Imagination Park Entertainment Inc.

Management's Discussion and Analysis
For The Six Months Ended February 28, 2017

May 1, 2017

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended February 28, 2017 and 2016 and the audited consolidated financial statements for the years ended August 31, 2016 and 2015. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for Imagination Park Entertainment Inc. ("Imagination Park" or the "Company") can be found on the SEDAR website at www.sedar.com. The Company's website can be found at www.imaginationpark.com.

Head Office

Suite 700 - 838 W Hastings Street
Vancouver, BC, V6C 1C8

Nature and Continuance of Operations

Imagination Park Entertainment Inc. is listed on the Canadian Securities Exchange using the symbol IP and was incorporated on October 11, 2011 under the laws of the Business Corporation Act (BC, Canada).

The Company is an emerging digital content production company, working with talented filmmakers around the world to bring conventional as well as virtual reality content to life. In April 2015, the Company filed a new listing statement on the CSE website that provides detailed disclosure of the Company's business and related risk factors.

At February 29, 2017, the Company had a net working deficiency of $467,222 (August 31, 2016 - $74,530). The audited consolidated financial statements for the year ended February 29, 2017, on www.sedar.com, were prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete a public equity financing, or generate profitable operations in the future. The Company believes it will be 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.

Forward-Looking Statements

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about future production and recovery; (ii) that there is no unanticipated fluctuation in foreign exchange rates; and (iii) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) the risk that the Company will continue to have negative operating cash flow; (ii) the risk that additional financing will not be obtained as and when required; (iii) material increases in operating costs; and (iv) adverse fluctuations in foreign exchange rates.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

A Day in the Life of the Champ Project

During the period ended February 28, 2017, the Company entered into an agreement with Michael Bisping, UFC Middleweight Champion of the World, to produce a Virtual Reality series entitled "A Day in the Life of the Champ". Production is expected to commence in May 2017 in Michael's hometown of Los Angeles and will have exclusive access to his training camp and behind the scenes activities.

Ohmore Media Inc. ("Ohmore")

During the period ended February 28, 2017, the Company entered into a non-exclusive association with Ohmore which relates to a Mainland China wide license to broadcast original individually produced content on any of the 227 channels of Hangzhou Ergeng Network Technology Co., Ltd. ("Ergeng") via Ohmore, which has an exclusive partnership with Ergeng. Under this arrangement, Ergeng via Ohmore will share advertising revenue 50/50 with Imagination Park in a sector where, as noted by China Internet Watch, the online advertising market reached approx. 73.87 billion yuan (US$10.76 billion) in 2016 and where there exists ten billion page views per month as well as over eight billion cumulative number of plays, three billion aggregated views across all Ergeng platforms and touch points, including the North American representative of the Ergeng network, per month, averaging at six million views per video on Ergeng platforms, with highest views reaching 36 million for its single most popular video.

Collectors Project

During April 2017, the Company signed onto Collectors, a sci-fi project featuring Jean Claude Van Damme and Kris Van Damme and produced and directed by Trevor Seeley, Kris Van Damme with Imagination Park.

Collectors is an action sci-fi series set in a gritty, visceral universe where two once peaceful nations are now separated by the stars. It follows the efforts on Earth's elite military squad and their alliance with an old generation of enhanced interstellar soldiers, as they fend off the incoming invasion of genetically modified super soldiers known as The Collectors.

The Company plans to begin production of Collectors within 60 days. Imagination Park will be filming a proof of concept and assisting to create a screenplay with the intention of achieving financing for a potential feature or TV series at a later date.

Traveler Feature Film

On April 13, 2017, the Company entered into a development and production agreement with Emmy nominated Director Simon Brown for his sci-fi opus, Traveler.

Currently a short film, Traveler has received awards at multiple festivals and has received major studio interest on the project. The Company will develop the project with Mr. Brown by creating a feature film screenplay, package the project and then shop it to major Hollywood studios and distributors for financing.

