which no amount has been recorded.
(d) The recorded amount of the transactions classified by financial statement category.
(e) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(f) Contractual obligations with Related Persons, separate from other contractual obligations.
(g) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued, and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The Issuer's Management Discussion & Analysis for the period ended February 28th, 2019 is attached.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated April 29th, 2019

Frances Murphy
Name of Director or Senior Officer

/s/ Frances Murphy
Signature

Corporate Secretary
Official Capacity

Issuer Details Name of Issuer Imagination Park Technologies Inc.	For Quarter Ended 2019/02/28	Date of Report YY/MM/D 2019/04/29
Issuer Address 510-580 Hornby Street		
City/Province/Postal Code Vancouver, BC, V6C 3B6	Issuer Fax No. ( )	Issuer Telephone No. (604) 588-4300 (21)
Contact Name Frances Murphy	Contact Position Corporate Secretary	Contact Telephone No. (604) 558-4300 (21)
Contact Email Address fmurphy@crossdavis.com	Web Site Address www.imaginationpark.com	

SCHEDULE “A”

UNAUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED NOVEMBER 30, 2018

IMAGINATION PARK TECHNOLOGIES INC.

(formerly Imagination Park Entertainment Inc.)

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT)

FOR THE SIX MONTHS ENDED FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of Imagination Park Technology have been prepared by and are the responsibility of management and have approved by the Board of Directors.

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

IMAGINATION PARK TECHNOLOGIES INC.
(FORMERLY IMAGINATION PARK ENTERTAINMENT INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)
AS AT

	February 28, 2018	August 31, 2018
ASSETS		
Current		
Cash	$ 1,662,767	$ 324,938
Receivables (Note 6)	31,590	147,047
Prepaid expenses (Note 7)	64,567	90,858
Total current assets	1,758,924	562,843
Reclamation bonds (Note 8)	5,040	5,040
Intangible assets (Note 9)	6,682,300	6,642,803
Investment in Kindergarten Holdings Inc.	12,801	12,801
Total assets	$ 8,459,065	$ 7,223,487
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 10 and 13)	$ 557,292	$ 595,888
Loans payable	-	425
Convertible promissory note (Note 11)	1,919,382	2,007,025
Total liabilities	2,476,674	2,603,338
Shareholders' equity		
Capital stock (Note 12)	22,907,946	19,902,634
Reserves (Note 12)	4,367,293	4,280,305
Deficit	(21,292,848)	(19,562,790)
Total shareholders' equity	5,982,391	4,620,149
Total liabilities and shareholders' equity	$ 8,459,065	$ 7,223,487

See accompanying notes to the condensed interim consolidated financial statements.
Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

These financial statements are authorized for issuance by the Board of Directors on April 29, 2019

On behalf of the Board:

"Sheldon Inwentash", Director *"Gerry Feldman"*, Director

See accompanying notes to the condensed interim consolidated financial statements.

IMAGINATION PARK TECHNOLOGIES INC.
(FORMERLY IMAGINATION PARK ENTERTAINMENT INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)

	Three months ended February 28,		Six months ended February 28,	
	2019	2018	2019	2018
REVENUE	$ 38,162	$ -	$ 83,956	$ -
EXPENSES				
Accretion (reversal) of convertible promissory note (Note 10)	(2,267)	-	226,178	-
Consulting fees and management fees (Note 13)	393,741	250,712	781,009	424,285
Foreign exchange loss (gain)	(34,968)	12,777	33,457	21,648
Office, rent, and miscellaneous	59,074	4,586	168,354	17,875
Pre-production expenses	2,674	174,253	13,094	224,492
Professional fees	34,401	45,676	117,006	111,220
Share-based compensation (Note 13 and 12)	16,737	883,955	86,988	1,872,347
Shareholder communications and promotion	10,774	93,023	242,901	131,872
Transfer agent and filing fees	15,573	14,350	20,121	20,226
Travel and accommodation	25,141	46,380	50,407	112,421
Wages and salaries	349,596	-	500,151	-
	(870,476)	(1,525,712)	(2,239,666)	(2,936,386)
OTHER				
Gain on revaluation of derivative liability (Note 11)	16,000	-	357,000	-
Gain on sale of subsidiary (Note 5)	8,758	-	8,758	-
Gain on settlement of accounts payable (Note 10)	2,435	-	17,617	4,650
Share of loss in equity accounted investment	-	(12,082)	-	(28,675)
Write off of accounts payable (Note 10)	42,277	-	42,277	-
	69,470	(12,082)	425,652	(24,025)
Net loss and comprehensive loss for the period	$ (762,844)	$ (1,537,794)	$ (1,730,058)	$ (2,960,411)
Basic and diluted net loss per common share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.05)
Weighted average number of common shares outstanding – basic and diluted	107,770,292	63,284,583	92,162,591	62,749,571

See accompanying notes to the condensed interim consolidated financial statements.

IMAGINATION PARK TECHNOLOGIES INC.
(FORMERLY IMAGINATION PARK ENTERTAINMENT INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)

	Six months ended February 28, 2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	$ (1,730,058)	$ (2,960,411)
Items not affecting cash:		
Share-based compensation	86,988	1,872,347
Accretion of convertible promissory note	226,178	-
Write off of accounts payable	(42,277)	-
Gain on settlement of accounts payable	(17,617)	(4,650)
Gain on revaluation of convertible promissory note	(357,000)	-
Gain on sale of Imagination Park Alberta Ltd.	(8,758)	-
Foreign exchange loss on loan payable	43,179	-
Change in non-cash working capital items:		
Decrease (increase) in receivables	116,532	(96,788)
Decrease (increase) in prepaid expenses	26,291	(85,425)
(Decrease) in accounts payable and accrued liabilities	81,456	(150,184)
Increase in deposit	-	(13,000)
Net cash flows used in operating activities	(1,575,086)	(1,438,111)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	3,009,008	522,000
Share issuance costs	(3,696)	(5,100)
Proceeds from option exercises	-	124,855
Proceeds from warrant exercises	-	207,632
Proceeds from loans	-	500,000
Subscription received in advance	-	735,000
Net cash flows provided by financing activities	3,005,312	2,084,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash used for purchase of intangible assets (Note 8)	(39,497)	-
Cash received on acquisition of 1142128 B.C. Ltd.	-	109,396
Investment in Xenoholographic Inc.	-	(997,786)
Cash relinquished on sale of Imagination Park Alberta Ltd.	(52,900)	-
Net cash flows used in investing activities	(92,397)	(888,390)
Change in cash	1,337,829	(242,114)
Cash, beginning of period	324,938	528,401
Cash, end of period	$ 1,662,767	$ 286,287
Cash paid for taxes during the period	$ -	$ -
Cash paid for interest during the period	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 15)

See accompanying notes to the condensed interim consolidated financial statements.

