IMAGINATION PARK ENTERTAINMENT INC.
(formerly GeoNovus Media Corp.)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015
(EXPRESSED IN CANADIAN DOLLARS)

WOLRIGE MAHON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Imagination Park Entertainment Inc.

We have audited the accompanying consolidated financial statements of Imagination Park Entertainment Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at August 31, 2016 and 2015, and the consolidated statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Imagination Park Entertainment Inc. and its subsidiaries as at August 31, 2016 and 2015, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about Imagination Park Entertainment Inc. and its subsidiaries ability to continue as a going concern.

"Wolrige Mahon LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

December 29, 2016
Vancouver, B.C.

IMAGINATION PARK ENTERTAINMENT INC. (formerly GeoNovus Media Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
AS AT

	August 31, 2016	August 31, 2015
ASSETS		
Current		
Cash	$ 135,688	$ 2,195
Receivables (Note 7)	76,114	5,450
Prepaid expenses (Note 8)	61,500	17,048
Marketable securities (Note 9)	-	125,000
Total current assets	273,302	149,693
Reclamation bonds (Note 10)	5,040	5,040
Intangible assets (Note 11)	25,100	100
Total assets	$ 303,442	$ 154,833
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 13 and 15)	$ 347,406	$ 500,536
Loans payable (Note 14)	426	6,000
Total liabilities	347,832	506,536
Shareholders' equity (deficiency)		
Capital stock (Note 16)	9,670,847	8,804,320
Shares held in treasury (Note 11)	(255,000)	(510,000)
Reserves	800,758	659,737
Deficit	(10,260,995)	(9,305,760)
Total shareholders' equity	(44,390)	(351,703)
Total liabilities and shareholders' equity	$ 303,442	$ 154,833

Nature and continuance of operations (Note 1)
Subsequent events (Note 19)

On behalf of the Board:

"Gabriel Napora", Director *"Colin Wiebe"*, Director

See accompanying notes to the consolidated financial statements.

IMAGINATION PARK ENTERTAINMENT INC. (formerly GeoNovus Media Corp.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED AUGUST 31,

		2016		2015
REVENUE				
Production income	$	81,954	$	-
Production expenses		81,202		-
		752		-
EXPENSES				
Consulting fees and management fees (Note 15)		574,527		756,201
Foreign exchange (gain) loss		7,408		7,745
Forgiveness of debt		(52,270)		(135,190)
Interest expense		8,360		22,868
Loss on sale of exploration and evaluation assets		-		217,889
Music publishing rights acquired		-		449,900
Office, rent, and miscellaneous		29,495		64,555
Penalty fees (Note 11)		25,000		-
Professional fees		148,608		130,953
Property investigation		-		3,700
Realized loss (gain) on marketable securities (Note 9)		49,553		-
Share-based compensation (Note 16)		-		166,236
Shareholder communications and promotion		76,937		86,643
Transfer agent and filing fees		19,992		40,685
Travel and accommodation		43,377		-
Unrealized loss (gain) on marketable securities (Note 9)		-		(15,000)
Write-off of exploration and evaluation assets (Notes 10 and 12)		-		365,332
Write-off of asset purchase agreement (Note 11)		25,000		117,133
Write-off of receivables		-		14,700
		955,987		2,294,350
Total loss and comprehensive loss for the year	$	(955,235)	$	(2,294,350)
Basic and diluted net loss per common share	$	(0.06)	$	(0.29)
Weighted average number of common shares outstanding – basic and diluted		16,556,898		7,832,069

See accompanying notes to the consolidated financial statements.

IMAGINATION PARK ENTERTAINMENT INC. (formerly GeoNovus Media Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED AUGUST 31,

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the year	$ (955,235)	$ (2,294,350)
Items not affecting cash:		
Interest accrued on loans payable	276	-
Forgiveness of debt	(52,270)	(135,190)
Loss on sale of exploration and evaluation assets	-	217,889
Realized loss on marketable securities	49,553	-
Share-based compensation	-	166,236
Write-off of exploration and evaluation assets	-	365,332
Write-off of asset purchase agreement	25,000	117,133
Write-down of music publishing rights	-	449,900
Write-off of receivables	-	14,700
Unrealized foreign exchange	-	5,121
Unrealized (gain) loss on marketable securities	-	(15,000)
Change in non-cash working capital items:		
Decrease (increase) in receivables	(70,664)	18,383
Decrease (increase) in prepaid expenses	(44,452)	290,000
Increase (decrease) in accounts payable and accrued liabilities	550,986	574,132
Net cash flows from operating activities	(496,806)	(225,714)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	585,402	461,000
Share issuance costs	(27,700)	(18,126)
Proceeds from option exercises	3,000	24,000
Repayment of loans	(6,000)	-
Proceeds from loans	150	6,000
Net cash flows from financing activities	554,852	472,874
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	-	(300,739)
Acquisition of asset	-	(20,000)
Proceeds from sale of marketable securities	75,447	75,000
Net cash flows from investing activities	75,447	(245,739)
Change in cash	133,493	1,421
Cash, beginning of year	2,195	774
Cash, end of year	$ 135,688	$ 2,195
Cash paid for taxes during the year	$ -	$ -
Cash paid for interest during the year	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 17)

