MANAGEMENT'S DISCUSSION AND ANALYSIS

April 29, 2019

For the six months ended February 28, 2019 and 2018

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1. INTRODUCTION

The Management's Discussion and Analysis ("MD&A") of operating results and financial position for the six months ended February 28, 2019 and 2018 is supplementary to and should be read in conjunction with the condensed interim consolidated financial statements for the same period as well as the audited consolidated financial statements and related notes for the financial year ended August 31, 2018. Copies of these documents can be found on the SEDAR website at www.sedar.com. The MD&A is intended to help readers understand the dynamics of our business and the key factors underlying our financial results. The MD&A and the condensed interim consolidated financial statements were approved by the Board of Directors on April 29, 2019.

2. FORWARD-LOOKING INFORMATION

This document contains forward-looking statements which reflect management's current expectations about future events and financial and operating performance of the Company. Words such as "may", "will", "should", "could", "anticipate", "believe," "expect, "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. Forward-looking statements contained in this document may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. These statements reflect management's current views with respect to future events or conditions, including prospective financial performance, financial position, and predictions of future actions, plans or strategies. Certain material factors and assumptions were applied in drawing our conclusions and making these forward looking statements. These statements reflect management's current views, beliefs and assumptions and are subject to certain inherent risks and uncertainties. Factors that could cause actual performance to differ materially include, but are not limited to:

- *ability to develop or acquire new technology;*
- *competition in the market;*
- *development of new software products;*
- *economic growth and fluctuations;*
- *proper performance of our applications;*
- *the protection and privacy of personal information which we hold;*
- *the risks associated with credit;*
- *capital expenditures;*
- *the exchange rate of the US currency fluctuations;*
- *changes in accounting policies and estimates;*
- *human resource matters, including recruitment and retention of competent personnel;*
- *the ability to raise capital;*

The above (and other) factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward-looking statements. See "Risks and Uncertainties" below and the section entitled "Risk Factors". Should one or more of these risks or uncertainties materialize, or should the assumptions underlying our projections or forward-looking statements prove incorrect, our actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated or expected. We do not intend and do not assume any obligation to update these forward-looking statements whether as a result of new information, plans, events or otherwise, unless required by law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

3. COMPANY OVERVIEW

Imagination Park Technology Inc. (the "Company" or "Imagination Park") is a public company domiciled in Canada whose core business is to deliver engaging and interactive content to users through a cloud-based augmented reality ("AR") platform.

The Company's shares are listed on the Canadian Security Exchange (CSE) under the ticker symbol "IP" and the OTCQB Venture Market under stock symbol is "IPNFF". The Company was incorporated in British Columbia under the laws of the Business Corporation Act (BC, Canada).

In 2015, the Company was an emerging digital content production company, working with talented filmmakers around the world to bring conventional as well as virtual reality content to life. The Company embarked on a number of joint ventures, letters of understanding and revenue sharing agreements for the development of short films and proof of concepts.

In 2017, the Company strategically decided to shift focus from digital content production to augmented reality and mixed reality software and related services. Under the restructuring, the Company reduced its involvement and investments in film content and expects to wind-down its remaining interest in its film producing entities in the current year.

The Company also announced in 2017, that it had executed a binding letter of intent with InterKnowlogy, LLC ("InterKnowlogy") in connection with the establishment of XenoHolographic Inc. ("XenoHolographic") a joint venture company where, pursuant to the terms, ownership would be divided on a 50/50 basis between Imagination Park and InterKnowlogy. InterKnowlogy, a software developer, is to advance its augmented and mixed reality platform and Imagination Park is to provide working capital, the marketing strategy and sales support to promote the use of augmented and mixed reality platform.

By November 2017, XenoHolographic was in the process of developing two new products, XenoRoom and XenoSideKick, to deliver interactive holographic experiences. XenoRoom is a location-based holographic experience engine allowing businesses to upload 3D content to the cloud. XenoSidekick is a mobile phone toolkit that when launched with a smartphone allows for seamless interaction with holograms irrespective of the augmented reality headset brand.

