

STATEMENT OF EXECUTIVE COMPENSATION
Form 51-102F6

Compensation Discussion and Analysis

Compensation

The board of directors (the “**Board**”) of Imagination Park Entertainment Inc. (the “**Company**”) as a whole has the responsibility of determining the compensation for the Chief Executive Officer (the “**CEO**”), the Chief Financial Officer (the “**CFO**”) and for other senior management and the directors.

The Company’s compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create a sense of ownership in the Company among directors, officers, consultants and employees and to align their interests with those of the shareholders; and
- to ensure that the Company compensation program is competitive as well as financially affordable.

The Company’s compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, the Company’s Named Executive Officers (defined below) may receive compensation that is comprised of three components:

- salary, wages or contractor payments;
- stock option grants; and/or
- bonuses.

The objective and reason for this system of compensation is to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of a Named Executive Officer is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each Named Executive Officer takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the Named Executive Officers. Base salary is not evaluated against a formal “peer group”. The Company’s Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the Named Executive Officers for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the Named Executive Officers are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Executive Compensation

In this section “**Named Executive Officer**” means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at any time during the financial year ended August 31, 2016 and whose total compensation exceeds \$150,000.

Gabriel Napora, Colin Wiebe, John Masters, Kelsey Chin and Alex Romanov were the “**Named Executive Officers**” of the Company for the purposes of the following disclosure. Other than as set out in the table below,

there are no executive officers of the Company whose total compensation exceeded \$150,000 during the financial year ended August 31, 2016. The compensation paid to the Named Executive Officers for the financial year ended August 31, 2016 is as set out below:

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Gabriel Napora ⁽²⁾⁽⁴⁾ Former CEO	2016	75,000	N/A	Nil	N/A	N/A	N/A	1,200 ⁽⁵⁾	75,000
	2015	24,000 ⁽⁶⁾	N/A	7,313	N/A	N/A	N/A	18,388 ⁽⁶⁾	49,701 ⁽⁶⁾
	2014	N/A	N/A	Nil	N/A	N/A	N/A	Nil	N/A
Colin Wiebe ⁽²⁾⁽⁴⁾ Former President and interim CEO	2016	66,800	N/A	Nil	N/A	N/A	N/A	Nil	66,800
	2015	30,600	N/A	15,631	N/A	N/A	N/A	Nil	46,231
	2014	N/A	N/A	Nil	N/A	N/A	N/A	Nil	N/A
John Masters ⁽³⁾ Former CFO	2016	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2015	Nil	N/A	4,444	N/A	N/A	N/A	Nil	4,444
	2014	18,000	N/A	4,635	N/A	N/A	N/A	Nil	22,635
Kelsey Chin ⁽³⁾ Former CFO	2016	33,000	N/A	Nil	N/A	N/A	N/A	Nil	33,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A	Nil	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	Nil	N/A
Alex Romanov ⁽²⁾⁽⁴⁾ Former CEO	2016	5,000	N/A	Nil	N/A	N/A	N/A	5,000	5,000
	2015	N/A	N/A	Nil	N/A	N/A	N/A	Nil	N/A
	2014	N/A	N/A	Nil	N/A	N/A	N/A	Nil	N/A

Notes:

- (1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.
- (2) Alex Romanov was appointed as CEO on October 1, 2015 and resigned as CEO of the Company on November 26, 2015. Colin Wiebe was appointed as President on April 27, 2015 and as interim CEO on November 26, 2015. Colin Wiebe resigned as President on September 13, 2016 and as interim CEO on April 18, 2017. Mr. Wiebe was appointed as a director on April 14, 2015 and resigned as a director on June 6, 2017. Gabriel Napora was appointed as CEO of the Company on May 9, 2016 and resigned as CEO of the Company on April 18, 2017. Mr. Napora was appointed as director on May 11, 2015 and continues to serve on the Board.
- (3) John Masters was appointed the CFO of the Company on April 16, 2014. Mr. Masters resigned as CFO on May 9, 2016 and was replaced by Kelsey Chin. Kelsey Chin was appointed as CFO on May 9, 2016 and resigned as CFO on February 1, 2017.
- (4) Each of Colin Wiebe, Alex Romanov and Gabriel Napora also serves or served as a director of the Company and receives or received, as applicable, compensation for services as a director, and that compensation has been included in the figures provided in this Summary Compensation Table. Amounts, if any, which relates to the director role are disclosed in subsequent footnotes hereunder.
- (5) This amount was paid to Mr. Napora in respect of his role as a director of the Company.
- (6) Of this amount, Mr. Napora was paid \$24,000 for consulting fees, and \$18,388 in respect of proof of concept payments.