See accompanying notes to the consolidated financial statements.

IMAGINATION PARK ENTERTAINMENT INC. (formerly GeoNovus Media Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

					Reserves			
	Number of shares	Capital stock	Treasury Shares	Subscriptions received in advance	Share-based payment reserve	Warrant reserve	Deficit	Total
Balance, August 31, 2014	3,998,931	$ 6,439,792	$ -	$ 272,750	$ 287,795	$ 214,727	$ (7,011,410)	$ 203,654
Issued pursuant to private placements	2,699,500	886,250	-	(272,750)	-	-	-	613,500
Finders' fees – warrants	-	(626)	-	-	-	626	-	-
Finder's fees - cash	-	(1,740)	-	-	-	-	-	(1,740)
Issued pursuant to asset purchase agreement (Note 11)	1,242,832	547,132	-	-	-	-	-	547,132
Issued pursuant to consulting services	700,000	350,000	-	-	-	-	-	350,000
Issued pursuant to debt settlement	135,000	56,250	-	-	-	-	-	56,250
Issued pursuant to revenue participation agreements (Note 11)	3,400,000	510,000	(510,000)	-	-	-	-	-
Exercise of options	48,000	24,000	-	-	-	-	-	24,000
Fair value of exercised options	-	9,647	-	-	(9,647)	-	-	-
Share-based compensation	-	-	-	-	166,236	-	-	166,236
Share issue costs - cash	-	(16,386)	-	-	-	-	-	(16,386)
Share issue costs – non cash	-	(1,740)	-	-	-	-	-	(1,740)
Net and comprehensive loss for the year	-	-	-	-	-	-	(2,294,350)	(2,294,350)
Balance, August 31, 2015	12,224,263	8,804,320	(510,000)	-	444,384	215,353	(9,305,760)	(351,703)
Issued pursuant to private placements	11,708,032	468,322	-	-	-	117,080	-	585,402
Finders' fees – cash	-	(27,700)	-	-	-	-	-	(27,700)
Finders' fees – warrants	-	(26,163)	-	-	-	26,163	-	-
Issued pursuant to asset purchase agreement (Note 11)	525,000	26,250	-	-	-	-	-	26,250
Shares issued for services – asset purchase agreement	26,250	1,313	-	-	-	-	-	1,313
Exercise of options	50,000	3,000	-	-	-	-	-	3,000
Fair value of exercised options	-	2,222	-	-	(2,222)	-	-	-
Cancellation of shares (Note 11)	(1,700,000)	(255,000)	255,000	-	-	-	-	-
Issuance of shares for debt	12,453,473	622,673	-	-	-	-	-	622,673
Shares issued for services – debt settlement	532,196	26,610	-	-	-	-	-	26,610
Issued pursuant to revenue participation agreements (Note 11)	500,000	25,000	-	-	-	-	-	25,000
Net and comprehensive loss for the year	-	-	-	-	-	-	(955,235)	(955,235)
Balance, August 31, 2016	36,319,214	$ 9,670,847	$ (255,000)	$ -	$ 442,162	$ 358,596	$ (10,260,995)	$ (44,390)

See accompanying notes to the consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

On April 15, 2015, the Company changed its name to GeoNovus Media Corp. (formerly GeoNovus Minerals Corp.) (hereafter the "Company" or "GeoNovus"), and subsequently changed its name to Imagination Park Entertainment Inc. on May 4, 2016 with a corresponding change to the trading symbol on the Canadian Securities Exchange under the symbol "IP". The Company was incorporated on October 11, 2011 under the laws of the Business Corporation Act (BC, Canada). During the year ended August 31, 2015, the Company changed its principal business from the acquisition and exploration of mineral properties to activities in the media and entertainment industry. The Company began trading under the symbol "GNM" on January 5, 2012. The Company's common shares were delisted from trading on the TSX Venture Exchange ("TSX-V") on September 5, 2014, with trading of its common shares on the Canadian Securities Exchange ("CSE") commencing on September 8, 2014. During the year ended August 31, 2015, the Company consolidated its share capital, options and warrants on a ten to one basis. These statements reflect the share consolidation retroactively. The Company's head office is located at 1108 – 1238 Seymour Street, Vancouver, BC, V6B 6J3.