In May 2018, the Company acquired the remaining 50% interest in XenoHolographic from InterKnowlogy to solely focus on providing the XenoHolographic Product Suite, one of the first platform-agnostic, cloud-based AR platforms in the world. With the acquisition of XenoHolographic, the Company owns 100% of all rights, title and interest in the XenoHolographic suite of products.

About XenoHolographic Product Suite

XenoMark™ is an AR mobile app. that allows you to quickly create a visual marker. Once the marker is detected AR content is activated.

XenoPlay™ is the AR mobile app that allows the user to visualize the AR content once it is activated through XenoMark™. The activated content can be in the form of an image, text or video. XenoPlay™ can also deliver AR rewards and create AR stories showing people where they need to go and what they need to do to activate AR.

XenoCloud™ is a centralized management system where the content is securely stored and managed.

3. COMPANY OVERVIEW (CONTINUED)

Working together, these products bridge the gap between the digital world and real world experiences. The mobile apps allow the users to scan real-world objects to unlock useful and entertaining content. The application also allows users to create their own augmented reality content. The Company also provides professional content services that can take the form of gaming content (scavenger hunts, score boards, sweepstakes etc.) or custom content (3D modelling, video animation, brand logo imaging etc.)

The AR experiences could be published to an existing mobile app or a white label app built by the Company via its augmented reality Plugin or to the XenoPlay™ app. The Company will charge users an annual recurring licensing fee for the use of the mobile app based on the volume of AR experiences it publishes. The Company expects to generate revenue from monthly recurring licensing fees and one time, up-front professional services fees.

HIGHLIGHTS FOR THE PERIOD THROUGH THE DATE OF THIS REPORT

On October 12, 2018, the Company announced that it had closed a non-brokered private placement financing for gross proceeds of CDN $3,009,008. Proceeds from the offering will be used to promote AR and the XenoHolographics product suite and for general working capital purposes.

On November 15, 2018, the Company announced that it has been contracted to provide an exclusive augmented reality program for the inaugural season for the Tucson Sugar Skulls, an Indoor Football League ("IFL") team in Tucson, Arizona.

In December 2018, the Company sold all its interests in the movie production company called Imagination Park Alberta Ltd. for net proceeds of $6,000.

On December 4, 2018, the Company strengthened its competitive advantage by filing a comprehensive patent application for "Systems and Methods for Creating and Delivering Augmented Reality Content" with the U.S. Patent and Trademark Office. The patent application is specifically focused on the proprietary technology developed for XenoMark™ and XenoCloud™.

On December 10, 2018, the Company announced that it had been contracted to provide an exclusive augmented reality experience at the Mall of America one of the largest malls in America for this holiday season starting December 4, 2018. The Mall of America Augmented Reality Experience told a holiday story using XenoPlay™ mobile app with a series of AR experiences located throughout the mall. Upon completing the story, guests were rewarded with the opportunity to enter to win a shopping spree at the mall.

On December 20, 2018, the Company announced that it had partner with Data Call Technologies to provide custom content programming experiences to the digital out of home marketplace that includes commercial locations and public outdoor advertising spaces.

On January 14, 2019, the Company announced that it had signed a strategic agreement with CrealTive, LLC, a New Jersey based creative and IT agency, to market the XenoHolographic Product Suite platform to the music, entertainment and advertising industries.

3. COMPANY OVERVIEW (CONTINUED)

On January 29, 2019, the Company announced that the UltraStar Multi-tainment Center at Ak-Chin Circle, an enterprise of the Ak-Chin Indian Community, will implement a new futuristic augmented reality campaign from Imagination Park. Adding Augmented Reality (AR) will help change the theatrical experience and social culture within the one-of-a-kind world-class facility. Imagination Park enables UltraStar customers to point their phones at logos, signs, posters and landmarks to view or retrieve coupons, messages, videos and more. Customers just need to download Imagination Park's XenoPlay™ AR mobile browser app from the app store to open up a new world of interactive entertainment digital options while inside the multi-tainment center.