IMAGINATION PARK TECHNOLOGIES INC.
(FORMERLY IMAGINATION PARK ENTERTAINMENT INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED – PREPARED BY MANAGEMENT)
(EXPRESSED IN CANADIAN DOLLARS)

	Number of shares	Capital stock	Reserves: Share-based payment reserve	Reserves: Warrant reserve	Subscription received in advance	Deficit	Total
Balance, August 31, 2017	61,589,503	$ 15,121,397	$ 1,556,162	$ 337,830		$ (16,522,209)	$ 493,180
Issued pursuant to private placements	1,437,500	522,000	-	-	-	-	522,000
Issued pursuant to the acquisition of Prodigy Films Inc.	71,428	44,285	-	-	-	-	44,285
Issued pursuant to the acquisition of 1142128 B.C. Ltd.	62,500	56,875	-	-	-	-	56,875
Finders' fees – cash	-	(4,800)	-	-	-	-	(4,800)
Finders' fees – shares	66,400	-	-	-	-	-	-
Finders' fees – warrants	-	(8,875)	-	8,875	-	-	-
Exercise of options	518,000	124,855	-	-	-	-	124,855
Fair value of exercised options	-	102,157	(102,157)	-	-	-	-
Exercise of warrants	636,160	207,632	-	-	-	-	207,632
Fair value of exercised warrants	-	11,944	-	(11,944)	-	-	-
Share issuance costs	-	(300)	-	-	-	-	(300)
Subscription received in advance	-	-	-	-	735,000	-	735,000
Share-based compensation	-	-	1,257,028	-	-	-	1,257,028
Warrants issued pursuant to bridge loan agreement	-	-	-	615,319	-	-	615,319
Net and comprehensive loss for the period	-	-	-	-	-	(2,960,411)	(2,960,411)
Balance, February 28, 2018	64,381,491	$ 16,177,170	$ 2,711,033	$ 950,080	$ 735,000	$ (19,482,620)	$ 1,090,663
Balance, August 31, 2018	76,381,470	$ 19,902,634	$ 3,111,529	$ 1,168,776	$ -	$ (19,562,790)	$ 4,620,149
Issued pursuant to private placements	25,075,068	3,009,008	-	-	-	-	3,009,008
Share issuance costs	-	(3,696)	-	-	-	-	(3,696)
Share-based compensation	-	-	86,988	-	-	-	86,988
Net and comprehensive loss for the period	-	-	-	-	-	(1,730,058)	(1,730,058)
Balance, February 28, 2019	101,456,538	$ 22,907,946	$ 3,198,517	$ 1,168,776	$ -	$ (21,292,848)	$ 5,982,391

See accompanying notes to the condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Imagination Park Technology Inc. (formerly Imagination Park Entertainment Inc.) (“the Company”) is a public company domiciled in Canada incorporated in British Columbia under the laws of the Business Corporation Act (BC, Canada) on October 11, 2011. On April 17, 2019, the Company was continued under the Canadian Business Corporations Act. The Company's head office is located at 1108 – 1238 Seymour Street, Vancouver, BC, V6B 6J3.

The Company’s core business is to deliver engaging and interactive content to users through a cloud-based augmented reality platform. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the ticker symbol “IP”.

The condensed interim consolidated financial statements of the Company as at and for the six months ended February 28, 2019 comprise the Company and its subsidiaries (together referred to as the “Company” and individually as “Company entities”).

The condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, complete additional equity financing, or generate profitable operations in the future. Management believes it will be successful in raising the necessary funding to continue operations however; there is no assurance that these funds will be available on terms acceptable to the Company or at all. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. The condensed consolidated interim financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF MEASUREMENT AND PRESENATION

These condensed consolidated interim financial statements, including comparatives, have been prepared using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The notes presented in these condensed interim consolidated financial statements include only significant events and transactions and do not include all the matters normally disclosed in the Company’s audited financial statements and are therefore referred to as condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended August 31, 2018.

The policies applied in these condensed consolidated interim financial statements are presented below and are based on IFRS issued and outstanding as of February 28, 2019. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending August 31, 2019 could result in restatements of these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for investments, and the derivative liabilities which are classified as available-for-sale or held-for-trading and measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

2. BASIS OF MEASUREMENT AND PRESENATION (continued)

The consolidated financial statements include the financial information of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest at February 28, 2019	Ownership Interest at August 31, 2018	Principal Activity
1142128 B.C. Ltd.	Canada	100%	100%	Movie production
Xenoholographic Inc.	United States	100%	100%	Virtual reality
Prodigy Films Inc.	Canada	100%	100%	Movie production
Imagination Park Alberta Ltd. (sold)	Canada	-	100%	Movie production
3 Seconds Holdings Inc.	Canada	66.67%	66.67%	Movie investment

The consolidated financial statements include the financial statements of 1142128 B.C. Ltd. from its date of acquisition on January 24, 2018, Imagination Park Alberta Ltd. from its incorporation on April 9, 2018, Xenoholographic Inc. from the date control was acquired on May 29, 2018, Prodigy Films Inc, from its date of acquisition on December 20, 2017, and 3 Seconds Holdings Inc. from its date of acquisition on February 22, 2018. During the period ended February 28,2019, the Company sold Imagination Park Alberta Ltd.

3. SIGNIFICANT ACCOUNTING POLICIES

New accounting standards and interpretations

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9") introduces new requirements for the classification and measurement of financial instruments. Management adopted this standard in the Company's consolidated financial statements for the period beginning September 1, 2018, and this standard does not have a significant impact on the Company’s existing accounting policies or financial statement presentation.

IFRS 15 Revenue from Contracts with Customers: The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition. Management adopted this standard in the Company's consolidated financial statements for the period beginning September 1, 2018, and this standard does not have a significant impact on the Company’s existing accounting policies or financial statement presentation.