The consolidated financial statements were approved by the Board of Directors on December 29, 2016.

The consolidated financial statements have been 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. 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 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. STATEMENT OF COMPLIANCE

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3. BASIS OF PRESENTATION

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

In the preparation of these consolidated financial statements, management is required to make estimates 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 during the period. Actual results could differ from these estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

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

Principles of consolidation
These consolidated financial statements include the accounts of the Company, and its wholly-owned subsidiaries, Juturna Geothermal Inc. incorporated under the laws of B.C., Geo Minerals (Arizona) Ltd. and Juturna Geothermal (Arizona) Inc. incorporated under the laws of Arizona, and 2009812 Delaware, Inc. incorporated in the state of Delaware. Significant inter-company balances and inter-company transactions have been eliminated upon consolidation. All references to the Company should be treated as references to Imagination Park Entertainment Inc. (formerly GeoNovus Minerals Corp.) and its subsidiaries. The Company dissolved Juturna Geothermal (Arizona) Inc. and Geo Minerals (Arizona) Ltd. as these subsidiaries are inactive.

Subsidiaries
Subsidiaries are entities over which the Company has control. Controls 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 affects its returns. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

Cash
Cash consists of balances with banks and short-term demand deposits which are readily convertible into a known amount of cash. The Company's cash is invested with major financial institutions in business accounts.

Revenue recognition
The Company recognizes revenue when services have been rendered, the amount can be measured reliably and collection is considered probable. The Company's revenue consists of funds received in relation to the production of a music video project.

Financial instruments
Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments, together with financial instruments designated as fair value through profit or loss, are measured at fair value with subsequent changes in fair value recognized in profit or loss. The Company's marketable securities were classified as held-for-trading financial assets.

Financial assets that have a fixed maturity date and fixed or determinable payments, where the Company intends and has the ability to hold the financial asset to maturity are classified as held-to-maturity and are measured at amortized cost using the effective interest rate method. The effective interest rate method is a method for calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. Any gains and losses arising from the sale of held-to-maturity financial assets are recognized in profit or loss. Currently, the Company has no held-to-maturity financial assets.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Items classified as loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are recognized in profit or loss. The Company's cash balance and receivables are classified as loans and receivables. The estimated fair values of these financial instruments approximate their carrying values because of the limited terms of these instruments.

Available-for-sale assets are those financial assets that are not classified as held-for-trading, held-to-maturity or loans or receivables. Available-for-sale assets are recognized at fair value and are subsequently carried at fair value. Changes in fair value, other than impairment losses, are recognized in other comprehensive income or loss. When an available-for-sale asset is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income or loss to profit or loss. Currently, the Company has no available-for-sale financial assets.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)
Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. Regular way purchases and sales of financial assets are accounted for at the trade date.

Financial liabilities that are not classified as held-for-trading or as fair value through profit or loss are classified as other financial liabilities, and are carried at amortized cost using the effective interest method. Any gains or losses arising from the realization of other financial liabilities are recognized in the profit or loss. The Company's accounts payable and accrued liabilities and loans payable are classified as other financial liabilities.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). As at August 31, 2016 the Company no longer has any financial assets carried at fair value. As at August 31, 2015, the Company carried its marketable securities at fair value (Level 1).

Impairment of financial assets
Financial assets, other than available-for-sale assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that the estimated future cash flows of the assets have been negatively impacted. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognized in profit or loss.

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment previously recognized in profit or loss, is recognized in profit or loss. To the extent that this impairment was previously recognized as a decline in fair value in other comprehensive income, the amount recognized is reclassified from other comprehensive income. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 carried at market, in which case they are translated at the exchange rates in effect on the statement of financial position date. 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 August 31, 2016.

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 allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and the shares were valued at their fair value. The balance, if any, is allocated to the attached 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the agreement 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 more probable than not that a deferred tax asset will be recovered, it is not recognized.

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, if dilutive. 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 years ended August 31, 2016 and 2015, 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 to the financial statements. 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. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates and judgments (continued)

ii) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates 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.

iii) 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.

Future accounting changes

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9") introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning September 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

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 anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning September 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 15.

5. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its media business. 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.

5. CAPITAL MANAGEMENT (Continued)

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.

6. 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 year ended August 31, 2016.

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, subscriptions receivable, and 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 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. The Company requires additional equity financing to fund its planned media programs and operating expenditures. 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 August 31, 2016 the Company had $309,013 (August 31, 2015 - $500,536) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days and loans payable of $426.

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 in the Company's monetary assets and liabilities. 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 August 31, 2016 the Company has USD $2,056 included in cash and USD $18,669 included in accounts payable. 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.

(EXPRESSED IN CANADIAN DOLLARS)

7. RECEIVABLES

The receivables balance is comprised of the following items:

		August 31, 2016		*August 31, 2015*
Related parties	$	7,500	$	-
Sales tax due from Federal Government		21,624		5,450
Subscriptions receivable		20,000		-
Trade receivables		26,990		-
	$	76,114	$	5,450

8. PREPAID EXPENSES

The prepaid expense balance is comprised of the following items:

		August 31, 2016		*August 31, 2015*
Consulting	$	33,500	$	10,000
Marketing		27,500		-
Rent		500		7,048
Total	$	61,500	$	17,048

9. MARKETABLE SECURITIES

During the year ended August 31, 2015, the Company received 1,000,000 common shares of Glenmark Capital Corp. ("Glenmark") related to the Scotia Property valued at $110,000 (Note 12). As at August 31, 2015, the shares had a quoted market value of $125,000, which resulted in an unrealized gain of $15,000.

During the year ended August 31, 2016, the Company sold 1,000,000 common shares of Glenmark Capital Corp. ("Glenmark") related to the Scotia Property for proceeds of $75,447.

10. RECLAMATION BONDS

The reclamation bond balance at August 31, 2016, of $5,040 (August 31, 2015 - $5,040) relates to the Company's previously held mineral properties.

During the year ended August 31, 2015, the Company wrote off $36,048 for the Red Hills bond.

11. INTANGIBLE ASSETS

Asset purchase agreements

During the year ended August 31, 2015, the Company signed a definitive agreement to acquire assets from a related company, Greenstock Publishing Ltd. ("Greenstock"), a Canadian music publisher for 1,000,000 shares (valued at $450,000 based on market prices on the date the agreement was approved by the TSX-V). Greenstock owns 50% of the music publishing rights for the band, Franklins Dealers. The Greenstock business model is based on creating and acquiring music catalogs to place into major motion pictures. Greenstock is related as the CEO of Greenstock is also a director of the Company. The assets purchased during the year ended August 31, 2015 consist of intangible music publishing rights, of which $449,900 has been expensed due to uncertainty regarding the future value. As at August 31, 2016, $100 remains capitalized on the consolidated statement of financial position.

During the year ended August 31, 2015, the Company signed an agreement with a private Uruguayan Company to pursue the development and commercialization of cannabinoids. The Company paid $20,000 and issued 242,832 shares with a value of $97,133. During the year ended August 31, 2015, the Company decided to terminate the agreement and wrote-off the cost of $117,133.

During the year ended August 31, 2016, the Company entered into an asset purchase agreement with Fast Creative Inc., a company wholly-owned by a director of the Company, to acquire certain intellectual property relating to Imagination Park for a purchase price of $26,250, including GST. The acquisition consideration was satisfied through the issuance of 525,000 common shares at a deemed price of $0.05 per share. The assets were expensed during the year as they did not meet the definition of an intangible asset.

The agreement provides that Fast Creative shall have the sole and exclusive option to repurchase the assets, which are the subject of the agreement, if there is a change of control of Imagination Park and the Company no longer intends to use those assets. The amount payable by Fast Creative to repurchase the assets will be equivalent to the value of 300,000 common shares of Imagination Park on the date the Company provides notice to Fast Creative under the option, meaning that Fast Creative could satisfy the payment by returning 300,000 shares of Imagination Park to treasury for cancellation.

Revenue participation agreement

During the year ended August 31, 2015, the Company signed revenue participation agreements with directors to acquire the rights to share potential revenue from upcoming films. The Company issued 3,400,000 shares valued at $510,000 (based on the market price on the date shares were issued) as consideration for the acquisitions.

During the year ended August 31, 2016, 1,700,000 shares were cancelled and returned to treasury valued at $255,000. The remaining 1,700,000 shares remain in treasury shares and will be cancelled once returned.

During the year ended August 31, 2016, the Company issued 500,000 shares to a director, valued at $25,000 in exchange for a percentage of net profits in the film 'Absolution'.

