IMAGINATION PARK TECHNOLOGIES INC.

(formerly Imagination Park Entertainment Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 30, 2019

For the years ended August 31, 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 years ended August 31, 2019 and 2018 is supplementary to and should be read in conjunction with the audited consolidated financial statements and related notes for the financial year ended August 31, 2019. 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 consolidated financial statements were approved by the Board of Directors on December 30, 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;*
- *changes in accounting policies and estimates;*
- *exchange rate fluctuation between the US and Canadian dollar;*
- *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. (formerly Imagination Park Entertainment Inc.) ("the Company") is a public company domiciled in Canada incorporated in British Columbia under the laws of the Business Corporation Act (BC, Canada) on October 11, 2011. On April 17, 2019, the Company was continued under the Canadian Business Corporations Act. The Company's head office is located at #510 – 580 Hornby Street, Vancouver, BC, V6C 3B6.

The Company's core business is to deliver engaging and interactive content to users through a cloud-based enterprise augmented reality ("AR") platform with a brand name of ImagineAR™.

Since March 1, 2019, the Company transitioned ImagineAR™ software development from San Diego, California to Canada to reduce monthly expenditures and leverage a new development partner's mobile app expertise. ImagineAR™ functionality, features, and architecture has been significantly improved with eight (8) new mobile app version releases from March 1, 2019 – July 26, 2019. In the first half of calendar 2019, the Company was focused on beta-tests and successful proof of concepts in key target marketplaces to develop a reference base of use cases and testimonials. As Imagine AR has become fully commercialized starting September 2019, recurring client revenue is expected to increase in fiscal 2020 as the prospective sales funnel has continued to grow on a month by month basis thru the second half of the 2019 calendar year as well as contracted clients are implementing new monthly AR Campaigns.

Additionally, the Company has sponsored a number of large live events in which ImagineAR™ was utilized to deliver AR activations to build ImagineAR™ brand awareness and quickly increase the mobile app download volume. For example, ImagineAR™ Inc. was a sponsor for the Tall Ship Festival in Erie August 22-25, 2019 with attendance of 25,000 attendees, ImagineAR™ delivered a AR Scavenger Hunt in conjunction with the Flagship Niagara League for attendees to win prizes. The Company will continue to participate in these type of large events in calendar 2020 to further promote downloads of the ImagineAR™ mobile app.

About ImagineAR™ Product Suite

ImagineAR Client Studio™ is an AR mobile app. that allows you to quickly create a visual or GPS marker. Once the marker is detected thru a push notification, AR content is activated to the mobile phone.

ImagineAR ™ is the consumer AR mobile app that allows the user to visualize the AR content once it is activated through ImagineAR™ Client Studio. The activated content can be in the form of an image, text or video. ImagineAR™ can also deliver AR rewards, sweepstakes and create AR scavenger hunts. The mobile app is available for free in both the IOS and Android mobile app stores.

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

The Company developed the ImagineAR™ self-service website which allows any organization or individual utilizing a credit card, to create and launch an augmented reality campaign in minutes without the need for a technical resource. The AR campaigns can be location-based or marker-based (image activation) for a specific timeframe and include coupons and rewards.

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.)

3. COMPANY OVERVIEW (CONTINUED)

The AR experiences could be published to the ImagineAR™ mobile app or a white label app developed by the Company. The Company will charge users a Software as a Service ("SaaS") recurring monthly licensing fee for the use of the mobile app. The Company expects to generate revenue from monthly recurring licensing fees and one-time, up-front professional services fees.

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 ImagineAR™ mobile browser app from the app store to open up a new world of interactive entertainment digital options while inside the multi-tainment center. The first initial AR campaign launched in Winter 2019.

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 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 ImagineAR™, the app presents students with a new world of interactive entertainment options while at SUNY Orange campuses in Middletown and Newburgh, New York. SUNY Orange launched their AR Scavenger hunt campaign in September 2019.

On March 20, 2019, the Company announced it is now an authorized Microsoft Co-Sell Azure 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. The Company attended the Microsoft Inspire Conference in July 2019 to launch the sales and marketing relationship.

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.