Future accounting changes

IFRS 16 Leases: The new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. Applicable to annual periods beginning on or after January 1, 2019. The eventual application of this standard is not expected to have a significant impact on the Company’s existing accounting policies or financial statement presentation.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholders' equity.

The Company is dependent on external financing to fund its activities. In order to carry out future transactions and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess additions to its media business if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period presented. The Company and its subsidiaries are not subject to externally imposed capital requirements.

5. SALE OF SUBSIDARY – IMAGINATION PARK ALBERTA LTD.

Effective December 10, 2018, the Company sold all of the outstanding shares of its subsidiary Imagination Park Alberta Ltd. to a former director of the Company. In consideration, the Company received $6,000 in, which resulted in a gain of $8,758.

As at the date of the deposition, the following assets and liabilities associated with the disposal were classified as follows:

		Carrying value at December 10, 2018
Asset held for sale:		
Cash	$	58,900
Liabilities held for sale:		
Current liabilities	$	61,658

6. RECEIVABLES

The receivables balance is comprised of the following items:

	February 28, 2019	*August 31, 2018*
Sales tax receivable from the Federal Government	$ 17,681	$ 137,342
Other	2,593	-
Due from related parties (Note 13)	11,316	9,705
	$ 31,590	$ 147,047

7. PREPAID EXPENSES

The prepaid expense balance is comprised of the following items:

	February 28, 2019	*August 31, 2018*
Consulting	$ 46,015	$ 89,877
Professional	-	981
Other	18,552	-
Total	$ 64,567	$ 90,858

8. RECLAMATION BONDS

The reclamation bonds balance at February 28, 2019 of $5,040 (August 31, 2018 - $5,040) relates to the Company's previously held mineral properties.

9. INTANGIBLE ASSETS

	Intangible Assets
Balance August 31, 2017	$ -
Mobile software application, cost of acquired assets	6,392,465
Additions	250,338
Balance August 31, 2018	6,642,803
Additions	39,497
Balance February 28, 2019	$ 6,682,300

During the period ended February 28, 2019 and year ended August 31, 2018, intangible assets, comprising a mobile software platform and applications for augmented reality content, have not been amortized as they were not available for use.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The payables balance is comprised of the following items:

	February 28, 2019	August 31, 2018
Trade payables	$ 342,358	$ 505,151
Related parties (Note 13)	184,484	63,027
Accrued liabilities	30,450	27,710
Total	$ 557,292	$ 595,888

During the six month period ended February 28, 2019, the Company:

i) wrote-off outstanding payable of $42,277 due to the statute of limitations on amounts has lapsed.

ii) settled $32,469 of payables for $14,852, which resulted in a gain of $17,617.

11. CONVERTIBLE PROMISSORY NOTE

The discount on the convertible promissory note is amortized using the effective interest method over the one-year term of the promissory note. The Corporation accretes the carrying value of the convertible debentures each month by recognizing an accretion expense in profit or loss and a credit to convertible promissory note. For the year ended August 31, 2018, $209,750 of accretion expense from the debt discount was recorded by the Company. During the period ended February 28, 2019, the Company recorded $226,178 of accretion expense from the debt discount.

The fair value of the derivative liability as at February 28, 2019 was estimated as $890 (August 31, 2018 - $358,000) using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0% (August 31, 2018 – 0%), expected volatility of 113% (August 31, 2018 – 113%) based on historical volatility, risk free interest rate of 1.66% (August 31, 2018 – 1.66%), share price of $0.08 (August 31, 2018 -$0.22), and an expected life of 0.25 years (August 31, 2018 - 0.75). The convertible promissory note is shown as a current liability as the debt's maturity date is fewer than 12 months from August 31, 2018.

	Liability	Derivative Liability	Total
Balance August 31, 2017	$ -	$ -	$ -
Issuance of convertible promissory note	1,445,380	893,000	2,338,380
Accretion	209,750	-	209,750
Revaluation of derivative liability	-	(535,000)	(535,000)
Foreign exchange gain	(6,105)	-	(6,105)
Balance August 31, 2018	1,649,025	358,000	2,007,025
Accretion	226,178	-	226,178
Revaluation of derivative liability	-	(357,000)	(357,000)
Foreign exchange loss	43,179	-	43,179
Balance February 28, 2019	$ 1,918,382	$ 1,000	$ 1,919,382

12. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS

Capital stock

The Company has authorized an unlimited number of common shares without par value.

During the period ended February 28, 2019, the Company closed a non-brokered private placement financing of 25,075,068 units at a price of $0.12 per unit raising total proceeds of $3,009,008. Each unit comprises of one common share and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.25 expiring on November 5, 2021. The Company paid cash of $3,696 as share issuance costs.

Share purchase warrants

At February 28, 2019 warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price ($)	Number of warrants	Remaining contractual life (years)	Currently exercisable
June 22, 2019	0.35	329,600	0.31	329,600
June 22, 2019	0.35	3,200	0.31	3,200
September 28, 2019	0.32	30,000	0.58	30,000
November 14, 2019	0.37	93,750	0.71	93,750
January 10, 2020	0.65	450,000	0.87	450,000
March 19, 2020	0.70	1,389,928	1.05	1,389,928
November 14, 2020	0.32	2,500,000	1.71	2,500,000
May 16, 2021	0.25	4,758,571	2.21	4,758,571
August 9, 2021	0.25	3,700,000	2.45	3,700,000
November 5, 2021	0.25	25,075,068	2.69	25,075,068
		38,330,117		38,330,117

12. **CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (continued)**

Share purchase warrants (continued)

The following is a summary of the warrant transactions during the period ended February 28, 2019 and the year ended August 31, 2018:

	Six months ended February 28, 2019			Year ended August 31, 2018		
	Number Of Warrants		Weighted Average Exercise Price	Number Of Warrants		Weighted Average Exercise Price
Balance, beginning of the period	13,255,049	$	0.33	553,840	$	0.34
Warrants issued -pursuant to private placements				10,822,249		0.33
	25,075,068		0.25			0.80
Warrants issued -pursuant to broker's warrants				15,120		0.35
	-		-			1.00
Warrants issued - pursuant to bridge loan (Note 13)	-		-	2,500,000		0.32
Warrants exercised	-		-	(636,160)		0.33
Balance, end of period	38,330,117	$	0.28	13,255,049	$	0.33

Broker warrants were valued at $Nil (August 31, 2018 - $8,875), using the Black Scholes option pricing model.