(EXPRESSED IN CANADIAN DOLLARS)

12. EXPLORATION AND EVALUATION ASSETS

During the year ended August 31, 2016, the Company did not incur any expenditures on mineral exploration properties.

During the year ended August 31, 2015, expenditures incurred on mineral exploration properties were as follows:

	Scotia Property, BC	Shakespeare, Ontario	Year ended August 31, 2015
Acquisition Costs:			
Balance, August 31, 2014	$ 297,721	$ 61,475	$ 359,196
Assets written off during the year	-	(61,475)	(61,475)
Sale of property	(297,721)	-	(297,721)
Balance, August 31, 2015	-	-	-
Deferred Exploration Costs:			
Balance, August 31, 2014	77,279	152,924	230,203
Reports and surveys	-	29,935	29,935
Geological consulting	19,662	-	19,662
Field expenses	945	6,500	7,445
Drilling and transportation	-	70,050	70,050
Travel and accommodation	7,272	-	7,272
Other	10	8,400	8,410
Total additions	105,168	267,809	372,977
Assets written off during the year	-	(267,809)	(267,809)
Sale of property	(105,168)	-	(105,168)
Balance, August 31, 2015	-	-	-
Total, August 31, 2015	$ -	$ -	$ -

13. ACCOUNTS PAYABLE

The payables balance is comprised of the following items:

	August 31, 2016	*August 31, 2015*
Trade payables	$ 93,429	$ 464,846
Related parties	225,712	-
Accrued liabilities	28,265	35,690
Total	$ 347,406	$ 500,536

14. LOANS PAYABLE

During the year ended August 31, 2015, the Company received a loan of $6,000 from a non-related company. The loan bears interest at 10% and was repayable on December 15, 2015. If the loan was not repaid by the repayment date, the loan may be converted to shares at a price of $0.10 per share. During the year ended August 31, 2016 the principal was converted to shares and interest payable of $276 remains outstanding as at August 31, 2016.

As at August 31, 2016, the Company has $150 in short-term loans from related parties, which are non-interest bearing and repayable on demand.

15. RELATED PARTY TRANSACTIONS

Key management personnel include members of the Board of Directors, Executive Officers and any companies owned or controlled by them. Transactions with related parties not disclosed elsewhere include:

During the year ended August 31, 2016, the Company paid or accrued management and consulting fees of $386,250 (2015 - $199,508), and paid or accrued office and rent costs of $3,143 (2015 - $51,197) to directors and officers of the Company, or companies under their control. As at August 31, 2016, $232,000 (2015 - $129,700) remained outstanding and is included under accounts payable.

During the year ended August 31, 2016, the Company issued 4,298,743 common shares at a price of $0.05 to certain directors and officers of the Company to settle outstanding debt in the amount of $214,937.

During the year ended August 31, 2016, the Company obtained loans of $18,052 from certain directors and officers of the Company. As at August 31, 2016, the balance of the loans have been settled.

16. 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, 2016 the Company:

i) issued 50,000 common shares pursuant to the exercise of options for gross proceeds of $3,000 and transferred the fair value of the options exercised to capital stock from share-based payments reserve;

ii) cancelled 1,700,000 common shares pursuant to the amended revenue participation agreement, and issued 500,000 treasury shares (Note 11);

iii) issued an aggregate of 12,985,669 common shares at a deemed price of $0.05 to settle debt in the amount of $649,283. In connection with the debt settlement, McMillan Strategies, Strategic Advisor, received 532,196 common shares for services rendered;

iv) issued 525,000 common shares at a deemed price of $0.05 to a company owned by a director of the Company pursuant to an asset purchase agreement to acquire certain intellectual assets pertaining to the Imagination Park brand. Pursuant to this transaction, McMillan Strategies received 26,250 common shares at a deemed price of $0.05 for services rendered; and

v) received an aggregate of $585,402 in subscriptions related to a closing of a non-brokered private placement at $0.05 per Unit. A total of 11,708,032 Units were issued. Each Unit consists of one common share and one share purchase warrant exercisable at a price of $0.10 for 12 months from the date of issue. The share component of the Units were allocated a value of $468,322 and the warrants were valued at $117,080, using the residual value method. In connection with the private placement, the Company paid finders' fees of $27,700 and issued 375,000 broker warrants. Each broker warrant is exercisable at $0.10 for 12 months from the date of issue.