On April 30, 2019, the Company announced that Orangetheory Fitness will don its super-hero cape and bring an augmented reality experience to the people of Fargo, North Dakota. In June 2019, Orangetheory launched a campaign to promote Orangetheory's affiliation with the Wonder Woman Run Series.

On May 2, 2019, the Company signed with the Erie SeaWolves to bring augmented reality experiences to the UPMC Park and the city of Erie, Pennsylvania. The Detroit Tigers Double-A Affiliate will be among the first Minor League Baseball (MiLB) to utilize AR for fan engagement on their iOS or Android mobile devices. The Erie SeaWolves launched its initial AR campaign in August 2019.

3. COMPANY OVERVIEW (CONTINUED)

On May 8, 2019, the Company contracted by the Naismith Memorial Basketball Hall of Fame to provide an augmented reality (AR) experience as part of its fundraising initiatives via the Company's ImagineAR™ product suite. The Basketball Hall of Fame is the first sports museum to license Imagination Park's ImagineAR™ solution. The first AR Campaign is targeted to launch January 2020.

On May 14, 2019, the Company integrated their augmented reality (AR) application into the Association of Luxury Suites Directors (ALSD) official show app for an AR scavenger hunt, exposing all sports and venue executive attendees to this new technology.

On May 16, 2019, the Company acquired a patent portfolio from XMG Studio Inc., which was a pioneer in augmented reality ("AR") gaming and Location Based Games in the 2009-2011 timeframe, including the developer of the successful Ghostbusters™ Paranormal Blast game in partnership with Sony. The Company paid XMG Studio $50,000 in cash and 5,000,000 shares for the portfolio. The Company has engaged White and Williams LLP, the original USA patent filing law firm for the acquired portfolio, to analyze monetization strategies.

On May 30, 2019, the Company closed the acquisition of Imagine AR Inc. (formerly XenoHolographic Inc.) with the final payment to Interknowlogy of 6,915,600 million shares in settlement of the promissory note.

On June 11, 2019, the Company announced that Steven Ridley has joined the Company as a Senior Advisor to the CEO. Mr. Ridley previously served as Global CEO of WPP's Kinetic Worldwide, the largest Out of Home and Non-traditional media specialist agency in the world. He was responsible for ensuring that the unique Kinetic offering was globally coordinated across a network that spanned twenty-one (21) countries, managing $4 billion in clients' media investments. Mr. Ridley will help introduce the ImagineAR™ Augmented Reality Platform to both the US and Global Out of Home media sector which in the US recently achieved $US8 billion annually.

On June 12, 2019, the Company signed a deal with the Miami Metro Group that will look to bring unique augmented reality experiences to South Florida Sports Franchises, Artists, Retailers, and Live Events in South Florida. Miami Metro Group launched its first AR campaign November 2019.

On June 17, 2019, the Company announced Erie BayHawks have signed a deal that will bring augmented reality experiences to the Erie Insurance Arena and the city of Erie, Pennsylvania. The New Orleans Pelicans NBA G League affiliate will be among the first G League teams to utilize AR for fan engagement on their iOS or Android mobile devices. The Erie BayHawks launched their first AR campaign in November 2019.

On June 27, 2019, the Company announced that Field of Flowers in Davie, Florida has signed a deal that will look to bring unique augmented reality experiences to consumers in South Florida. Field of Flowers is among the largest retail floral companies in the US and a respected pioneer in the industry. The Field of Flowers launched their initial AR campaign in July 2019.

On July 31, 2019, the Company signed a deal with Erie Otters, the 2002 & 2017 Ontario Hockey League Champions, to deliver augmented reality experiences to the Erie Insurance Arena and the city of Erie, Pennsylvania. The Erie Otters will be among the first Ontario Hockey League teams to utilize AR for fan engagement on their iOS or Android mobile devices. They are expecting to launch their first AR campaign in January 2020.

3. COMPANY OVERVIEW (CONTINUED)

On September 10, 2019, the Company is working with the Naismith Memorial Basketball Hall of Fame to provide augmented reality (AR) marketing campaigns for the new 2020 Basketball Hall Of Fame Commemorative Coins starting in January 2020.