Simon Brown is a graduate of the American Film Institute Conservatory Directing Program and an alum of Berlinale Talents (2016). He has worked as a senior vfx artist leading teams on commercials and feature films. His feature film credits include Matrix Revolutions, Star Wars: Revenge of the Sith and Ice Age: The Meltdown.

His latest short film “Traveler” is currently making its festival rounds and is a Best Short Finalist a the Kinsale Shark Awards and his short film Firelight was a finalist for the Student Emmy’s, winner for best sci-fi short film at Shockerfest, best horror nomination at Shriekfest and an official selection at LA Shorts Festival. In addition, his spec spot “Lexus LFA-h”” has features in STASH and selected for the A-List Awards.

Juarez 2045 Project

The Company completed production of its first full-length feature film ‘Juarez 2045’ in partnership with Abrubt Films Inc. Juarez 2045 is the sixth film under the amended LOI with Triton which Imagination Park has a net profit interest in. In the year 2045, the war on drugs in Mexico has escalated as a ruthless drug cartel uses robots to enforce their operations. A group of marines are sent in to recover a hostage and get more than they bargained for when they come up against the head of the cartel. The film features Danny Trejo (Machete, Machete Kills) and Brad Schmidt (Birth of a Nation). The first official trailer for the film has just been released and is available for viewing on Imagination Park's website.

Imagination Park thereby now holds a 5-per-cent net profit carried interest in Juarez 2045 and retains the right to earn up to a 7.5-per-cent interest by sourcing and closing a domestic distribution deal for the film as well. At present, the Juarez 2045 project has received several distribution proposals, and both Imagination Park and Abrupt films are now working to close global distribution rights for the film and finalize a release date, subject to the discretion of the project's ultimate distribution partner(s).

During the year ended February 28, 2017, the Company acquired a 10% net profit interest in the full length documentary “Food For Thought” produced by Robinson Media, which is partly owned by Tim Marlowe, Director of Imagination Park. Under the terms of the agreement, the Company will pay Robinson total consideration equalling $56,100, payable as 561,000 common shares of the company at a deemed price of $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, The Food for Thought documentary is fully financed through budgeted completion, and is currently in production.

Spoken Word Project

Imagination Park’s short film ‘Spoken Word’ has been chosen to be screened at the third annual Manchester International Film Festival (MANIFF) in Manchester, England. Spoken Word stars actor Lance Reddick (Fringe, Lost, The Wire) as an African-American judge in a moral conflict. Race, perception and consequence become the centre point of three lives, as Judge Matthews realizes that he can no longer overlook his actions from the bench. Spoken Word was produced by Imagination Park Entertainment and directed by the writer Ilan Srulovicz (I Hate Ned (2011), Grit (2015) and Zero Day (2015) and shot using RED cameras. The first official trailer for the film has just been released and is available for viewing on-line. While this film may not produce revenue it does provide the Company brand exposure in film festivals.

SPOKEN WORD, has been nominated for The International Filmmaker Festival of World Cinema NICE 2017! Held in the South of France just a few days before the Cannes International Film Festival, the Nice Festival is a platform for filmmakers to meet, network and do business with distributors and industry professionals.

NICE International Film Festival has, as its objective, the promotion of cinematographic art by presenting films of quality and excellence in entertainment.

KUMITE Project

During the period ended February 28, 2017, the Company entered into an agreement on a project in development called KUMITE, an original, episodic action series, created in immersive virtual reality. This is the next project in Imagination Park Entertainment's collaboration in serialized storytelling for VR. Episodes will be filmed in Vancouver, Los Angeles and Toronto and will be produced by Gabriel Napora, Tim Marlowe and Yas Taalat.

KUMITE is about a mixed martial arts fighter, who travels to underground fight leagues all over the world to challenge top competitors. Mixed Martial Arts, or MMA, has a huge fan base garnered by UFC, with over 3.4 million followers on Twitter.