(EXPRESSED IN CANADIAN DOLLARS)

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

Share purchase warrants

At August 31, 2016 warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price ($)	Number of warrants	Remaining contractual life (years)	Currently exercisable
September 3, 2016	1.00	1,154,500	0.01	1,154,500
August 22, 2017	0.10	7,380,000	0.98	7,380,000
August 26, 2017	0.10	4,703,032	0.98	4,703,032
		13,237,532	0.90	13,237,532

The following is a summary of the warrant transactions during the years ended August 31, 2016 and 2015:

	Year ended August 31, 2016			Year ended August 31, 2015		
	Number Of Warrants		Weighted Average Exercise Price	Number Of Warrants		Weighted Average Exercise Price
Balance, beginning of the year	3,224,930	$	0.82	1,414,450	$	0.80
Warrants issued - pursuant to private placements	11,708,032		0.10	1,927,000		0.80
Warrants issued - pursuant to broker`s warrants	375,000		0.10	3,480		1.00
Warrants expired	(2,070,430)		(0.72)	(120,000)		(1.00)
Balance, end of year	13,237,532	$	0.18	3,224,930	$	0.82

Broker warrants were valued at $26,163, using the Black Scholes option pricing model.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of broker warrants issued in the years ended August 31, 2016 and 2015:

	Year ended August 31, 2016	Year ended August 31, 2015
Risk-free interest rate	0.56%	1.12%
Expected life of warrants	1.00 years	1.00 years
Expected annualized volatility	209%	142%
Expected dividend rate	0%	0%
Stock price	$0.10	$0.50
Exercise price	$0.10	$1.00
Fair value per warrant	$0.07	$0.18

(EXPRESSED IN CANADIAN DOLLARS)

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

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.

As at August 31, 2016, the following incentive stock options were outstanding:

		Options Outstanding and Exercisable	
Expiry Date	Exercise price ($)	Number of Options Outstanding	Weighted average remaining contractual life (years)
January 30, 2017*	0.50	60,000	0.42
April 16, 2017*	0.50	100,000	0.62
August 11, 2017	0.06	550,000	0.95
		710,000	0.86

* Options were cancelled subsequent to year ended August 31, 2016.

The following is a summary of the option transactions during the years ended August 31, 2016 and 2015:

	Year ended May 31, 2016		Year ended August 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the year	835,000	$ 0.14	352,500	$ 0.70
Options granted	-	-	1,235,000	0.26
Options exercised	(50,000)	(0.06)	(48,000)	(0.50)
Options expired/cancelled	(75,000)	(0.06)	(704,500)	(0.57)
Balance, end of the year	710,000	$ 0.16	835,000	$ 0.14

During the year ended August 31, 2015, 48,000 options were exercised at $0.50. The weighted average fair value of the options at the date of exercise was $0.20. The stock price on the date of exercise was $0.45 per share.

During the year ended August 31, 2016, 50,000 options were exercised at $0.06. The weighted average fair value of the options at the date of exercise was $0.04. The stock price on the date of exercise was $0.07 per share.

(EXPRESSED IN CANADIAN DOLLARS)

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

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of options granted for the years ended August 31, 2016 and 2015:

	Year ended August 31, 2016	Year ended August 31, 2015
Risk-free interest rate	-	0.60%
Expected life of options	-	1.84 years
Expected annualized volatility	-	158%
Exercise price	-	$ 0.26
Share price	-	$ 0.21
Expected dividend rate	-	0%

Share based compensation

During the year ended August 31, 2016, the Company granted no options.

During the year ended August 31, 2015, the Company:

i) granted 120,000 options exercisable at $0.50 for a period of one year to consultants in accordance with the Company's stock option plan. The options vested immediately.

ii) granted 80,000 options exercisable at $0.50 for a period of one year to officers, directors and consultants in accordance with the Company's stock option plan. The options vested immediately.

iii) granted 60,000 options exercisable at $0.50 for a period of two years to consultants in accordance with the Company's stock option plan. The options vested immediately.

iv) granted 120,000 options exercisable at $0.50 for a period of two years to officers, directors and consultants in accordance with the Company's stock option plan. The options vested immediately.

v) granted 30,000 options exercisable at $0.50 for a period of two years to a consultant in accordance with the Company's stock option plan. The options vested immediately.

vi) granted 150,000 options exercisable at $0.50 for a period of two years to officers, directors and consultants in accordance with the Company's stock option plan. The options vested immediately.

vii) granted 675,000 options exercisable at $0.06 for a period of two years to officers, directors and consultants in accordance with the Company's stock option plan. The options vested immediately.

Share-based compensation expense for the year ended August 31, 2015 was $166,236 with a weighted average fair value of $0.13 per option granted.