The weighted average issuance date fair value of warrants issued during the period ended February 28, 2019 was $Nil per warrant (August 31, 2018 - $0.25).

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of broker warrants and loan warrants issued in the period ended February 28, 2019 and the year ended August 31, 2018:

	Period ended February 28, 2019	Year ended August 31, 2018
Risk-free interest rate	-	1.44%
Expected life of warrants	-	2.00 years
Expected annualized volatility	-	190%
Expected dividend rate	-	0%
Stock price	-	$0.35
Exercise price	-	$0.32

Stock options

The Company may grant stock options pursuant to a stock option plan which was initially established in accordance with the policies of the TSX-V. During the year ended August 31, 2015, the Company moved it's listing from the TSX-V to the CSE, and did not change the stock option plan. The Board of Directors administers the plan, pursuant to which the Board of Directors may grant from time to time incentive stock options up to an aggregate maximum of 10% of the issued and outstanding shares of the Company to directors, officers, employees, consultants and advisors. The options can be granted for a maximum of five years.

12. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (continued)

Stock options (continued)

As at February 28, 2019, the following incentive stock options were outstanding:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Exercisable
April 4, 2019*	0.35	300,000	300,000
December 22, 2019	0.65	19,000	19,000
January 22, 2020	0.97	150,000	150,000
March 13, 2020	0.30	350,000	350,000
March 17, 2020	0.45	50,000	50,000
June 4, 2020	0.34	50,000	50,000
August 24, 2020	0.24	250,000	250,000
September 28, 2020	0.14	35,000	35,000
August 13, 2021	0.17	250,000	250,000
August 24, 2021*	0.24	212,500	212,500
September 13, 2021	0.15	500,000	500,000
September 28, 2021	0.14	500,000	500,000
November 16, 2021	0.15	50,000	50,000
December 12, 2021	0.12	100,000	100,000
February 1, 2022	0.10	100,000	-
February 3, 2022	0.05	317,100	317,100
April 12, 2022	0.50	40,000	40,000
April 18, 2022	0.31	750,000	750,000
June 22, 2022	0.26	68,888	68,888
July 4, 2022	0.26	490,000	490,000
August 8, 2022	0.28	150,000	150,000
November 9, 2022	0.28	825,000	825,000
December 12, 2022	0.69	20,000	20,000
January 22, 2023	0.97	50,000	50,000
February 13,2023	0.72	75,000	75,000
April 20, 2023	0.45	100,000	100,000
July 12, 2023	0.20	1,400,000	1,400,000
December 20, 2023	0.09	50,000	50,000
January 9, 2024	0.09	700,000	-
		7,952,488	7,152,488

*expired subsequently

12. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (Continued)

Stock options (Continued)

The following is a summary of the option transactions during the period ended February 28, 2019 and year ended August 31, 2018:

	Six months ended February 28, 2019		Year ended August 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	6,817,238	$ 0.27	4,375,488	$ 0.25
Options granted	1,485,000	0.11	5,502,650	0.39
Options exercised	-	-	(678,000)	0.21
Options expired/cancelled	(349,750)	0.24	(2,382,900)	0.53
Balance, end of the period	7,952,488	$ 0.24	6,817,238	$ 0.27

The weighted average issuance date fair value of stock options granted during the period ended February 28, 2019 was $0.21 per option (August 31, 2018 - $0.55).

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of options granted for the period ended February 28, 2019 and year ended August 31, 2018:

	Six months ended February 28, 2019	Year ended August 31, 2018
Risk-free interest rate	2.24%	1.85%
Expected life of options	3.99 years	3.95 years
Expected annualized volatility	186%	153%
Exercise price	$0.11	$0.39
Expected dividend rate	0%	0%

Share based compensation

During the period ended February 28, 2019, the Company granted the following options:

i) issued 35,000 stock options to a consultant of the Company. The options are valued at $4,143, exercisable at $0.135 per share, expiring on September 28, 2020. The options are vested immediately.

ii) issued 500,000 stock options to a consultant of the Company. The options are valued at $66,108, exercisable at $0.135 per share, expiring September 28, 2021. The options are vested immediately.

iii) issued 100,000 stock options to a director of the Company. The options are valued at $6,962, exercisable at $0.12 per share, expiring on December 12, 2021. The options are vested immediately.

12. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (Continued)

Share based compensation (Continued)

iv) issued 100,000 stock options to a director of the Company. The options are valued at $6,387, exercisable at $0.10 per share, expiring on February 1, 2022. The options are vested in equal tranches on the first, second, third anniversaries of the grant date.

v) issued 50,000 stock options to a consultant of the Company. The options are value d $4,175, exercisable at $0.09 per share, expiring on December 20, 2023. The options vested immediately.

vi) issued 700,000 stock options to a former officer of the Company. The options are valued at $54,988, exercisable at $0.09 per share, expiring on January 9, 2024. The options are vested in equal tranches over a one-year period from the grant date.

13. RELATED PARTY TRANSACTIONS

Key management personnel include members of the Board of Directors, Executive Officers and any companies owned or controlled by them.

During the six month period ended February 28, 2019, the Company paid or accrued consulting and management fees of $499,925 (2018 - $273,921) to officers, directors and former directors of the Company, or companies under their control. As at February 28, 2019, $184,484 (August 31, 2018 - $63,027) remained outstanding and is included under accounts payable and accrued liabilities.

During the six month period ended February 28, 2019, the Company was owed $11,316 (August 31, 2018 - $9,705) from a company with directors in common which is included in receivables.

During the six month period ended February 28, 2019, the Company issued 800,000 stock options (2018 – 1,150,000) to a former officer and directors resulting in share-based compensation of $61,950 (2018 - $414,514).

During the six month period ended February 28, 2019, the Company issued Nil warrants (2018 – 1,500,000) relating to a loan payable to a director resulting in share-based compensation of $Nil (2018 - $369,192).

14. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes to the Company's approach to mitigating risk exposures during the period ended February 28, 2019.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash and receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The receivables that are financial instruments consist of trade receivables. The Company has no significant concentration of credit risk arising from operations.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its working capital requirements, after taking into account existing cash and expected exercise of share purchase warrants and options. Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. As at February 28, 2019, the Company had $557,292 (August 31, 2018 - $595,888) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days and loans payable of $Nil (August 31, 2018 - $425) and a convertible promissory note and derivative liability of $1,919,382 (August 31, 2018 - $2,007,025).