KUMITE will be an ongoing story created for VR enthusiasts who are willing to pay a premium for quality titles. KUMITE will be packaged and submitted to popular VR online content stores. VR titles are currently being sold in a growing group of online stores including Steam, Vive, Milk VR (Samsung) and the Oculus Store (owned by Facebook).

Virtual Reality Projects

During the period ended February 28, 2017, 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 Imagination Park first right of refusal on any virtual reality/augmented reality projects it secures, creates, or acquires that require such services.

The Partners have now completed 4 (four) virtual reality projects together to date, which may soon be added to virtual reality content stores, and which also serve to demonstrate the world-class caliber of the Partners' virtual reality production capabilities to prospective 3rd party virtual reality production services clients. Expected to be Summer 2017.

The projects include:

a. VR Zombies Experience; A man watching a zombie movie is stunned to find out the zombie apocalypse is real when some real zombies enter his man cave and begin breaking his toys.

b. Destructotron: Feature film actor Peter Shinkoda (Nobu in Daredevil, Fallen Skies) stars in this exciting VR adventure where a giant robot attacks the Earth, leaving Shinkoda to solve the situation.

c. Invasion: When an alien ship mysteriously devours everything in its path, one woman (played by model Andrea Katic) fights against being swallowed up. Produced by Gabriel Napora, Yas Taalat, Rocky Mudaliar and directed by Chris Le, the director of Juarez 2045, the experience features cutting-edge visual effects.

d. Skate Apocalypse: Some of the skateboarders,, including the very talented Zack Noftall, are featured in this VR experience, where extreme, acrobatic, skateboarders journey through a city while being attacked by killer drones.

The demand for VR content is growing exponentially as hardware sales increase. VR headsets are expected to reach 2.5 million units this year, up 79 per cent versus 2016, while driving $660-million in revenues, a predicted year-on-year jump of 42 per cent according to the Consumer Technology Association.

VR titles are currently being sold in a growing group of on-line stores, including Steam, Vive, Milk VR (Samsung) and the Oculus Store (owned by Facebook). VR users are willing to pay a premium for quality titles. According to research firm Tractica, more than 200 million consumer virtual reality head-mounted displays will be sold worldwide by 2020. The VR titles Imagination Park plans to release are as follows.

Letter of Intent to acquire various interests in up to six feature film projects

On February 9, 2016, the Company announced that it had entered into a binding letter of intent, subsequently amended, with Triton Films Inc. ("Triton") for options to acquire percentages of Triton's interest in up to six feature film projects. The letter of intent proposes to advance and package portfolio projects as well as partner with international financial, production, sales and distribution partners. Triton will retain creative and strategic control over the development and distribution of the films but Triton will consult with the Company on all matters regarding the production, licensing, sale and distribution of the films.

During the period ended February 28, 2017, the Company exercised its initial option to acquire its respective initial interests in these six films granted in the letter of intent, effective as of October 4, 2016, for total consideration of $172,500 by issuing 2,300,000 common shares of the Company, issued at a deemed conversion price of $0.075 per share. By issuing the shares, the Company has earned the following net revenue interests:

i) 40% of Film 1

ii) 12.5% of Film 2

iii) 25% of Film 3

iv) 17.5% of Film 4

v) 12.5% of Film 5

vi) 50% of Film 6

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.

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.

Further, the original letter of intent entered into with Triton on February 9th, 2016, stipulates the Company was required to complete a financing for minimum net proceeds of $250,000 on or before July 15, 2016, or Imagination Park would be required to issue to Triton a penalty payment equal to $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 a deemed price of $0.10 to settle the $25,000 fee.

As part of the amendment, the Company has issued a bonus success fee through the issuance of 115,000 common shares at a deemed price of $0.075, which is based on 5% of the value of each of the option which are 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.