(EXPRESSED IN CANADIAN DOLLARS)

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions for the year ended August 31, 2016 consisted of:

i) transferred $2,222 from share-based payment reserve to share capital upon exercised options;

ii) issued 500,000 shares valued at $25,000 pursuant to a revenue participation agreement (Note 11);

iii) issued 12,985,669 shares valued at $649,283 to settle various outstanding debt; and

iv) issued 375,000 broker warrants valued at $26,163 as share issue costs pursuant to a private placement.

Significant non-cash investing and financing transactions for the year ended August 31, 2015 consisted of:

i) issued 3,480 units of broker's warrant valued at $626 as share issue costs pursuant to a private placement;

ii) issued 1,000,000 shares valued at $450,000 pursuant to acquisition of the assets from a related company;

iii) issued 305,000 shares from private placements valued at $152,500 as payment for outstanding debt;

iv) issued 135,000 shares valued at $56,250 pursuant to debt settlement agreements;

v) issued 700,000 shares valued at $350,000 as consideration for consulting services and finder's fees;

vi) received 1,000,000 shares valued at $110,000 pursuant to sale of exploration and evaluation assets;

vii) transferred $9,647 from share-based payment reserve to share capital upon exercised options;

viii) issued 242,832 shares valued at $97,133 for acquisition of assets from a private Company; and

ix) reclamation bonds valued at $23,360 were written off pursuant to debt settlement.

18. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2016		**2015**
Loss for the year	$	(955,235)	$	(2,294,350)
Expected income tax (recovery) – 26% (2015 – 26%)	$	(248,000)	$	(597,000)
Change in statutory, foreign tax, foreign exchange rates and other		6,000		20,000
Permanent difference		6,000		100,000
Share issue costs		(14,000)		(5,000)
Change in unrecognized deductible temporary differences		250,000		482,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

(EXPRESSED IN CANADIAN DOLLARS)

18. INCOME TAX (Continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2016		2015
Deferred Tax Assets (liabilities)				
Exploration and evaluation assets	$	826,000	$	833,000
Share issue costs		17,000		12,000
Marketable securities		-		(2,000)
Intangible assets		145,000		147,000
Allowable capital losses		5,000		1,000
Non-capital losses available for future periods		1,060,000		810,000
		2,053,000		1,801,000
Unrecognized deferred tax assets		(2,053,000)		(1,801,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2016	Expiry Date Range		2015	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	3,180,000	No expiry date	$	3,200,000	No expiry date
Investment tax credit		2,000	2032		2,000	2032
Share issue costs		66,000	2017 to 2020		45,000	2016 to 2019
Marketable securities		-	No expiry date		(15,000)	No expiry date
Intangible assets		561,000	No expiry date		567,000	No expiry date
Allowable capital losses		19,000	No expiry date		2,000	No expiry date
Non-capital losses available for future periods		4,084,000	2032 to 2036		3,116,000	2032 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(EXPRESSED IN CANADIAN DOLLARS)

19. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2016, the following notable transactions took place

(a) The Company issued an aggregate of 3,150,000 incentive stock options at a price to directors, officers, and consultants of the Company, exercisable at a price of $0.15 for a period of 5 years from the date of grant.

The Company won a contract valued at $25,000 to produce a packaged 'Proof of Concept' (POC), which is a complete creative package for a project which includes script development, concept art, and a short film or trailer, for a family-friendly feature film in the style of Harry Potter or Lord of The Rings. Upon completion of the POC, Imagination Park will be granted a 3-year exclusive option to shop the POC to studios, broadcasters, and financiers, among others, that could transform the POC into a feature film, TV series or web series. Pursuant to the contract, $15,000 has been paid upon execution, and $10,000 is due upon delivery of the POC. The Company can exercise its option to ship the POC by issuing a $50,000 payment.

(b) The Company entered into an amended letter of intent with Triton Films Inc. ("Triton"), pursuant to the original agreement announced February 9, 2016. Pursuant to the letter of intent, the Company has the option to acquire varying percentages of Triton's interest in up to 6 feature film projects (the "Options"). The full percentage of Triton's interest that Imagination Park may acquire in each of the feature film projects is between 37.5% and 50%. Imagination Park has also secured a right of first refusal to purchase Triton's remaining interest in any of the 6 feature films should Triton wish to sell its interest at any time to a 3rd party that does not include a partnering film financier, production studio, sales or distribution agent, or similar.