Interest risk

Interest risk consists of two components: to the extent that payments made or received on the Company's financial instruments are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rates on the Company's financial instruments the Company is exposed to interest rate fair value risk. The Company has cash balances and no material interest-bearing debt, therefore, interest rate risk is minimal.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional and presentation currency is the Canadian dollar. Certain expenditures are transacted in foreign currencies. As a result, the Company is exposed to fluctuations in these foreign currencies relative to the Canadian dollar. As at February 28, 2019, the Company has US$9,273 included in cash, US$103,678 included in accounts payable, and a convertible promissory note of US$1,800,000. Management does not hedge its foreign exchange risk, and does not believe a change in foreign exchange would materially affect the Company at its current stage.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing and financing transactions for the period ended February 28, 2019.

Significant non-cash investing and financing transactions for the year ended August 31, 2018 consisted of:

i) transferred $116,288 from share-based payment reserve to share capital upon exercise of options;

ii) issued 1,389,928 warrants valued at $125,093 included in private placement unit offering;

iii) transferred $11,944 from warrant reserve to share capital upon exercise of warrants;

iv) issued 15,120 broker warrants valued at $8,875 as share issue costs pursuant to private placement and acquisition of 1142128 B.C Ltd. and Prodigy Films Inc.;

v) issued 71,428 shares valued at $44,285 pursuant to the acquisition of Prodigy Films Inc.;

vi) issued 62,500 shares valued at $56,875 pursuant to the acquisition of 1142128 B.C Ltd.; and

vii) issued 1,828,571 shares valued at $594,286 pursuant to the acquisition of Xenoholographic Inc.

16. SUBSEQUENT EVENT

Subsequent to February 28, 2019, the Company granted 100,000 stock options to a consultant of the Company. The options are valued at $4,143, exercisable at $0.135 per share, expiring on September 28, 2020. The options are vested in equal tranches over a one-year period from the grant date.

SCHEDULE "B"

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 29, 2019

For the six months ended February 28, 2019 and 2018

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1. INTRODUCTION

The Management's Discussion and Analysis ("MD&A") of operating results and financial position for the six months ended February 28, 2019 and 2018 is supplementary to and should be read in conjunction with the condensed interim consolidated financial statements for the same period as well as the audited consolidated financial statements and related notes for the financial year ended August 31, 2018. Copies of these documents can be found on the SEDAR website at www.sedar.com. The MD&A is intended to help readers understand the dynamics of our business and the key factors underlying our financial results. The MD&A and the condensed interim consolidated financial statements were approved by the Board of Directors on April 29, 2019.

2. FORWARD-LOOKING INFORMATION

This document contains forward-looking statements which reflect management's current expectations about future events and financial and operating performance of the Company. Words such as "may", "will", "should", "could", "anticipate", "believe," "expect, "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. Forward-looking statements contained in this document may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. These statements reflect management's current views with respect to future events or conditions, including prospective financial performance, financial position, and predictions of future actions, plans or strategies. Certain material factors and assumptions were applied in drawing our conclusions and making these forward looking statements. These statements reflect management's current views, beliefs and assumptions and are subject to certain inherent risks and uncertainties. Factors that could cause actual performance to differ materially include, but are not limited to:

- *ability to develop or acquire new technology;*
- *competition in the market;*
- *development of new software products;*
- *economic growth and fluctuations;*
- *proper performance of our applications;*
- *the protection and privacy of personal information which we hold;*
- *the risks associated with credit;*

- *capital expenditures;*
- *the exchange rate of the US currency fluctuations;*
- *changes in accounting policies and estimates;*
- *human resource matters, including recruitment and retention of competent personnel;*
- *the ability to raise capital;*

The above (and other) factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward-looking statements. See "Risks and Uncertainties" below and the section entitled "Risk Factors". Should one or more of these risks or uncertainties materialize, or should the assumptions underlying our projections or forward-looking statements prove incorrect, our actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated or expected. We do not intend and do not assume any obligation to update these forward-looking statements whether as a result of new information, plans, events or otherwise, unless required by law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

3. COMPANY OVERVIEW

Imagination Park Technology Inc. (the "Company" or "Imagination Park") is a public company domiciled in Canada whose core business is to deliver engaging and interactive content to users through a cloud-based augmented reality ("AR") platform.

The Company's shares are listed on the Canadian Security Exchange (CSE) under the ticker symbol "IP" and the OTCQB Venture Market under stock symbol is "IPNFF". The Company was incorporated in British Columbia under the laws of the Business Corporation Act (BC, Canada).

In 2015, the Company was an emerging digital content production company, working with talented filmmakers around the world to bring conventional as well as virtual reality content to life. The Company embarked on a number of joint ventures, letters of understanding and revenue sharing agreements for the development of short films and proof of concepts.

In 2017, the Company strategically decided to shift focus from digital content production to augmented reality and mixed reality software and related services. Under the restructuring, the Company reduced its involvement and investments in film content and expects to wind-down its remaining interest in its film producing entities in the current year.

The Company also announced in 2017, that it had executed a binding letter of intent with InterKnowlogy, LLC ("InterKnowlogy") in connection with the establishment of XenoHolographic Inc. ("XenoHolographic") a joint venture company where, pursuant to the terms, ownership would be divided on a 50/50 basis between Imagination Park and InterKnowlogy. InterKnowlogy, a software developer, is to advance its augmented and mixed reality platform and Imagination Park is to provide working capital, the marketing strategy and sales support to promote the use of augmented and mixed reality platform.

By November 2017, XenoHolographic was in the process of developing two new products, XenoRoom and XenoSideKick, to deliver interactive holographic experiences. XenoRoom is a location-based holographic experience engine allowing businesses to upload 3D content to the cloud. XenoSidekick is a mobile phone toolkit that when launched with a smartphone allows for seamless interaction with holograms irrespective of the augmented reality headset brand.

In May 2018, the Company acquired the remaining 50% interest in XenoHolographic from InterKnowlogy to solely focus on providing the XenoHolographic Product Suite, one of the first platform-agnostic, cloud-based AR platforms in the world. With the acquisition of XenoHolographic, the Company owns 100% of all rights, title and interest in the XenoHolographic suite of products.