Absolution

On May 14, 2015, the Company announced the new Steven Seagal movie "Absolution" as the first of six feature films that the Company is entitled to share in the net revenues of. Produced by Tim Marlowe, "Absolution", and was officially released and distributed by Lions Gate on May 15, 2015 in Theatres and On Demand.

The Company's interest in the revenue of "Absolution" derives from a Production Revenue Participation Agreement (the "Participation Agreement") with Infinity Media Inc. ("Infinity Media") and its principal, Academy Award® winning producer, Timothy Marlowe. In addition to his role with Infinity Media, Mr. Marlowe is a director of the Company. Under the terms of the Participation Agreement, the Company is entitled to receive five percent of the revenue earned by Infinity Media from "Absolution", and from five subsequent feature films from which Infinity Media is entitled to share revenue. The five subsequent films will be determined by Infinity Media pursuant to the terms of the Participation Agreement

There can be no assurance that "Absolution" or any other films which the Company will have an interest in under future Participation Agreements will generate revenues for Infinity Media and the Company.

During September 2015, the Company and Infinity Media agreed to amend the agreement. Infinity Media has come to terms with the Company to return to treasury the previously issued 3,400,000 shares negotiated originally in the two agreements in exchange for net profit interests in 12 upcoming productions collectively. Mr. Marlowe has agreed to retain 500,000 shares for the net profit interest of the movie "Absolution" currently owned by the Company. As of the date of this report, Absolution has not yet become profitable, and consequently the Company has not yet earned any of its entitled profit share which will be available once the original Absolution investors have recouped their investments. The Company does not anticipate to see any revenue before 2018.

The Company and the two vendors have agreed to negotiate each upcoming production on a case by case basis. During the year ended August 31, 2016, 1,700,000 shares were cancelled and returned to treasury, and 500,000 treasury shares were issued. During the period ended February 28, 2017, the remaining 1,700,000 shares were cancelled and returned to treasury.

Other Movie Related Agreements

During the six months ended February 28, 2017, the Company:

i) entered into a feature film production services contract to assist in the completion of a new full length feature film. Under the terms of the agreement, Imagination Park is offering its feature film production services through to completion of the project, in exchange for production services fees payable to the Company. As of this date, the project is fully financed, initial service deposit funds have been received by the Company and work is now underway.

ii) entered into a contract 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. 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. We anticipate divestiture in Q3 2017. During the period ended February 28, 2017, it brought in $25,000 USD in revenue for the company.

Music Publishing

During the year ended August 31, 2015, the Company signed a definitive agreement to acquire assets from 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 Venture Exchange). 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 was also a director of the Company at that time, but is now a former director. . 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 February 28, 2017, $100 remains capitalized on the consolidated statement of financial position.

Results of Operations

The results of operations reflect the overhead costs incurred to provide an administrative infrastructure to manage the media 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 as Management and Directors continue to develop the film and music activities of the Company.

Six Months Ended February 28, 2017 compared to three months ended February 28, 2016

For the six months ended February 28, 2017, the Company had a net loss of $1,110,117 compared with a net loss of $291,511 for the same period in the prior year. During the period ended February 28, 2017, the Company incurred:

- consulting and management fees of $303,775 (February 29, 2016 - $145,240). The increase is mainly due to more activities in the current period.
- share-based compensation of $417,400 (February 29, 2016 - $Nil). The increase is due to options being granted during the current period.
- shareholder communications and promotion of $42,548 (February 29, 2016 - $4,304). The increase was primarily due to an increase in promotion activities during the current period.
- Travel and accommodation of $62,203 (February 29, 2016 - $19,000). The increase was due to directors travelling frequently for business during the current period.

For the three months ended February 28, 2017, the Company had a net loss of $664,326 compared with a net loss of $79,861 for the same period in the prior year. During the three months period ended February 28, 2017, the Company incurred:

- consulting and management fees of $172,230 (February 29, 2016 - $51,490). The increase is mainly due to more activities in the current period.
- share-based compensation of $417,400 (February 29, 2016 - $Nil). The increase is due to options being granted during the current period.
- shareholder communications and promotion of $24,416 (February 29, 2016 - $Nil). The increase was primarily due to an increase in promotion activities during the current period.
- Travel and accommodation of $7,621 (February 29, 2016 - $ Nil). The increase was due to directors travelling frequently for business during the current period.

