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 November 30, 2019 are attached as Schedule A.

SCHEDULE A: 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. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) 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 B: MANAGEMENT DISCUSSION AND ANALYSIS

The Issuer's Management Discussion & Analysis for the period ended November 30, 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 January 29, 2020

Alen Paul Silverrstieen
Name of Director or Senior Officer

/s/ Alen Paul Silverrstieen
Signature

President & CEO
Official Capacity

Issuer Details Name of Issuer Imagination Park Technologies Inc.	For Quarter Ended 2019/11/30	Date of Report YY/MM/D 2020/01/29
Issuer Address 510-580 Hornby Street		
City/Province/Postal Code Vancouver, BC, V6C 3B6	Issuer Fax No. ( )	Issuer Telephone No. (818) 850-2490
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

IMAGINATION PARK TECHNOLOGIES INC.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2019

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)**

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.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

	November 30, 2019	August 31, 2019
ASSETS		
Current		
Cash	$ 81,779	$ 439,721
Receivables (Note 6)	41,442	26,065
Prepaid expenses (Note 7)	10,249	28,101
Total current assets	133,470	493,887
Reclamation bonds (Note 8)	5,040	5,040
Intangible assets (Note 10)	6,238,595	6,467,449
Total assets	$ 6,377,105	$ 6,966,376
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 11 and 14)	$ 532,560	$ 476,966
Total liabilities	532,560	476,966
Shareholders' equity		
Capital stock (Note 13)	23,851,616	23,851,616
Reserves (Note 13)	4,801,489	4,561,210
Deficit	(22,808,560)	(21,923,416)
Total shareholders' equity	5,844,545	6,489,410
Total liabilities and shareholders' equity	$ 6,377,105	$ 6,966,376

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

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

	For the three months ended November 30, 2019	2018
REVENUE		
Services income	$ 20,154	$ 45,794
EXPENSES		
Accretion of convertible promissory note (Note 12)	-	228,445
Consulting, director and management fees (Note 14)	150,596	387,268
Depreciation (Note 10)	228,854	-
Foreign exchange loss (gain)	(506)	68,425
Office, rent, and miscellaneous	40,578	43,637
Pre-production expenses	-	10,420
Professional fees	40,128	82,605
Share-based compensation (Note 13 and 14)	240,279	70,251
Shareholder communications and promotion	37,720	232,127
Software costs	126,458	-
Transfer agent and filing fees	2,265	4,548
Travel and accommodation	2,582	25,266
Wages and salaries	36,344	216,198
	(905,298)	(1,369,190)
OTHER		
Gain on revaluation of derivative liability (Note 12)	-	341,000
Gain on settlement of debt (Notes 11 and 12)	-	15,182
	-	356,182
Net loss and comprehensive loss for the period	$ (885,144)	$ (967,214)
Basic and diluted net loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	113,372,138	83,315,349

See accompanying notes to the condensed interim consolidated financial statements.

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

	For the three months ended November 30, 2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	$ (885,144)	$ (967,214)
Items not affecting cash:		
Depreciation	228,854	-
Share-based compensation	240,279	70,251
Accretion of convertible promissory note	-	228,445
Gain on settlement of debt	-	15,182
Gain on revaluation of derivative liability	-	(341,000)
Foreign exchange loss	-	60,112
Change in non-cash working capital items:		
Decrease (increase) in receivables	(15,377)	99,939
Decrease in prepaid expenses	17,852	14,918
Increase (decrease) in accounts payable and accrued liabilities	55,594	(11,947)
Net cash flows used in operating activities	(357,942)	(831,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	-	3,009,008
Share issuance costs	-	(3,696)
Net cash flows provided by financing activities	-	3,005,312
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash used for purchase of intangible assets	-	(29,313)
Net cash flows used in investing activities	-	(29,313)
Change in cash	(357,942)	2,144,685
Cash, beginning of period	439,721	324,938
Cash, end of period	$ 81,779	$ 2,469,623
Cash paid for taxes during the period	$ -	$ -
Cash paid for interest during the period	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 16)

See accompanying notes to the condensed interim consolidated financial statements.

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

			Reserves			
	Number of shares	Capital stock	Share-based payment reserve	Warrant reserve	Deficit	Total
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	25,239,318	3,028,718	-	-	-	3,028,718
Share issuance costs	-	(3,696)	-	-	-	(3,696)
Share-based compensation	-	-	70,251	-	-	70,251
Net and comprehensive loss for the period	-	-	-	-	(967,214)	(967,214)
Balance, November 30, 2018	101,620,788	$ 22,927,656	$ 3,181,780	$ 1,168,776	$ (20,530,004)	$ 6,748,208
Balance, August 31, 2019	113,372,138	$ 23,851,616	$ 3,392,434	$ 1,168,776	$ (21,923,416)	$ 6,489,410
Share-based compensation	-	-	240,279	-	-	240,279
Net and comprehensive loss for the period	-	-	-	-	(885,144)	(885,144)
Balance, November 30, 2019	113,372,138	$ 23,851,616	$ 3,632,713	$ 1,168,776	$ (22,808,560)	$ 5,844,545

See accompanying notes to the condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Imagination Park Technology 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 #510 – 580 Hornby Street, Vancouver, BC, V6C 3B6.