About XenoHolographic Product Suite

XenoMark™ is an AR mobile app. that allows you to quickly create a visual marker. Once the marker is detected AR content is activated.

XenoPlay™ is the AR mobile app that allows the user to visualize the AR content once it is activated through XenoMark™. The activated content can be in the form of an image, text or video. XenoPlay™ can also deliver AR rewards and create AR stories showing people where they need to go and what they need to do to activate AR.

XenoCloud™ is a centralized management system where the content is securely stored and managed.

3. COMPANY OVERVIEW (CONTINUED)

Working together, these products bridge the gap between the digital world and real world experiences. The mobile apps allow the users to scan real-world objects to unlock useful and entertaining content. The application also allows users to create their own augmented reality content. The Company also provides professional content services that can take the form of gaming content (scavenger hunts, score boards, sweepstakes etc.) or custom content (3D modelling, video animation, brand logo imaging etc.)

The AR experiences could be published to an existing mobile app or a white label app built by the Company via its augmented reality Plugin or to the XenoPlay™ app. The Company will charge users an annual recurring licensing fee for the use of the mobile app based on the volume of AR experiences it publishes. The Company expects to generate revenue from monthly recurring licensing fees and one time, up-front professional services fees.

HIGHLIGHTS FOR THE PERIOD THROUGH THE DATE OF THIS REPORT

On October 12, 2018, the Company announced that it had closed a non-brokered private placement financing for gross proceeds of CDN $3,009,008. Proceeds from the offering will be used to promote AR and the XenoHolographics product suite and for general working capital purposes.

On November 15, 2018, the Company announced that it has been contracted to provide an exclusive augmented reality program for the inaugural season for the Tucson Sugar Skulls, an Indoor Football League ("IFL") team in Tucson, Arizona.

In December 2018, the Company sold all its interests in the movie production company called Imagination Park Alberta Ltd. for net proceeds of $6,000.

On December 4, 2018, the Company strengthened its competitive advantage by filing a comprehensive patent application for "Systems and Methods for Creating and Delivering Augmented Reality Content" with the U.S. Patent and Trademark Office. The patent application is specifically focused on the proprietary technology developed for XenoMark™ and XenoCloud™.

On December 10, 2018, the Company announced that it had been contracted to provide an exclusive augmented reality experience at the Mall of America one of the largest malls in America for this holiday season starting December 4, 2018. The Mall of America Augmented Reality Experience told a holiday story using XenoPlay™ mobile app with a series of AR experiences located throughout the mall. Upon completing the story, guests were rewarded with the opportunity to enter to win a shopping spree at the mall.

On December 20, 2018, the Company announced that it had partner with Data Call Technologies to provide custom content programming experiences to the digital out of home marketplace that includes commercial locations and public outdoor advertising spaces.

On January 14, 2019, the Company announced that it had signed a strategic agreement with CrealTive, LLC, a New Jersey based creative and IT agency, to market the XenoHolographic Product Suite platform to the music, entertainment and advertising industries.

3. COMPANY OVERVIEW (CONTINUED)

On January 29, 2019, the Company announced that the UltraStar Multi-tainment Center at Ak-Chin Circle, an enterprise of the Ak-Chin Indian Community, will implement a new futuristic augmented reality campaign from Imagination Park. Adding Augmented Reality (AR) will help change the theatrical experience and social culture within the one-of-a-kind world-class facility. Imagination Park enables UltraStar customers to point their phones at logos, signs, posters and landmarks to view or retrieve coupons, messages, videos and more. Customers just need to download Imagination Park's XenoPlay™ AR mobile browser app from the app store to open up a new world of interactive entertainment digital options while inside the multi-tainment center.

On February 5, 2019, the Company announced that Jonathan Mariner has joined the Company as a Senior Advisor to the CEO. Mr. Mariner, who retired from Major League Baseball, Office of the Commissioner, having previously served as Executive VP and CFO from March 2002 to December 2014 and as Chief Investment Officer from January 2015 until May 2016, will help improve the fan experience for professional sports teams and major advertisers by introducing Imagination Park's augmented reality technology platform.

On February 21, 2019, the Company announced the new release of its XenoPlay™ platform. XenoPlay™ Version 3.3 is packed with features that allows advertising and marketing professionals to create augmented reality (AR) campaigns within minutes without the need for any programming or technical expertise. Simon Schatzmann has joined Imagination Park as VP Sales to introduce the advertising and marketing world to AR technology that will forever change the way brands market to customers.

On March 7, 2019, the Company announced that Orange County Community College ("SUNY Orange"), will be the first North American college to implement a student recruitment augmented reality campaign. Imagination Park will enable SUNY Orange students to point their phones at logos, signs, posters and landmarks on and around campus to view or retrieve school news, updates, retailer coupons, messages, videos and more. After downloading Imagination Park's XenoPlay™, the app presents students with a new world of interactive entertainment options while at SUNY Orange campuses in Middletown and Newburgh, New York. The Imagination Park XenoHolographic™ product suite provides SUNY Orange access to its own CMS (Content Management System) with XenoCloud™, automatic conversion of 2D/3D objects into dynamic AR objects for iOS and Android, virtual AR-based scavenger hunts, and student engagement reporting to refine campaigns and further engage users.

On March 20, 2019, the Company announced it is now a Microsoft Partner. Imagination Park selected the Azure platform as it enables security, reliability and the ability to scale very quickly. With some of the largest brands and professional sports teams with large audience/fan interaction it is critical that our infrastructure can handle rapid growth, and the artificial intelligence to log and analyze the data captured from these augmented reality engagements.

On March 25, 2019, the Company announced that Mark Silver has become an advisor to the Company. Mr. Silver, who is currently serving as the Chief Digital Officer for the Canadian Soccer Business, will advise Imagination Park on its augmented reality technology platform.

4. NATURE OF CONTINUANCE OF OPERATIONS

The condensed interim consolidated financial statements were prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete a public equity financing, or generate profitable operations in the future. The Company believes it will be able to raise the necessary funding to continue operations however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

At February 28, 2019, the Company had a net working capital deficiency of $717,750 (August 31, 2018 – deficiency of $2,040,495).

5. OUTLOOK

The Company will continue generate awareness for its platform by marketing its technology in various verticals including retail, sports and live entertainment, education, and fundraising. As announced, the company has established a number of strategic partnerships and alliances and performed numerous demonstrations to chief marketing officers and Chief decision makers.