Pursuant to the amendment, the initial option exercise will now reflect the following amended terms:

Payment Value (CAD)	Payment Form	% of Triton's interest in a Feature Film Project acquired by the Company from Triton
$21,000	Common Shares	40% of Film 1
$20,250	Common Shares	12.5% of Film 2
$15,000	Common Shares	25% of Film 3
$26,250	Common Shares	17.5% of Film 4
$37,500	Common Shares	12.5% of Film 5

In addition, Gabriel Napora, owner of Triton and Director and CEO of Imagination Park, will receive 10 producer's points in a 6th feature film project and he has agreed to assign them to Triton. Imagination Park has the amended right to acquire up to 50% of Triton's producer's points by issuing an equivalent of $52,500 payable in common shares of the Company to Triton.

Subsequent to these mutually agreed amendments, the Company exercised its initial option to acquire its respective initial interests in these 6 films granted in the LOI, effective as of October 4, 2016, for total consideration of $172,500 payable as 2,300,000 common shares of the Company, issued at $0.075 per share.

Further, the original LOI entered into with Triton on February 9th, 2016, stipulates the Company was required to complete a financing for minimum net proceeds of CAD $250,000 on or before July 15, 2016, or Imagination Park would be required to issue to Triton a penalty payment equal to CAD $25,000 for the delay. The Company acknowledges that this condition was not met in the agreed upon timeframe and has issued to Triton 250,000 common shares at $0.10 to settle the $25,000 fee.

19. SUBSEQUENT EVENTS (continued)

As part of the amendment, the Company has issued a bonus success fee through the issuance of 115,000 common shares at $0.075, which is based on 5% of the value of each of the Option which is exercised, to a third party, McMillan Strategies. The bonus success fee is payable by Imagination Park to McMillan Strategies on a pro-rata basis as each portion of each of the Options is exercised by Imagination Park. Imagination Park will make the payments either in cash or by issuing common shares. The initial payments made to McMillan Strategies upon the execution of the acquisitions mentioned above will be paid in shares converted at a price equal to the conversion price of the Option share issuance.

(c) The Company entered into a debt conversion agreement with a creditor in order to settle $37,800 in outstanding debt through the issuance of 378,000 common shares at $0.10 per common share.

(d) The Company announced that it acquired a 10% net profit interest in the full length documentary "Food For Thought" produced by Robinson Media ("Robinson"), which is partly owned by Tim Marlowe, President and Director of Imagination Park. Under the terms of the agreement, the Company will pay Robinson total consideration equalling CAD $56,100, payable as 561,000 common shares of the Company at $0.10 per share in exchange for 10% of the net profits generated by the documentary throughout the world and in perpetuity from the commercial exploitation of the documentary, including but not limited to, royalty payments and licensing payments. In addition, should the documentary not be completed for any reason, Robinson agrees to return the 561,000 common shares issued in the transaction to Imagination Park at the request of the Company, in exchange for Imagination Park waiving its rights to receive a 10% net profits interest in the project. At present, this documentary is in production.

(e) The Company launched a fully immersive, 360 degree, 3D virtual reality (with visual effects) production services business in partnership with Karma VR, (collectively, the "Partners"). Together, the Partners now offer full "A to Z" virtual reality production services applicable across a broad and growing spectrum of possible experiences, including live action cinema, health & wellness, medical and therapeutic, travel adventure, music, corporate presentations, virtual tours, and a growing number of other creative uses.

Under the terms of the joint venture agreement:

- Imagination Park will produce and Karma VR will fulfil all post-production virtual reality service needs within projects undertaken between the parties.
- Imagination Park agrees to give Karma first right of refusal to perform virtual reality/augmented reality post-production work on any projects/jobs that Imagination Park secures, creates, or acquires.
- Karma VR agrees to give IP first right of refusal on any virtual reality/augmented reality projects it secures, creates, or acquires that require such services.
- In consideration of the exclusive partnership, Imagination Park has issued a total of 200,000 options to 4 (four) Karma VR executive partners (50,000 each), exercisable at a price of $0.15 per share for a period of 5 years.

(f) The Company has won a new feature film production services contract, worth $50,000, plus a $10,000 contingency fee, to assist in the completion of a new full length feature film. Under the terms of the agreement, Imagination Park is offering feature film production service in exchange for the following payments:

a. 50% of the service fees is due upon execution of the agreement;
b. 16 $^{2/3}$% is due upon execution of a contract with an agreed upon star;
c. 16 2/3% is due upon completion of principal photography; and
d. 16 2/3% is due upon successful rendering of services.

As of this date, the project is fully financed, initial service deposit funds have been received by the Company and work is now underway.