On February 5, 2019, the Company announced that Jonathan Mariner has joined the Company as a Senior Advisor to the CEO. Mr. Mariner, who retired from Major League Baseball, Office of the Commissioner, having previously served as Executive VP and CFO from March 2002 to December 2014 and as Chief Investment Officer from January 2015 until May 2016, will help improve the fan experience for professional sports teams and major advertisers by introducing Imagination Park's augmented reality technology platform.

On February 21, 2019, the Company announced the new release of its XenoPlay™ platform. XenoPlay™ Version 3.3 is packed with features that allows advertising and marketing professionals to create augmented reality (AR) campaigns within minutes without the need for any programming or technical expertise. Simon Schatzmann has joined Imagination Park as VP Sales to introduce the advertising and marketing world to AR technology that will forever change the way brands market to customers.

On March 7, 2019, the Company announced that Orange County Community College ("SUNY Orange"), will be the first North American college to implement a student recruitment augmented reality campaign. Imagination Park will enable SUNY Orange students to point their phones at logos, signs, posters and landmarks on and around campus to view or retrieve school news, updates, retailer coupons, messages, videos and more. After downloading Imagination Park's XenoPlay™, the app presents students with a new world of interactive entertainment options while at SUNY Orange campuses in Middletown and Newburgh, New York. The Imagination Park XenoHolographic™ product suite provides SUNY Orange access to its own CMS (Content Management System) with XenoCloud™, automatic conversion of 2D/3D objects into dynamic AR objects for iOS and Android, virtual AR-based scavenger hunts, and student engagement reporting to refine campaigns and further engage users.

On March 20, 2019, the Company announced it is now a Microsoft Partner. Imagination Park selected the Azure platform as it enables security, reliability and the ability to scale very quickly. With some of the largest brands and professional sports teams with large audience/fan interaction it is critical that our infrastructure can handle rapid growth, and the artificial intelligence to log and analyze the data captured from these augmented reality engagements.

On March 25, 2019, the Company announced that Mark Silver has become an advisor to the Company. Mr. Silver, who is currently serving as the Chief Digital Officer for the Canadian Soccer Business, will advise Imagination Park on its augmented reality technology platform.

4. NATURE OF CONTINUANCE OF OPERATIONS

The condensed interim consolidated financial statements were prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete a public equity financing, or generate profitable operations in the future. The Company believes it will be able to raise the necessary funding to continue operations however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

At February 28, 2019, the Company had a net working capital deficiency of $717,750 (August 31, 2018 – deficiency of $2,040,495).

5. OUTLOOK

The Company will continue generate awareness for its platform by marketing its technology in various verticals including retail, sports and live entertainment, education, and fundraising. As announced, the company has established a number of strategic partnerships and alliances and performed numerous demonstrations to chief marketing officers and Chief decision makers.

There has been significant interest in the platform. As the Company cycles through the sales funnel, feedback has been encouraging and a robust pipeline of opportunities is emerging. Over the next twelve months, management expects to convert these potential opportunities into revenue growth and expects to realize revenue in the form of monthly recurring revenues from licensing fees and upfront professional services fees from gaming and custom content.

6. DISCUSSION OF OPERATIONS

The results of operations reflect the overhead costs incurred to provide an administrative infrastructure to manage the business and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity of Management and Directors.