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 three months ended November 30, 2019 comprise the Company and its subsidiaries (together referred to as the "Company" and individually as "Company entities").

The condensed interim consolidated 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, and 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 interim consolidated 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 PRESENTATION

These condensed interim consolidated financial statements, including comparatives, approved by the Board of Directors on January 29, 2020 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 policies applied in these consolidated statements are based on IFRS issued and outstanding as of November 30, 2019. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending August 31, 2020 could result in restatements of these condensed interim consolidated financial statements. None of these standards are expected to have a significant effect on the condensed interim consolidated financial statements

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for investments, and the derivative liabilities which are measured at fair value. In addition, these condensed interim consolidated 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. These condensed interim consolidated statements for the three months ended November 30, 2019 and 2018, should be read together with the annual consolidated financial statements as at and for the year ended August 31, 2019. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation and described in Note 3 of the annual consolidated financial statements as at and for the year ended August 31, 2019.

In the preparation of these condensed interim consolidated financial statements, management is required to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses and revenues during the period. Actual results could differ from these estimates.

2. BASIS OF MEASUREMENT AND PRESENTATION (continued)

These condensed interim consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The condensed interim 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 November 30, 2019	Ownership Interest at August 31, 2019	Principal Activity
Imagine AR Inc.	United States	100%	100%	Virtual reality

The condensed interim consolidated financial statements include the financial statements of Imagine AR Inc. from the date control was acquired on May 29, 2018.

During the year ended August 31, 2019, the Company:

i) sold Imagination Park Alberta Ltd. for the proceeds of $6,000, which resulted in a gain of $8,758 (Note 5).

ii) dissolved 1142128 B.C. Ltd. due to inactivity which resulted in a loss of $8,902 during the year ended August 31, 2019.

iii) dissolved Prodigy Films Inc. due to inactivity which resulted in a loss of $Nil during the year ended August 31, 2019.

iv) impaired 3 Seconds Holdings Inc. due uncertainty around future benefits which resulted in a gain of $465 during the year ended August 31, 2019.

v) impaired investment in Kindergarten Holding. due uncertainty around future benefits which resulted in a loss of $20,117 during the year ended August 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to periods presented in these condensed interim consolidated financial statements, unless otherwise stated.

Subsidiaries

Subsidiaries are entities over which the Company has control. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition
Revenue is recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured.

Services income is recognized when the services have been provided and control of the deliverable has been transferred to the customer. Revenue collected prior to it being earned is recorded as deferred revenue and recognized as the related services are provided. We noted that management estimates the pace of revenue recognition based on contract milestones and determination of when it considers the revenue to be earned. Company's arrangements with customers are evidenced by contracts with customers and/or purchase orders.

Subscription income is recognized straight-line over the term of the contracts.

Revenue from production services is recognized on a percentage-of-completion basis. Percentage-of-completion is based upon the proportion of costs incurred in the current period to total expected costs. A provision is made for the entire amount of future estimated losses, if any, on productions-in-progress.

Financial instruments
The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. The effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combination

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses and is not subject to amortization. Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. Goodwill is allocated to a cash generating unit ("CGU"), or group of CGUs, which is the lowest level within an entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Impairment is tested by comparing the recoverable amount of goodwill assigned to a CGU or group of CGUs to its carrying value.

Intangible assets

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is valued at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets.

IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount of the asset, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Foreign currency translation

The Canadian dollar is the functional and reporting currency of the Company. All foreign currency monetary assets and liabilities are translated at the rate of exchange at the statement of financial position date and non-monetary assets and liabilities are translated at historical exchange rates, unless such items are measured at fair value, in which case they are translated using the exchange rates at the date when the fair value was measured. Income and expenses are translated at the rates approximating those at the transaction dates. Gains and losses arising from translation of foreign currency monetary assets and liabilities are recognized in profit or loss.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions as at November 30, 2019 and August 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first attributes value to the shares based on their quoted trading price at issuance, and the residual amount, if any, is attributed to the value of the warrants. Any fair value attributed to the warrants is recorded within the warrant reserve.

Share-based payment transactions

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity as consideration cannot be reliably estimated, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity settled share-based payments reserve account. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

Share consideration

Other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration is based upon the trading price of those shares on the CSE on the date of grant to issue shares as determined by the Board of Directors.