Summary of Quarterly Results

The following table sets out selected quarterly information available within the last eight quarters.

Three Months Ended	February 28, 2017	November 30, 2016	August 31, 2016	May 31, 2016
	$	$	$	$
Revenue	37,024	61,500	81,954	-
Loss and Comprehensive loss	(664,326)	(445,791)	(308,019)	(355,705)
Loss per Common Share	(0.02)	(0.03)	(0.03)	(0.03)
Three Months Ended	**February 29, 2016**	**November 30, 2015**	**August 31, 2015**	**May 31, 2015**
	$	$	$	$
Exploration and evaluation assets	-	-	-	329,284
Loss and Comprehensive loss	(79,861)	(211,650)	(1,250,400)	(340,109)
Loss per Common Share	(0.01)	(0.02)	(0.11)	(0.04)

Liquidity and Capital Resources

The Company's cash position was $21,600 at February 28, 2017 compared to $135,688 at August 31, 2016. The Company had a working capital deficiency of $467,222 at February 28, 2017 compared with working capital deficiency of $74,530 at August 31, 2016.

During the period ended February 28, 2017, cash flow activities consisted of:

i) cash flows spent on operating activities of $342,688 (February 29, 2016 - $111,378).

ii) cash flows received from financing activities of $Nil (February 29, 2016 - $44,500).

iii) cash flows received from investing activities of $228,600 (February 29, 2016 - $ 75,447).

During the period from September 1, 2016 to May 1, 2017, the Company:

i) issued 378,000 common shares at $0.10 to settle debt in the amount of $37,800;

ii) issued 2,300,000 common shares at $0.075 to Triton Films Inc., a company wholly-owned by Gabriel Napora, CEO of Imagination Park, pursuant to the initial exercise of its option under the Letter of Intent, which was amended during the three months ended November 30, 2016, to acquire a net profits interest in six films;

iii) issued 250,000 common shares at $0.10 pursuant to the LOI with Triton Films Inc., to settle the penalty fee due to the delay in completion of the financing;

iv) issued 115,000 common shares at $0.075 as a success fee pursuant to the exercise of the LOI option with Triton Films Inc.;

v) issued 561,000 common shares at $0.10 to Robinson Media Inc., a company owned by Timothy Marlowe, Director of Imagination Park, pursuant to the acquisition of a 10% net profits interest in a full length documentary 'Food for Thought'; and

vi) cancelled 1,700,000 common shares pursuant to the amended revenue participation agreement, and issued 500,000 treasury shares (Note 10).

vii) issued 1,262,900 shares for proceeds of $130,645 with respect to stock option exercises.

viii) issued 7,855,000 shares for proceeds of $785,500 with respect to warrant exercises.

As at November 30, 2016, the Company has $150 in short-term loans from related parties, which are non-interest bearing and repayable on demand.

Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

During the six months ended February 28, 2017, the Company paid or accrued management and consulting fees of $170,969 (February 29, 2016 - $144,960), and paid or accrued office and rent costs of $3,000 (February 29, 2016 - $6,616) to directors and officers of the Company, or companies under their control. As at February 28, 2017, $345,326 (August 31, 2016 - $232,000) remained outstanding and is included under accounts payable.

During the six months ended February 28, 2017, the Company issued 1,000,000 stock options to directors resulting in share-based compensation of $126,681.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Changes in Accounting Policies and Future Accounting Changes

Please refer to the consolidated financial statements filed on www.sedar.com for the year ended February 28, 2017 for changes in accounting policies and future accounting changes.