Six month period ended February 28, 2019 and 2018

For the six month period ended February 31, 2019, the Company had a net loss of $1,730,058 compared with a net loss of $2,960,411 in the comparative period. During the six month period ended February 31, 2019, the Company incurred:

- revenue of $83,956 (2018 - $Nil). Revenue was primarily generated from the licensing fees and onetime professional services fees for custom content to provide an exclusive augmented reality experience at the Mall of America. The Company expects revenue to ramp up in future quarters as it generates awareness of it platform through various promotional activities and product demonstrations

- accretion of convertible promissory note of $226,178 (2018 - $Nil). The increase is mainly due to the interest accrued on a convertible promissory note during the current period.

- consulting and management fees of $781,009 (2018 - $424,285). The increase is mainly due to increased director and management involvement and increased outside consultants to facilitate the Company's restructuring and transition to the augmented reality operation.

6. DISCUSSION OF OPERATIONS (CONTINUED)

- Office, rent, and miscellaneous of $168,354 (2018 - $17,875). The increase is mainly due to increased in business activities with development of the augmented reality operation during the current period.

- share-based compensation of $86,988 (2018 - $1,872,347). The increase is due to less options being granted during the current period.

- shareholder communications and promotions of $242,901 (2018 - $131,872). The increase was primarily due to promotion activities such as an increase in news release distribution fees, and website updates during the current period.

- travel and accommodation of $50,407 (2018 - $112,421). The decrease was due to the Company cost cutting effort and directors travelling less frequently for business during the current period.

- gain on settlement of debt of $17,617 (2018 - $4,650) related to the settled total payables in the amount of $32,469 with cash payment of $14,852, which resulted in a gain of $17,617.

- Wages and salaries of $500,151 (2018 - $Nil). The increase is due to the salaries and benefits paid or accrued to a former officer during the current period.

- Write off of accounts payables of $42,277 (2018 - $Nil) due to the statute of limitations on amounts has lapsed.

- $357,000 gain on revaluation of the derivative liability.

Three month period ended February 28, 2019 and 2018

For the three month period ended February 31, 2019, the Company had a net loss of $762,844 compared with a net loss of $1,537,794 in the comparative period. During the three month period ended February 31, 2019, the Company incurred:

- revenue of $38,162 (2018 - $Nil). Revenue was primarily generated from the licensing fees and onetime professional services fees for custom content to provide an exclusive augmented reality experience at the Mall of America. The Company expects revenue to ramp up in future quarters as it generates awareness of it platform through various promotional activities and product demonstrations

- consulting and management fees of $393,741 (2018 - $250,712). The increase is mainly due to increased director and management involvement and increased outside consultants to facilitate the Company's restructuring and transition to the augmented reality operation.

- Office, rent, and miscellaneous of $59,074 (2018 - $4,586). The increased is mainly due to increase in business activities with development of the augmented reality operation during the current period.

- share-based compensation of $16,737 (2018 - $883,955). The increase is due to less options being granted during the current period.

- shareholder communications and promotions of $10,774 (2018 - $93,023). The decrease was primarily due to promotion activities such as an increase in news release distribution fees, and website updates during the comparative period.

6. DISCUSSION OF OPERATIONS (CONTINUED)

- travel and accommodation of $25,141 (2018 - $46,380). The decrease was due to the Company cost cutting effort and directors travelling less frequently for business during the current period.

- gain on settlement of debt of $17,617 (2018 - $Nil) related to the settled total payables in the amount of $32,469 with cash payment of $14,852, which resulted in a gain of $17,617.

- Wages and salaries of $349,596 (2018 - $Nil). The increase is due to the salaries and benefits paid or accrued to a former officer during the current period.

- Write off of accounts payables of $42,277 (2018 - $Nil) due to the statute of limitations on amounts has lapsed.

- $16,000 gain on revaluation of the derivative liability.