Income taxes

Income tax on the profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and to the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it is not recognized.

3. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the period. During the period ended November 30, 2019 and 2018, the outstanding stock options and warrants were anti-dilutive.

Estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

i) Carrying values for assets and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of value in use or fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

ii) Business combinations

The purchase price allocation process requires management to use significant estimates and assumptions, including fair value estimates including, but not limited to:

estimated fair values of tangible assets and liabilities;
estimated fair values of intangible assets;
estimated income tax assets and liabilities; and
estimated fair value of pre-acquisition contingencies.

While management uses its best estimates and assumptions as a part of the purchase price allocation process to accurately value the assets acquired and liabilities assumed at the business combination date, estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the measurement period, which is the earlier of the date management receives the information necessary to identify and measure assets acquired, liabilities assumed, and consideration transferred or one year from the acquisition date, it is reasonably possible that adjustments will be recorded to the assets acquired and liabilities assumed, with the corresponding offset to goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates and judgments (continued)

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

iii) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes judgements related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

iv) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

v) Acquisitions

Management uses judgment in determining if an acquisition is a business combination or an asset acquisition.

New accounting standards and interpretations

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. This standard did not 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, which resulted in a gain of $8,758.

As at the date of the disposition, the 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:

	November 30, 2019	August 31, 2019
Sales tax receivable from the Canadian Federal Government	$ 9,090	$ 2,497
Trade receivables	32,352	23,568
	$ 41,442	$ 26,065

7. PREPAID EXPENSES

The prepaid expense balance is comprised of the following items:

	November 30, 2019	August 31, 2019
Consulting	$ -	$ 13,910
Other	10,249	14,191
Total	$ 10,249	$ 28,101

8. RECLAMATION BONDS

The reclamation bonds balance at November 30, 2019 of $5,040 (August 31, 2019 - $5,040) relates to the Company's previously held mineral properties.

9. ASSET ACQUISITIONS

Asset purchase agreements

i) Prodigy Films Inc.

On December 20, 2017, the Company purchased a 100% interest in a private company, Prodigy Inc. by issuing 71,428 common shares. The fair value of the 71,428 common shares was determined to be $0.62 per common shares, based on the trading price at the date of issuance for consideration of $44,285. The acquisition was determined to be an asset acquisition and the total consideration was allocated to an option for a script. Effective December 20, 2017, the Company included the operations of Prodigy Films Inc. in the consolidated financial statements.

During the year ended August 31, 2018, the Company recorded an impairment of $44,285 due to uncertainty around future benefits.

During the year ended August 31, 2019, Prodigy Films Inc. was dissolved due to inactivity which resulted in a loss of $Nil.

9. ASSET ACQUISITIONS (continued)

3 Seconds Holdings Inc.

During the year ended August 31, 2018, the Company acquired 66.67% of the outstanding share capital of 3 Seconds Holdings Inc. in consideration for a cash payment of $126,659 (US$100,000). The acquisition was determined to be an asset acquisition and the total consideration, including the non-controlling interest, of $189,989 was allocated to a net profit interest in the film "The Informant". Effective February 22, 2018, the Company began including the operations of 3 Seconds Holdings Inc. in the consolidated financial statements.

During the year ended August 31, 2018, $189,989 of net profit interests acquired were expensed due to uncertainty around future benefits.

During the year ended August 31, 2019, 3 Seconds Holding Inc. recorded an impairment of $465 due to inactivity and uncertainty around future benefits.

10. INTANGIBLE ASSETS

	Software platform and application	*Goodwill*	*Patent portfolio*	*Total Intangible Assets*
Balance August 31, 2018	$ 1,750,338	$ 4,892,465	$ -	$ 6,642,803
Additions	27,094	-	475,000	502,094
Depreciation	(666,537)	-	(10,911)	(677,448)
Balance August 31, 2019	1,110,895	4,892,465	464,089	6,467,449
Depreciation	(219,744)	-	(9,110)	(228,854)
Balance November 30, 2019	$ 891,151	$ 4,892,465	$ 454,979	$ 6,238,595

On December 1, 2018, intangible assets, comprising a mobile software platform and applications for augmented reality content, were commercially viable and available for use. The mobile software platform and applications are being depreciated using the straight-line method over their estimated useful life of 2 years.

In addition, the Company acquired a patent portfolio relating to the augmented reality industry in consideration for $50,000 in cash and 5,000,000 shares valued at $425,000 (Note 13). The patent portfolio is being depreciated using the straight-line method over a period of 13 years, its expected useful life.

The Company performs a goodwill impairment test annually on August 31 and whenever there is an indication of impairment. No impairment of goodwill was identified as a result of the Company's most recent annual impairment test.