Outstanding Share-Based Awards And Option-Based Awards

The following tables provide information regarding all share-based and option-based awards outstanding as at August 31, 2016:

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options(1) (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Gabriel Napora Former CEO	10,000	0.50	April 16, 2017	7,000	N/A	N/A
	100,000	0.06	August 11, 2017			
Colin Wiebe Former President and interim CEO	20,000	0.50	January 30, 2017	7,000	N/A	N/A
	30,000	0.50	April 16, 2017			
	100,000	0.06	August 11, 2017			
John Masters Former CFO	100,000	0.06	August 11, 2017	7,000	N/A	N/A
Kelsey Chin Former CFO	N/A	N/A	N/A	N/A	N/A	N/A
Alex Romanov Former CEO	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the financial year ended August 31, 2016, which was \$0.13, and the exercise or base price of the option.

Incentive Plan Awards - value vested or earned during the year

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each Named Executive Officer of the Company during the financial year ended August 31, 2016:

Name (a)	Option-based awards – Value vested during the year ⁽¹⁾ (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Gabriel Napora Former CEO	N/A	N/A	N/A
Colin Wiebe Former President and interim CEO	N/A	N/A	N/A
John Masters Former CFO	N/A	N/A	N/A
Kelsey Chin Former CFO	N/A	N/A	N/A
Alex Romanov Former CEO	N/A	N/A	N/A

Note:

- (1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no employment contracts between the Company and the Named Executive Officers.

There are no compensatory plans, contracts or arrangements between the Company and any Named Executive Officer, where the Named Executive Officer is entitled to receive more than \$50,000 from the Company, including periodic payments or installments, in the event of:

- (a) the resignation, retirement or any other termination of employment of the Named Executive Officer's employment with the Company;
- (b) a change of control of the Company; or
- (c) a change of the Named Executive Officer's responsibilities following a change in control.

Pension Arrangements

The Company does not have any pension arrangements in place for the Named Executive Officers.

Director Compensation

For a description of the compensation paid to the Company's Named Executive Officer(s) who also act as directors, see "Summary Compensation Table".

Other than as disclosed elsewhere in this Statement of Executive Compensation, no director of the Company who is not a Named Executive Officer has received, during the financial year ended August 31, 2016, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Company may grant incentive stock options to directors of the Company from time to time pursuant to the stock option plan of the Company and in accordance with the policies of the Canadian Securities Exchange (the "CSE").

The compensation paid to the directors, other than those directors that are also Named Executive Officers, during the Company's financial year ended August 31, 2016 is as set out below:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards ⁽¹⁾ (\$) (a)	Non-equity incentive plan compensation (\$) (a)	Pension value (\$) (a)	All other compensation (\$) (b)	Total (\$) (c)
Timothy Marlowe ⁽²⁾	78,000	N/A	N/A	Nil	N/A	Nil	78,000
Joseph Wowk ⁽²⁾	99,250	N/A	N/A	Nil	N/A	Nil	99,250
Yas Taalat	33,000	N/A	N/A	Nil	N/A	Nil	33,000

Notes:

- (1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.
- (2) Timothy Marlowe was appointed as director on December 17, 2014; Joseph Wowk was appointed as a director on January 5, 2015 and resigned as a director on September 13, 2016; and Yas Taalat was appointed as a director on May 9, 2016.

Narrative Discussion

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the financial year ended August 31, 2016 or subsequently, up to and including the date of this Statement of Executive Compensation.

The Company has a stock option plan for the granting of incentive stock options to the Company's officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

Outstanding Share-Based Awards And Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the financial year ended August 31, 2016, to each of the directors who are not also Named Executive Officers:

Director Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options(1) (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Timothy Marlowe ⁽²⁾	20,000	0.50	January 30, 2017	7,000	N/A	N/A
	30,000	0.50	April 16, 2017			
	100,000	0.60	August 11, 2017			
Joseph Wowk ⁽²⁾	20,000	0.50	January 30, 2017	7,000	N/A	N/A
	30,000	0.50	April 16, 2017			
	100,000	0.60	August 11, 2017			
Yas Taalat	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the financial year ended August 31, 2016, which was \$0.13 and the exercise or base price of the option.
- (2) Timothy Marlowe was appointed as director on December 17, 2014; Joseph Wowk was appointed as a director on January 5, 2015 and resigned as a director on September 13, 2016; and Yas Taalat was appointed as a director on May 9, 2016.

Incentive Plan Awards - value vested or earned during the year

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each director who is not also a Named Executive Officer during the financial year ended August 31, 2016

Name (a)	Option-based awards – Value vested during the year(1) (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Timothy Marlowe	N/A	N/A	N/A
Joseph Wowk	N/A	N/A	N/A
Yas Taalat	N/A	N/A	N/A

Note:

- (1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.