7. SUMMARY OF QUARTERLY RESULTS

The following table contains selected consolidated financial information for the Company, prepared in accordance with IFRS, for the eight most recently completed quarters of 2019 and 2018:

Three Months Ended	**Feb. 28, 2019**	**Nov. 30, 2018**	**Aug. 31, 2018**	**May 31, 2018**
	$	$	$	$
Revenue and other income	38,162	45,794	(37,889)	-
Income (loss) and Comprehensive income (loss)	(762,844)	(967,214)	(431,409)	287,909
Loss per Common Share	(0.01)	(0.01)	(0.01)	0.00

Three Months Ended	**Feb. 28, 2018**	**Nov. 30, 2017**	**Aug. 31, 2017**	**May 31, 2017**
	$	$	$	$
Revenue and other income	454,854	-	-	-
Loss and Comprehensive loss	(1,537,794)	(1,422,617)	(653,616)	(4,436,481)
Loss per Common Share	(0.02)	(0.02)	(0.01)	(0.08)

8. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position was $1,662,767 at February 28, 2019 compared to $324,938 at August 31, 2018. The Company had a working capital deficiency of $717,750 at February 28, 2019 (August 31, 2018 - $2,040,495). During the period ended February 28, 2019, cash flow activities consisted of:

i) cash flows spent on operating activities of $1,575,086 (2018 - $1,438,111) consisting of operating expenses during the current period.

ii) cash flows received from financing activities of $3,005,312 (2018 - $2,084,387) consisting primarily of $3,009,008 from private placements.

iii) cash flows spent on investing activities of $92,397 (2018 - $888,390) consisting primarily of $39,497 (2018 - $Nil) for intangible assets and disposition of a subsidiary.

8. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

During the period ended February 28, 2019, the Company closed a non-brokered private placement financing of 25,075,068 units at a price of $0.12 per unit raising total proceeds of $3,009,008. Each unit comprises of one common share and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.25 expiring on November 5, 2021. The Company paid cash of $3,696 as share issuance costs.

9. SHARE CAPITAL

As at April 29, 2019, the Company had 101,456,538 common shares issued and outstanding and the following incentive stock options were outstanding:

Expiry Date	Exercise Price	Number of Options Outstanding	Exercisable
December 22, 2019	$0.65	19,000	19,000
January 22, 2020	0.97	150,000	150,000
March 13, 2020	0.30	350,000	350,000
March 17, 2020	0.45	50,000	50,000
June 4, 2020	0.34	50,000	50,000
August 24, 2020	0.24	250,000	250,000
September 28, 2020	0.14	35,000	35,000
August 13, 2021	0.17	250,000	250,000
August 24, 2021	0.24	212,500	212,500
September 13, 2021	0.15	500,000	500,000
September 28, 2021	0.14	500,000	500,000
November 16, 2021	0.15	50,000	50,000
December 12, 2021	0.12	100,000	100,000
February 1, 2022	0.10	100,000	-
February 3, 2022	0.05	317,100	317,100
April 12, 2022	0.50	40,000	40,000
April 18, 2022	0.31	750,000	750,000
June 22, 2022	0.26	68,888	68,888
July 4, 2022	0.26	490,000	490,000
August 8, 2022	0.28	150,000	150,000
November 9, 2022	0.28	825,000	825,000
December 12, 2022	0.69	20,000	20,000
March 25, 2022	0.055	100,000	25,000
January 22, 2023	0.97	50,000	50,000
February 13, 2023	0.72	75,000	75,000
April 20, 2023	0.45	100,000	100,000
July 12, 2023	0.20	1,400,000	1,400,000
December 20, 2023	0.09	50,000	50,000
January 9, 2024	0.09	700,000	-
		7,752,488	6,877,488

9. SHARE CAPITAL (CONTINUED)

As at April 29, 2019, warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price	Number of Warrants Outstanding
June 22, 2019	$0.35	329,600
June 22, 2019	0.35	3,200
September 28, 2019	0.32	30,000
November 14, 2019	0.37	93,750
January 10, 2020	0.65	450,000
March 19, 2020	0.70	1,389,928
November 14, 2020	0.32	2,500,000
May 16, 2021	0.32	4,758,571
August 9, 2021	0.32	3,700,000
November 5, 2021	0.25	25,075,068
		38,330,117