The recoverable amount is measured as its value in use, estimated using discounted cash flows. Management's past experience and future expectations of the business' performance are used to make a best estimate of the expected revenues, earnings before interest, taxes, depreciation and amortization, and operating cash flows covering a three year forecast period, and a terminal value using an exit multiple which assumes a potential sale of the company.

10. INTANGIBLE ASSETS (continued)

The key assumptions used in performing the impairment test are as follows:

Discount rate:

Management applied a discount rate of 20% in calculating the recoverable amount. This is a pre-tax rate which reflects the time value of money and risk associated with the business. Management has determined its discount rate to reflect the risk of an emerging technology company.

Revenue probability weighting:

Management applied a probability weighting to the expected forecast revenues which reflects the risk of success or failure. Management has determined the probability weighting based on market research.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The payables balance is comprised of the following items:

	November 30, 2019	*August 31, 2019*
Trade payables	$ 356,072	$ 253,910
Related parties (Note 14)	160,668	163,346
Accrued liabilities	15,820	59,710
Total	$ 532,560	$ 476,966

During the year ended August 31, 2019, the Company:

i) reversed outstanding payables of $131,907 due to the statute of limitations on amounts having lapsed.

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

12. 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 promissory notes 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 year ended August 31, 2019, the Company recorded $692,857 of accretion expense from the debt discount.

The Company issued 6,915,600 shares valued at $518,670 on the date of share issuance and settled $2,420,460 of convertible promissory notes, which resulted in a gain of $1,901,790 during the year ended August 31, 2019.

12. CONVERTIBLE PROMISSORY NOTE (continued)

The fair value of the derivative liability as at August 31, 2019 was estimated as $Nil using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 113% based on historical volatility, risk free interest rate of 1.66%, share price of $0.08, and an expected life of Nil years.

	Liability	*Derivative Liability*	*Total*
Balance August 31, 2018	$ 1,649,025	$ 358,000	$ 2,007,025
Accretion	692,857	-	692,857
Revaluation of derivative liability	-	(358,000)	(358,000)
Foreign exchange loss	78,578	-	78,578
Issuance of 6,915,600 common shares	(2,420,460)	-	(2,420,460)
Balance August 31, 2019 and November 30, 2019	$ -	$ -	$ -

13. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS

Capital stock

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

During the year ended August 31, 2019, the Company:

i) 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 residual value of $Nil was allocated to the common share purchase warrant on the units The Company paid cash finder's fees of $3,696 as share issuance costs.

ii) issued 6,915,600 shares valued at $518,670 on the date of share issuance and settled $2,420,460 worth of convertible promissory notes, which resulted in a gain of $1,901,790 (Note 12).

iii) issued 5,000,000 shares valued at $425,000 on the date of share issuance as consideration of a patent portfolio for the augmented reality industry (Note 10).

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

Share purchase warrants

At November 30, 2019 warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price ($)	Number of warrants	Remaining contractual life (years)	Currently exercisable
January 10, 2020*	0.65	450,000	0.11	450,000
March 19, 2020	0.70	1,389,928	0.30	1,389,928
November 14, 2020	0.32	2,500,000	0.96	2,500,000
May 16, 2021	0.25	4,758,571	1.46	4,758,571
August 9, 2021	0.25	3,700,000	1.69	3,700,000
November 5, 2021	0.25	25,075,068	1.93	25,075,068
		37,873,567		37,873,567

* expired subsequent to the period ended November 30, 2019

The following is a summary of the warrant transactions during the period ended November 30, 2019 and the year ended August 31, 2019:

	Period ended November 30, 2019		Year ended August 31, 2019	
	Number Of Warrants	Weighted Average Exercise Price	Number Of Warrants	Weighted Average Exercise Price
Balance, beginning of the period	37,997,317	$ 0.28	13,255,049	$ 0.33
Warrants issued -pursuant to private placements	-	-	25,239,318	0.25
Warrants expired/cancelled	(123,750)	0.36	(497,050)	0.32
Balance, end of period	37,873,567	$ 0.28	37,997,317	$ 0.28

Stock options

The Company may grant stock options pursuant to a 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.

