

IMAGINATION PARK ENTERTAINMENT INC.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2017
(EXPRESSED IN CANADIAN DOLLARS)**

(UNAUDITED - PREPARED BY MANAGEMENT)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

	February 28, 2017	August 31, 2016
ASSETS		
Current		
Cash	\$ 21,600	\$ 135,688
Receivables (Note 7)	56,979	76,114
Prepaid expenses (Note 8)	35,486	61,500
Total current assets	114,065	273,302
Reclamation bonds (Note 9)	5,040	5,040
Intangible assets (Note 10)	25,100	25,100
Total assets	\$ 144,205	\$ 303,442
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 12 and 14)	\$ 580,861	\$ 347,406
Loans payable (Note 13)	426	426
Total liabilities	581,287	347,832
Shareholders' deficiency		
Capital stock (Note 15)	9,715,872	9,670,847
Shares held in treasury (Note 10)	-	(255,000)
Reserves	1,218,158	800,758
Deficit	(11,371,112)	(10,260,995)
Total shareholders' deficiency	(437,082)	(44,390)
Total liabilities and shareholders' deficiency	\$ 144,205	\$ 303,442

Nature and continuance of operations (Note 1)

Subsequent events (Note 17)

On behalf of the Board:

"Gabriel Napora", Director

"Colin Wiebe", Director

See accompanying notes to the condensed consolidated interim financial statements.

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

	Three months ended February 28, 2017	Three months ended February 29, 2016	Six months ended February 28, 2017	Six months ended February 29, 2016
REVENUE				
Production income	\$ 37,024	\$ -	\$ 98,524	\$ -
Production expenses	(26,838)	-	(66,752)	-
	10,186	-	31,772	-
EXPENSES				
Consulting fees and management fees (Note 14)	172,320	51,490	303,775	145,240
Foreign exchange loss	3,473	8	5,985	325
Interest expense	280	(40)	280	8,360
Net profits interests acquired	-	-	228,600	-
Office, rent, and miscellaneous	7,149	1,647	16,858	6,617
Professional fees	26,165	21,830	42,104	48,268
Realized loss on marketable securities	-	-	-	34,553
Share-based compensation (Note 15)	417,400	-	417,400	-
Shareholder communications and promotion	24,416	-	42,548	4,304
Transfer agent and filing fees	15,688	4,926	22,136	9,844
Travel and accommodation	7,621	-	62,203	19,000
Unrealized loss on marketable securities	-	-	-	15,000
	674,512	-	1,141,889	-
Total loss and comprehensive loss for the period	\$ (664,326)	\$ (79,861)	\$ (1,110,117)	\$ (291,511)
Basic and diluted net loss per common share	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	39,262,103	11,074,263	38,908,021	11,074,263

See accompanying notes to the condensed consolidated interim financial statements.

IMAGINATION PARK ENTERTAINMENT INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)
FOR THE SIX MONTHS ENDED,

	February 28, 2017	February 29, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,110,117)	\$ (291,511)
Items not affecting cash:		
Interest accrued on loans payable	-	276
Realized loss on marketable securities	-	34,553
Share-based compensation	417,400	-
Unrealized loss on marketable securities	-	15,000
Change in non-cash working capital items:		
Decrease in receivables	19,135	773
Decrease in prepaid expenses	26,014	10,000
Increase in accounts payable and accrued liabilities	304,880	119,531
Net cash flows used in operating activities	<u>(342,688)</u>	<u>(111,378)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from option exercises	-	3,000
Subscriptions received in advance	-	41,500
Net cash flows provided by financing activities	<u>-</u>	<u>44,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net profits interests acquired	228,600	-
Proceeds from sale of marketable securities	-	75,447
Net cash flows provided by investing activities	<u>228,600</u>	<u>75,447</u>
Change in cash	(114,088)	8,569
Cash, beginning of period	135,688	2,195
Cash, end of period	\$ 21,600	\$ 10,764
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 consolidated interim financial statements.