10. OFF-BALANCE SHEET FINANCING

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

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the six month period ended February 28, 2019, the Company paid or accrued:

i) management and consulting fees of $127,425 (2018 - $112,421), to The Zamnu Inc., a corporation owned by the CEO of the Company, namely Alen Paul Silverrstieen.

ii) consulting fees of $77,000 (2018 - $Nil) to Triton Films Inc., a corporation owned by a former director and former CEO of the Company, namely Gabriel Napora.

iii) consulting fees of $Nil (2018 - $11,500) to a former director of the Company, namely Tim Marlowe.

iv) consulting fees of $69,000 (2018 - $69,000) to a former director of the Company, namely Yas Taalat.

v) consulting fees of $6,500 (2018 - $3,000) to a former director of the Company, namely Ben Lu.

vi) director fees of $120,000 (2018 - $Nil) recorded in consulting and management fees to a former director of the Company, namely James Skippen.

vii) director fees of $100,000 (2018 - $Nil) recorded in consulting and management fees to a former director of the Company, namely John Gilberry.

As at February 28, 2019, $184,484 (August 31, 2018 - $63,027) remained outstanding to related parties and is included under accounts payable.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

During the six month period ended February 28, 2019, the Company was owed $11,316 (August 31, 2018 - $9,705) from a company with former directors in common which is included in receivables.

During the six month period ended February 28, 2019, the Company issued 800,000 stock options (2018 – 1,150,000) to an former officer and directors resulting in share-based compensation of $61,950 (2018 - $414,514).

During the six month period ended February 28, 2019, the Company issued Nil warrants (2018 – 1,500,000) relating to a loan payable to a director resulting in share-based compensation of $Nil (2018 - $369,192).

12. CHANGES IN ACCOUNTING POLICY AND FUTURE ACCOUNTING CHANGES

Please refer to the condensed consolidated interim financial statements filed on www.sedar.com for the period ended February 28, 2019 for changes in accounting policies and future accounting changes.

13. 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, accounts 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 and amounts due from related parties therefore the Company's maximum exposure to credit risk is the balance of cash held as at February 28, 2019. The Company has no significant concentration of credit risk arising from operations.

13. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instrument or future media related transactions. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash and expected exercise of share purchase warrants and options. Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. As February 28, 2019 the Company had $557,292 (August 31, 2018 - $595,888) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days and a convertible promissory note and derivative liability of $1,919,382 (August 31, 2018 - $2,007,025).

Interest risk

Interest risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities the Company is exposes to interest rate fair value risk. The Company has cash balances and no material interest-bearing debt, therefore, interest rate risk is minimal.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional and presentation currency is the Canadian dollar. Certain expenditures are transacted in foreign currencies. As a result, the Company is exposed to fluctuations in these foreign currencies relative to the Canadian dollar. As at February 28, 2019, the Company has US $56,225 included in cash and US $155,809 included in accounts payable and accrued liabilities and a convertible promissory note in the amount of US $1,800,000. Management does not hedge its foreign exchange risk, and does not believe a change in foreign exchange would materially affect the Company at its current stage

14. CONTINGENCIES

The Company is unaware of exposure to any contingent liabilities.

15. RISKS AND UNCERTAINTIES

The Company's financial condition, results of operations and business are subject to risks. The following are identified as the main risk factors:

Financing

The Company is reliant upon financing in order to continue its operations because it does not derive any income from its assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional funding in the future, it will be unable to carry out its operations.

Key Personnel

The future of the Company is dependent on the management of the Company. The departure of any of operations or management personnel or their inability to continue being functional could have an adverse impact on the Company's growth, business, financial position, and operating results.

Competition

The Company will compete with many larger companies and new comers to the industry that will have greater financial and technical resources than the Company for the development of its applications as well as the recruitment and retention of qualified consultants and employees.