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

Stock options (continued)

As at November 30, 2019, the following incentive stock options were outstanding:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Exercisable
August 13, 2021	0.17	250,000	250,000
August 24, 2021	0.24	212,500	212,500
September 28, 2021	0.135	500,000	500,000
November 16, 2021	0.15	50,000	50,000
February 1, 2022	0.10	100,000	100,000
February 3, 2022	0.05	317,100	317,100
March 25, 2022	0.055	100,000	75,000
April 12, 2022	0.50	40,000	40,000
April 18, 2022	0.31	750,000	750,000
June 10, 2022	0.10	100,000	50,000
July 4, 2022	0.26	250,000	250,000
September 12, 2022	0.05	500,000	250,000
October 9, 2022	0.05	2,000,000	2,000,000
November 9, 2022	0.275	325,000	325,000
April 11, 2024	0.60	2,000,000	2,000,000
May 14, 2024	0.90	1,000,000	1,000,000
		8,494,600	8,169,600

The following is a summary of the option transactions during the period ended November 30, 2019 and year ended August 31, 2019:

	Period ended November 30, 2019		Year ended August 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	5,994,600	$ 0.46	6,817,238	$ 0.27
Options granted	4,500,000	0.05	4,685,000	0.49
Options expired/cancelled	(2,000,000)	0.05	(5,507,638)	0.26
Balance, end of the period	8,494,600	$ 0.33	5,994,600	$ 0.46

The weighted average issuance date fair value of stock options exercised during the period ended November 30, 2019 was $0.05 per option (August 31, 2019 - $0.07).

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

Stock options (continued)

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of options granted for the period ended November 30, 2019 and year ended August 31, 2019:

	Period ended November 30, 2019	Year ended August 31, 2019
Risk-free interest rate	1.42%	1.72%
Expected life of options	3.00 years	4.60 years
Expected annualized volatility	163%	201%
Exercise price	$0.05	$0.08
Expected dividend rate	0%	0%

Share based compensation

During the period ended November 30, 2019, the Company granted the following options:

i) issued 500,000 stock options to an officer and consultants of the Company. The options are valued at $11,830 exercisable at $0.05 per share, expiring on September 12, 2022. Half of the options vested immediately and half of the options vest on the first anniversary.

ii) issued 2,000,000 stock options to a director of the Company. The options are valued at $93,933, exercisable at $0.05 per share, expiring October 9, 2022. The options vested immediately.

iii) issued 2,000,000 stock options to a consultant of the Company. The options are valued at $93,933, exercisable at $0.05 per share, expiring on October 9, 2022. The options vested immediately. The options were cancelled during the period.

During the year ended August 31, 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 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 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 vested immediately.

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 vest 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 valued $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 vest in equal tranches over a one-year period from the grant date. The options were cancelled on the resignation of the officer.

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

Share based compensation (Continued)

vii) issued 100,000 stock options to a consultant of the Company. The options are valued at $4,652, exercisable at $0.055 per share, expiring on March 25, 2022. The options vest in equal tranches over a one-year period from the grant date.

viii) issued 2,000,000 stock options to directors of the Company. The options are valued $98,130, exercisable at $0.06 per share, expiring on April 11, 2024. The options vested immediately.

ix) issued 1,000,000 stock options to directors of the Company. The options are valued $88,504, exercisable at $0.09 per share, expiring on May 14, 2024. The options vested immediately.

x) issued 100,000 stock options to a consultant of the Company. The options are valued $3,917, exercisable at $0.10 per share, expiring on June 10, 2022. The options vest in equal tranches over a one-year period from the grant date

14. RELATED PARTY TRANSACTIONS

Amounts paid or accrued to related parties are as follows:

		For the period ended November 30, 2019		2018
Consulting, director, and management fees	$	77,411	$	246,297
Share-based compensation		95,115		-
Total	$	172,526	$	246,297

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the period ended November 30, 2019, the Company paid or accrued:

i) management and consulting fees of $71,411 (2018 - $57,297), to the CEO of the Company, namely Alen Paul Silverrstieen.

ii) consulting fees of $Nil (2018 - $38,000) 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 - $ Nil) to a former director of the Company, namely Tim Marlowe.

iv) consulting fees of $Nil (2018 - $34,500) to a former director of the Company, namely Yas Taalat.

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

vi) director fees of $Nil (2018 - $60,000) recorded in consulting, director, and management fees to a former director of the Company, namely James Skippen.

vii) director fees of $Nil (2018 - $50,000) recorded in consulting, director, and management fees to a former director of the Company, namely John Gillberry.

viii) consulting fees of $6,000 (2018 - $Nil) to the CFO of the Company, namely Leon Ho.

14. RELATED PARTY TRANSACTIONS (Continued)

As of November 30, 2019, $160,668 (August 31, 2019 - $163,346) remained outstanding to related parties and is included in accounts payable and accrued liabilities.

During the period ended November 30, 2019, the Company issued 2,050,000 stock options (2018 – Nil) to an officer and a director of the Company, resulting in share-based compensation of $95,115 (2018 - $Nil).

15. 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 November 30, 2019.

Fair value

The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

Financial statements measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as either “Level 1” Unadjusted quoted prices in active markets for identical assets or liabilities; “Level 2” Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and, “Level 3” Inputs that are not based on observable market data.

Financial instruments measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as follows:

	November 30, 2019			August 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Asset						
Cash	$ 81,779	$ -	$ -	$ 439,721	$ -	$ -

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.