There has been significant interest in the platform. As the Company cycles through the sales funnel, feedback has been encouraging and a robust pipeline of opportunities is emerging. Over the next twelve months, management expects to convert these potential opportunities into revenue growth and expects to realize revenue in the form of monthly recurring revenues from licensing fees and upfront professional services fees from gaming and custom content.

6. DISCUSSION OF OPERATIONS

The results of operations reflect the overhead costs incurred to provide an administrative infrastructure to manage the business and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity of Management and Directors.

Six month period ended February 28, 2019 and 2018

For the six month period ended February 31, 2019, the Company had a net loss of $1,730,058 compared with a net loss of $2,960,411 in the comparative period. During the six month period ended February 31, 2019, the Company incurred:

- revenue of $83,956 (2018 - $Nil). Revenue was primarily generated from the licensing fees and onetime professional services fees for custom content to provide an exclusive augmented reality experience at the Mall of America. The Company expects revenue to ramp up in future quarters as it generates awareness of it platform through various promotional activities and product demonstrations

- accretion of convertible promissory note of $226,178 (2018 - $Nil). The increase is mainly due to the interest accrued on a convertible promissory note during the current period.

- consulting and management fees of $781,009 (2018 - $424,285). The increase is mainly due to increased director and management involvement and increased outside consultants to facilitate the Company's restructuring and transition to the augmented reality operation.

6. DISCUSSION OF OPERATIONS (CONTINUED)

- Office, rent, and miscellaneous of $168,354 (2018 - $17,875). The increase is mainly due to increased in business activities with development of the augmented reality operation during the current period.

- share-based compensation of $86,988 (2018 - $1,872,347). The increase is due to less options being granted during the current period.

- shareholder communications and promotions of $242,901 (2018 - $131,872). The increase was primarily due to promotion activities such as an increase in news release distribution fees, and website updates during the current period.

- travel and accommodation of $50,407 (2018 - $112,421). The decrease was due to the Company cost cutting effort and directors travelling less frequently for business during the current period.

- gain on settlement of debt of $17,617 (2018 - $4,650) related to the settled total payables in the amount of $32,469 with cash payment of $14,852, which resulted in a gain of $17,617.

- Wages and salaries of $500,151 (2018 - $Nil). The increase is due to the salaries and benefits paid or accrued to a former officer during the current period.

- Write off of accounts payables of $42,277 (2018 - $Nil) due to the statute of limitations on amounts has lapsed.

- $357,000 gain on revaluation of the derivative liability.

Three month period ended February 28, 2019 and 2018

For the three month period ended February 31, 2019, the Company had a net loss of $762,844 compared with a net loss of $1,537,794 in the comparative period. During the three month period ended February 31, 2019, the Company incurred:

- revenue of $38,162 (2018 - $Nil). Revenue was primarily generated from the licensing fees and onetime professional services fees for custom content to provide an exclusive augmented reality experience at the Mall of America. The Company expects revenue to ramp up in future quarters as it generates awareness of it platform through various promotional activities and product demonstrations

- consulting and management fees of $393,741 (2018 - $250,712). The increase is mainly due to increased director and management involvement and increased outside consultants to facilitate the Company's restructuring and transition to the augmented reality operation.

- Office, rent, and miscellaneous of $59,074 (2018 - $4,586). The increased is mainly due to increase in business activities with development of the augmented reality operation during the current period.

- share-based compensation of $16,737 (2018 - $883,955). The increase is due to less options being granted during the current period.

- shareholder communications and promotions of $10,774 (2018 - $93,023). The decrease was primarily due to promotion activities such as an increase in news release distribution fees, and website updates during the comparative period.

- travel and accommodation of $25,141 (2018 - $46,380). The decrease was due to the Company cost cutting effort and directors travelling less frequently for business during the current period.

- gain on settlement of debt of $17,617 (2018 - $Nil) related to the settled total payables in the amount of $32,469 with cash payment of $14,852, which resulted in a gain of $17,617.

- Wages and salaries of $349,596 (2018 - $Nil). The increase is due to the salaries and benefits paid or accrued to a former officer during the current period.

- Write off of accounts payables of $42,277 (2018 - $Nil) due to the statute of limitations on amounts has lapsed.

- $16,000 gain on revaluation of the derivative liability.

7. SUMMARY OF QUARTERLY RESULTS

The following table contains selected consolidated financial information for the Company, prepared in accordance with IFRS, for the eight most recently completed quarters of 2019 and 2018:

Three Months Ended	**Feb. 28, 2019**	**Nov. 30, 2018**	**Aug. 31, 2018**	**May 31, 2018**
	$	$	$	$
Revenue and other income	38,162	45,794	(37,889)	-
Income (loss) and Comprehensive income (loss)	(762,844)	(967,214)	(431,409)	287,909
Loss per Common Share	(0.01)	(0.01)	(0.01)	0.00

Three Months Ended	**Feb. 28, 2018**	**Nov. 30, 2017**	**Aug. 31, 2017**	**May 31, 2017**
	$	$	$	$
Revenue and other income	454,854	-	-	-
Loss and Comprehensive loss	(1,537,794)	(1,422,617)	(653,616)	(4,436,481)
Loss per Common Share	(0.02)	(0.02)	(0.01)	(0.08)

8. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position was $1,662,767 at February 28, 2019 compared to $324,938 at August 31, 2018. The Company had a working capital deficiency of $717,750 at February 28, 2019 (August 31, 2018 - $2,040,495). During the period ended February 28, 2019, cash flow activities consisted of:

i) cash flows spent on operating activities of $1,575,086 (2018 - $1,438,111) consisting of operating expenses during the current period.

ii) cash flows received from financing activities of $3,005,312 (2018 - $2,084,387) consisting primarily of $3,009,008 from private placements.

iii) cash flows spent on investing activities of $92,397 (2018 - $888,390) consisting primarily of $39,497 (2018 - $Nil) for intangible assets and disposition of a subsidiary.

8. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

During the period ended February 28, 2019, the Company closed a non-brokered private placement financing of 25,075,068 units at a price of $0.12 per unit raising total proceeds of $3,009,008. Each unit comprises of one common share and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.25 expiring on November 5, 2021. The Company paid cash of $3,696 as share issuance costs.