Financial Instruments

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

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

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

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash and receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The receivables relate to amounts due from government agencies, subscriptions receivable, and trade receivables, therefore the Company's maximum exposure to credit risk is the balance of cash held as at February 28, 2017. 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 February 28, 2017 the Company had $580,861 (August 31, 2016 - $347,406) 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 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 February 28, 2017, the Company has USD $3,074 included in cash and USD $8,088 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.

Contingencies

The Company is unaware of exposure to any contingent liabilities.

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 equity 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 and may lose its interests in its mineral properties.

Disclosure Controls and Procedures

CSE listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of Disclosure controls and procedures ("DC&P") and Internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Other MD&A Requirements

As at May 1, 2017, the Company had 55,667,271 common shares issued and outstanding.

As at May 1, 2017, the following incentive stock options were outstanding:

Expiry Date	Exercise Price	Number of Options Outstanding
August 11, 2017	$ 0.06	300,000
April 4, 2019	0.35	300,000
April 11, 2019	0.31	65,000
March 13, 2020	0.30	700,000
March 17, 2020	0.45	325,000
March 30, 2020	0.30	100,000
September 13, 2021	0.15	1,600,000
November 16, 2021	0.15	200,000
February 3, 2022	0.05	437,100
April 18, 2022	0.31	750,000
		4,777,100

As at May 1, 2017, warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price	Number of Warrants Outstanding
August 22, 2017	$ 0.10	2,314,000
August 26, 2017	0.10	2,068,032
		4,382,032

Change in Management

In April 2017, the board was pleased to announce Alen Paul Silverrstieen as CEO and President of the Company. Alen Paul is a global entrepreneur with over 20 years' experience managing and growing technology companies. Recently, he founded a software company with offices in NYC and India focused on leveraging Artificial Intelligence and Machine Learning to optimize sourcing and selection of job candidates. Previously, Alen Paul was a senior executive managing a conglomerate of small companies for a boutique equity firm providing recruitment, security, and technology consulting throughout North America. Alen Paul founded and launched GTS in the 1990's, one of the pioneers in prepaid communications, and led it public on the NASDAQ within three years. At GTS, he spearheaded licensing deals with Fortune 500 and leading North American brands.

Board of Advisors Appointment

Tim Huckaby

In April 2017, Tim Huckaby joined the Board of Advisors. Mr. Huckaby's expertise encompasses emerging experiences as AR & VR, holographic, touch, gesture, voice recognition, neural, demographic, emotional, & facial recognition and other futuristic interfaces as applied by a number of compelling software technologies on many hardware platforms on a broad spectrum of devices.

Mr. Huckaby is Chairman and Founder of InterKnowlogy, a custom application development firm and think tank specializing in digital surface interaction. His company is currently developing immersive digital experiences for the Microsoft HoloLens. The Hololens is the first fully untethered holographic computer enabling you to interact with high-definition holograms in your world.

Mr. Huckaby has worked with Microsoft for over 25 years and is a Microsoft Global RD, a Microsoft MVP and serves on many councils and boards like the Microsoft Application Development Partner Advisory Counsil.

Mitch Davis

In March 2017, Mitch Davis joined the Board of Advisors. Mr. Davis has an impeccable musical pedigree, second to none, and has focused his career on producing films, documentaries, live musical events, and creating intellectual property.

His father, Clive Davis, is a living music legend who has signed, influenced and driven the careers of some of the most significant artists of our time such as Whitney Houston, Bruce Springsteen, Simon & Garfunkel, Rod Stewart, Air Supply, Alicia Keys, Barry Manilow, Christina Aguilera, Carlos Santana, Kelly Clarkson, Leona Lewis and Jennifer Hudson. Mitch Davis is one of the producers alongside movie industry heavyweight Ridley Scott, on the documentary CLIVE DAVIS: THE SOUNDTRACK OF OUR LIVES (2017), which will open at the Tribeca Film Festival this year at the Radio City Music Hall.