15. FINANCIAL RISK FACTORS (continued)

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 November 30, 2019, the Company had $532,560 (August 31, 2019 - $476,966) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days.

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 November 30, 2019, the Company has US$20,129 included in cash, US$143,607 included in accounts payable and accrued liabilities. 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.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing and financing transactions for the period ended November 30, 2019 and 2018.

SCHEDULE B

IMAGINATION PARK TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

January 29, 2020

For the three months ended November 30, 2019 and 2018

Head Office
#510 – 580 Hornby Street, ***Vancouver, British Columbia, Canada, V6C 3B6***
Telephone: 818-850-2490
Email: Info@imaginationpark.com

1. INTRODUCTION

The Management's Discussion and Analysis ("MD&A") of operating results and financial position for the three months ended November 30, 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 years ended August 31, 2019 and 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 consolidated financial statements were approved by the Board of Directors on January 29, 2020.

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;*
- *changes in accounting policies and estimates;*
- *exchange rate fluctuation between the US and Canadian dollar;*
- *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. (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 #510 – 580 Hornby Street, Vancouver, BC, V6C 3B6.

The Company's core business is to deliver engaging and interactive content to users through a cloud-based enterprise augmented reality ("AR") platform with a brand name of ImagineAR™.

Since March 1, 2019, the Company transitioned ImagineAR™ software development from San Diego, California to Canada to reduce monthly expenditures and leverage a new development partner's mobile app expertise. ImagineAR™ functionality, features, and architecture has been significantly improved with eight (8) new mobile app version releases from March 1, 2019 – July 26, 2019. In the first half of calendar 2019, the Company was focused on beta-tests and successful proof of concepts in key target marketplaces to develop a reference base of use cases and testimonials. As Imagine AR has become fully commercialized starting September 2019, recurring client revenue is expected to increase in fiscal 2020 as the prospective sales funnel has continued to grow on a month by month basis thru the second half of the 2019 calendar year as well as contracted clients are implementing new monthly AR Campaigns.

Additionally, the Company has sponsored a number of large live events in which ImagineAR™ was utilized to deliver AR activations to build ImagineAR™ brand awareness and quickly increase the mobile app download volume. This coming February 2020, the Greater Milwaukee AutoShow has contracted for an AR Scavenger Hunt to engage their attendees while attending the show.

About ImagineAR™ Product Suite

ImagineAR.com - is an "AR-as-a-Service" platform for desktops that enables businesses of any size to create and implement their own AR campaigns with no programming or technology experience. Every organization, from professional sports franchises to small retailers, can develop interactive AR campaigns that blend the real and digital worlds using ImagineAR™. Customers simply point their mobile device at logos, signs, buildings, products, landmarks and more to instantly engage videos, information, advertisements, coupons, 3D holograms and any interactive content all hosted in the cloud and managed using a menu-driven portal. Integrated real-time analytics means that all customer interaction is tracked and measured in real-time.

ImagineAR™ is the consumer AR mobile app that allows the user to visualize the AR content once it is activated through ImagineAR™ Client Studio. The activated content can be in the form of an image, text or video. ImagineAR™ can also deliver AR rewards, sweepstakes and create AR scavenger hunts. The mobile app is available for free in both the IOS and Android mobile app stores.

ImagineAR **™** SDK/API - Companies can integrate the ImagineAR™ platform with their existing mobile app. Larger companies and brands, who have significantly invested in their mobile app, can instantly create AR immersive campaigns to further expand consumer usage, activation, and downloads. These products will be available through an annual license agreement from the Company.

ImagineAR™ Cloud - Centralized content management system where the content is securely stored and managed.

3. COMPANY OVERVIEW (CONTINUED)

The Company developed the ImagineAR.com self-service website which allows any organization or individual utilizing a credit card, to create and launch an augmented reality campaign in minutes without the need for a technical resource. The AR campaigns can be location-based or marker-based (image activation) for a specific timeframe and include coupons and rewards.

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 the ImagineAR™ mobile app, ImagineAR SDK, or a white label app developed by the Company. The Company will charge users a Software as a Service ("SaaS") recurring monthly licensing fee for the use of the ImagineAR™ mobile app or an annual recurring licensing fee for the SDK.

The Company has been marketing ImagineAR™ to the sports industry, live events, and the retail marketplace.

Recent successful client agreements include:

On November 19, 2019, the Company entered into a partnership with the Sacramento Kings, to integrate the new Imagine AR™ SDK/API in the award-winning Sacramento Kings + Golden 1 Center app to deliver augmented reality engagement opportunities during home games for fans and guests. The SDK is currently planned to be launched in February 2020.