9. SHARE CAPITAL

As at April 29, 2019, the Company had 101,456,538 common shares issued and outstanding and the following incentive stock options were outstanding:

Expiry Date	Exercise Price	Number of Options Outstanding	Exercisable
December 22, 2019	$0.65	19,000	19,000
January 22, 2020	0.97	150,000	150,000
March 13, 2020	0.30	350,000	350,000
March 17, 2020	0.45	50,000	50,000
June 4, 2020	0.34	50,000	50,000
August 24, 2020	0.24	250,000	250,000
September 28, 2020	0.14	35,000	35,000
August 13, 2021	0.17	250,000	250,000
August 24, 2021	0.24	212,500	212,500
September 13, 2021	0.15	500,000	500,000
September 28, 2021	0.14	500,000	500,000
November 16, 2021	0.15	50,000	50,000
December 12, 2021	0.12	100,000	100,000
February 1, 2022	0.10	100,000	-
February 3, 2022	0.05	317,100	317,100
April 12, 2022	0.50	40,000	40,000
April 18, 2022	0.31	750,000	750,000
June 22, 2022	0.26	68,888	68,888
July 4, 2022	0.26	490,000	490,000
August 8, 2022	0.28	150,000	150,000
November 9, 2022	0.28	825,000	825,000
December 12, 2022	0.69	20,000	20,000
March 25, 2022	0.055	100,000	25,000
January 22, 2023	0.97	50,000	50,000
February 13, 2023	0.72	75,000	75,000
April 20, 2023	0.45	100,000	100,000
July 12, 2023	0.20	1,400,000	1,400,000
December 20, 2023	0.09	50,000	50,000
January 9, 2024	0.09	700,000	-
		7,752,488	6,877,488

9. SHARE CAPITAL (CONTINUED)

As at April 29, 2019, warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price	Number of Warrants Outstanding
June 22, 2019	$0.35	329,600
June 22, 2019	0.35	3,200
September 28, 2019	0.32	30,000
November 14, 2019	0.37	93,750
January 10, 2020	0.65	450,000
March 19, 2020	0.70	1,389,928
November 14, 2020	0.32	2,500,000
May 16, 2021	0.32	4,758,571
August 9, 2021	0.32	3,700,000
November 5, 2021	0.25	25,075,068
		38,330,117

10. OFF-BALANCE SHEET FINANCING

The Company did not have any off-balance sheet arrangements or transactions.

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the six month period ended February 28, 2019, the Company paid or accrued:

i) management and consulting fees of $127,425 (2018 - $112,421), to The Zamnu Inc., a corporation owned by the CEO of the Company, namely Alen Paul Silverrstieen.

ii) consulting fees of $77,000 (2018 - $Nil) to Triton Films Inc., a corporation owned by a former director and former CEO of the Company, namely Gabriel Napora.

iii) consulting fees of $Nil (2018 - $11,500) to a former director of the Company, namely Tim Marlowe.

iv) consulting fees of $69,000 (2018 - $69,000) to a former director of the Company, namely Yas Taalat.

v) consulting fees of $6,500 (2018 - $3,000) to a former director of the Company, namely Ben Lu.

vi) director fees of $120,000 (2018 - $Nil) recorded in consulting and management fees to a former director of the Company, namely James Skippen.

vii) director fees of $100,000 (2018 - $Nil) recorded in consulting and management fees to a former director of the Company, namely John Gilberry.

As at February 28, 2019, $184,484 (August 31, 2018 - $63,027) remained outstanding to related parties and is included under accounts payable.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

During the six month period ended February 28, 2019, the Company was owed $11,316 (August 31, 2018 - $9,705) from a company with former directors in common which is included in receivables.

During the six month period ended February 28, 2019, the Company issued 800,000 stock options (2018 – 1,150,000) to an former officer and directors resulting in share-based compensation of $61,950 (2018 - $414,514).

During the six month period ended February 28, 2019, the Company issued Nil warrants (2018 – 1,500,000) relating to a loan payable to a director resulting in share-based compensation of $Nil (2018 - $369,192).

12. CHANGES IN ACCOUNTING POLICY AND FUTURE ACCOUNTING CHANGES

Please refer to the condensed consolidated interim financial statements filed on www.sedar.com for the period ended February 28, 2019 for changes in accounting policies and future accounting changes.

13. FINANCIAL INSTRUMENTS

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts of cash, accounts receivables, accounts payable and accrued liabilities on the consolidated statement of financial position approximate fair market value because of the limited term of these instruments. The Company carries its marketable securities at fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash and receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The receivables relate to amounts due from government agencies and amounts due from related parties therefore the Company’s maximum exposure to credit risk is the balance of cash held as at February 28, 2019. The Company has no significant concentration of credit risk arising from operations.

13. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instrument or future media related transactions. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash and expected exercise of share purchase warrants and options. Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. As February 28, 2019 the Company had $557,292 (August 31, 2018 - $595,888) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days and a convertible promissory note and derivative liability of $1,919,382 (August 31, 2018 - $2,007,025).

Interest risk

Interest risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities the Company is exposes to interest rate fair value risk. The Company has cash balances and no material interest-bearing debt, therefore, interest rate risk is minimal.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional and presentation currency is the Canadian dollar. Certain expenditures are transacted in foreign currencies. As a result, the Company is exposed to fluctuations in these foreign currencies relative to the Canadian dollar. As at February 28, 2019, the Company has US $56,225 included in cash and US $155,809 included in accounts payable and accrued liabilities and a convertible promissory note in the amount of US $1,800,000. Management does not hedge its foreign exchange risk, and does not believe a change in foreign exchange would materially affect the Company at its current stage

14. CONTINGENCIES

The Company is unaware of exposure to any contingent liabilities.

15. RISKS AND UNCERTAINTIES

The Company's financial condition, results of operations and business are subject to risks. The following are identified as the main risk factors:

Financing

The Company is reliant upon financing in order to continue its operations because it does not derive any income from its assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional funding in the future, it will be unable to carry out its operations.

Key Personnel

The future of the Company is dependent on the management of the Company. The departure of any of operations or management personnel or their inability to continue being functional could have an adverse impact on the Company's growth, business, financial position, and operating results.

Competition

The Company will compete with many larger companies and new comers to the industry that will have greater financial and technical resources than the Company for the development of its applications as well as the recruitment and retention of qualified consultants and employees.