On November 26, 2019, the Company announced that the 2020 Greater Milwaukee Car & Truck Show, working with the Imagination Park reseller IMP Touch-A-Prize, has executed an agreement to deliver an AR Scavenger Hunt for attendees to activate and experience in February 2020.

On December 3, 2019, the Company signed a deal with the Louisville Bats to deliver augmented reality experiences to the Louisville Slugger Field and the city of Louisville, Kentucky for the 2020 season. The Cincinnati Reds Triple-A MILB affiliate will be among the first Triple-A teams to utilize AR for fan engagement on their iOS or Android mobile devices.

On December 16, 2019, the Company signed a deal with the Houston Saber Cats to deliver augmented reality experiences to AVEVA Field and the city of Houston, Texas for the 2020 season. The Houston Saber Cats Major League Rugby team will utilize Imagine AR™ for fan engagement for iOS and Android mobile devices.

4. NATURE OF CONTINUANCE OF OPERATIONS AND GOING CONCERN

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 additional debt or 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 November 30, 2019, the Company had a net working capital deficiency of $399,090 (August 31, 2019 – working capital of $16,921).

As of the date of this MD&A, the Company is working on a non-brokered financing of unsecured convertible debentures in the principal amount of up to $1,000,000.

The debentures will mature on the date that is 24 months from the date of issuance and bear interest at a rate of 12 per cent per annum, payable in common shares at a price equal to the closing price on the day before the interest is due and payable. The debentures are convertible into units at five cents per unit. Each unit consists of one common share and one warrant exercisable at 10 cents for a period of three years from the date the debentures are issued. The debentures may be converted by the holder at any time prior to maturity, and they will automatically convert to units on 30 days notice if the common shares trade at or above 20 cents for a period of 20 days at any time after four months and one day from the issued date. The debentures and the units issuable upon the conversion of the debentures will be subject to a statutory resale restriction for four months and one day from the date of closing. There is no guarantee the proposed financing will be closed under the terms acceptable to the Company.

5. OUTLOOK

The Company will continue to 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.

As the Company cycles through the sales funnel, feedback has been encouraging and a robust pipeline of new prospective 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.

Three month period ended November 30, 2019 and 2018

For the three months ended November 30, 2019, the Company had a net loss of $885,144 (with basic and diluted loss per share of $0.01) compared with a net loss of $967,214 (with basic and diluted loss per share of $0.01) in the comparative period. During the three months ended November 30, 2019, the Company incurred:

- revenue of $20,154 (2018 - $45,794). Revenue was primarily generated from AR SaaS licensing fees and professional services fees and for custom content to provide client augmented reality experiences. The decrease in revenue is due to larger contracted services provided in 2018.
- accretion of convertible promissory note of $Nil (2018 - $228,445). The decrease is due to the repayment of a promissory note in 2018.
- consulting, director and management fees of $150,596 (2018 - $387,268). The decrease is mainly due to less fees accrued or paid due to the resignation of former directors of the Company in 2019.
- depreciation of $228,854 (2018 - $Nil). The increase is mainly due to depreciation on previously acquired intangible assets that became commercially viable during the current period.
- professional fees of $40,128 (2018 - $82,605). The decrease is due to cost saving efforts by the Company. 2018 fees included costs relating to subsidiaries that were disposed of before the current period. As well, 2018 fees included costs relating to that years AGM materials, with no similar costs in 2019.
- share-based compensation of $240,279 (2018 - $70,251). The increase is due to 4,500,000 stock options being granted to an officer, director, and consultants of the Company during the current period.
- shareholder communications and promotion of $37,720 (2018 - $232,127). The decrease is primarily due to fewer promotion activities incurred during the current period.
- Software costs of $126,458 (2018 - $Nil). Prior year software expenses were capitalized as the software was not yet available for use. Current year software costs were expensed as the software was available for use and commercially viable.
- travel and accommodation of $2,582 (2018 - $25,266). The decrease was due to the directors travelling less frequently for business during the current period.
- wages and salaries of $36,344 (2018 - $216,198). The decrease is due to the salaries and benefits paid or accrued to the former CFO of the Company and persons working on the advancement of the AR business, including the Vice President of Sales and staff working on the technology itself.
- $Nil (2018 - $341,000) 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	**Nov. 30, 2019**	**Aug. 31, 2019**	**May 31, 2019**	**Feb. 28, 2019**
	$	$	$	$
Revenue and other income	20,154	43,500	7,161	38,162
Loss and Comprehensive loss	(885,144)	(320,741)	(309,827)	(762,844)
Loss per Common Share	(0.01)	(0.02)	(0.00)	(0.01)

Three Months Ended	**Nov. 30, 2018**	**Aug. 31, 2018**	**May 31, 2018**	**Feb. 28, 2018**
	$	$	$	$
Revenue and other income	45,794	(37,889)	-	454,854
(Loss) Income and Comprehensive (loss) Income	(967,214)	(437,104)	293,604	(1,537,794)
(Loss) Income per Common Share	(0.01)	(0.01)	0.00	(0.02)

8. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position was $81,779 at November 30, 2019 compared to $439,721 at August 31, 2019. The Company had a working capital deficiency of $399,090 at November 30, 2019 (August 31, 2019 – working capital of $16,921). During the period ended November 30, 2019, cash flow activities consisted of:

i) cash spent on operating activities of $357,942 (2018 - $831,314) consisting of operating expenses during the current period.

ii) cash received from financing activities of $Nil (2018 - $3,005,312). $3,005,312 in 2018 consists primarily of cash from private placements.

iii) cash spent on investing activities of $Nil (2018 - $29,313). $29,313 in 2018 consisted of the purchase of intangible assets in the comparative period.

9. SHARE CAPITAL

As at the date of this report, the Company had 113,372,138 common shares issued and outstanding and the following incentive stock options were outstanding:

Expiry Date	Exercise Price	Number of Options Outstanding	Exercisable
August 13, 2021	$0.17	250,000	250,000
August 24, 2021	0.24	212,500	212,500
September 28, 2021	0.14	500,000	500,000
November 16, 2021	0.15	50,000	50,000
February 1, 2022	0.10	100,000	100,000
February 3, 2022	0.05	317,100	317,100
March 25, 2022	0.055	100,000	100,000
April 12, 2022	0.50	40,000	40,000
April 18, 2022	0.31	750,000	750,000
June 10, 2022	0.10	100,000	75,000
July 4, 2022	0.26	250,000	250,000
September 12, 2022	0.05	500,000	250,000
October 9, 2022	0.05	2,000,000	2,000,000
November 9, 2022	0.28	325,000	325,000
April 11, 2024	0.60	2,000,000	2,000,000
May 14, 2024	0.90	1,000,000	1,000,000
		8,494,600	8,219,600

As at the date of this report, warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price	Number of Warrants Outstanding
March 19, 2020	$0.70	1,389,928
November 14, 2020	0.32	2,500,000
May 16, 2021	0.25	4,758,571
August 9, 2021	0.25	3,700,000
November 5, 2021	0.25	25,075,068
		37,423,567

10. OFF-BALANCE SHEET ARRANGEMENTS

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

11. RELATED PARTY TRANSACTIONS

Amounts paid or accrued to related parties are as follows:

	For the period ended November 30, 2019	2018
Consulting, director, and management fees	$ 77,411	$ 246,297
Share-based compensation	95,115	-
Total	$ 172,526	$ 246,297

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the period ended November 30, 2019, the Company paid or accrued:

i) management and consulting fees of $71,411 (2018 - $57,297), to the CEO of the Company, namely Alen Paul Silverrstieen.

ii) consulting fees of $Nil (2018 - $38,000) 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 - $ Nil) to a former director of the Company, namely Tim Marlowe.

iv) consulting fees of $Nil (2018 - $34,500) to a former director of the Company, namely Yas Taalat.

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

vi) director fees of $Nil (2018 - $60,000) recorded in consulting and management fees to a former director of the Company, namely James Skippen.

vii) director fees of $Nil (2018 - $50,000) recorded in consulting and management fees to a former director of the Company, namely John Gillberry.

viii) consulting fees of $6,000 (2018 - $Nil) to the CFO of the Company, namely Leon Ho.

As of November 30, 2019, $160,668 (August 31, 2019 - $163,346) remained outstanding to related parties and is included in accounts payable and accrued liabilities.

During the period ended November 30, 2019, the Company issued 2,050,000 stock options (2018 – Nil) to an officer, and a director resulting in share-based compensation of $95,115 (2018 - $ Nil).

12. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS AND FUTURE ACCOUNTING CHANGES

New accounting standards and interpretations

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 application of this standard did not have a significant impact on the Company's existing accounting policies or financial statement presentation.

13. FINANCIAL INSTRUMENTS

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. They are classified as current assets or non-current assets based on their maturity date.

13. FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

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 November 30, 2019.

Fair value

The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

Financial statements measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as either “Level 1” Unadjusted quoted prices in active markets for identical assets or liabilities; “Level 2” Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and, “Level 3” Inputs that are not based on observable market data.

Financial instruments measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as follows:

	November 30, 2019			August 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Asset						
Cash	$ 81,779	$ -	$ -	$ 439,721	$ -	$ -

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.

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 at November 30, 2019, the Company had $532,560 (August 31, 2019 - $476,966) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days.

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 November 30, 2019, the Company has US$20,129 included in cash, and US$143,607 included in accounts payable and accrued liabilities. 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. 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.

15. CONTINGENCIES

The Company is unaware of exposure to any contingent liabilities.

16. 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 newcomers 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.