On October 24, 2019, the Company launched the new Imagine AR™ *AR-as-a-Service* platform using a desktop computer for any business to instantly create AR immersive experiences at physical locations or using visual markers (images, logos, signs). No prior technical knowledge or experience is required to use this AR platform. To demonstrate the powerful yet easy to use Imagine AR™ platform, the first AR mobile activation is free to all businesses at https://studio.imaginear.com.

On November 19, 2019, the Company entered into a partnership with the Sacramento Kings, to integrate the new Imagine AR™ SDK/API in the award-winning Sacramento Kings + Golden 1 Center app to deliver augmented reality engagement opportunities during home games for fans and guests. The SDK is currently planned to be launched in February 2020.

On November 26, 2019, the Company announced that the 2020 Greater Milwaukee Car & Truck Show, working with the Imagination Park reseller IMP Touch-A-Prize, has executed an agreement to deliver an AR Scavenger Hunt for attendees to activate and experience in February 2020.

On December 3, 2019, the Company signed a deal with the Louisville Bats to deliver augmented reality experiences to the Louisville Slugger Field and the city of Louisville, Kentucky for the 2020 season. The Cincinnati Reds Triple-A MILB affiliate will be among the first Triple-A teams to utilize AR for fan engagement on their iOS or Android mobile devices.

On December 16, 2019, the Company signed a deal with the Houston Saber Cats to deliver augmented reality experiences to AVEVA Field and the city of Houston, Texas for the 2020 season. The Houston Saber Cats Major League Rugby team will utilize Imagine AR™ for fan engagement for iOS and Android mobile devices.

4. NATURE OF CONTINUANCE OF OPERATIONS AND GOING CONCERN

The 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 additional debt or 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 August 31, 2019, the Company had a net working capital of $16,921 (2018 – deficiency of $2,040,495).

As of the date of this MD&A, the Company is working on a non-brokered financing of unsecured convertible debentures in the principal amount of up to $1,000,000.

The debentures will mature on the date that is 24 months from the date of issuance and bear interest at a rate of 12 per cent per annum, payable in common shares at a price equal to the closing price on the day before the interest is due and payable. The debentures are convertible into units at five cents per unit. Each unit consists of one common share and one warrant exercisable at 10 cents for a period of three years from the date the debentures are issued. The debentures may be converted by the holder at any time prior to maturity, and they will automatically convert to units on 30 days notice if the common shares trade at or above 20 cents for a period of 20 days at any time after four months and one day from the issued date. The debentures and the units issuable upon the conversion of the debentures will be subject to a statutory resale restriction for four months and one day from the date of closing.

5. OUTLOOK

The Company will continue to 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.

As the Company cycles through the sales funnel, feedback has been encouraging and a robust pipeline of new prospective 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. SELECTED ANNUAL INFORMATION

The following summary of selected audited financial information is derived from, and should be read in conjunction with, the Company's audited consolidated financial statements, including the notes thereto, for the financial years ended August 31, 2019, 2018, and 2017:

	2019	2018	2017
	$	$	$
Revenue	134,617	416,965	34,034
Loss and comprehensive loss for the year	2,360,626	3,103,911	6,261,214
Basic and diluted net loss per common share	0.02	0.05	0.13
Working capital (deficiency)	16,921	(2,040,495)	284,348
Total assets	6,966,376	7,223,487	800,095
Long-term debt	Nil	Nil	Nil

A discussion of significant changes in revenue and loss and comprehensive loss for the year ended December 2019 and 2018 are disclosed in Section 7, below.

As at August 31, 2019, the Company had assets of $6,966,376 (2018 - $7,223,487) and liabilities of $476,966 (2018 - $2,603,338). The decrease in assets of $257,111 can be primarily attributed to changes in working capital items and the depreciation of intangible assets.

As at August 31, 2018, the Company had assets of $7,223,487 (2017 - $800,095) and liabilities of $2,603,338 (2017 - $306,915). The decrease in assets of $6,423,392 is primarily related to the acquisition of the subsidiary, Imagine AR Inc. (formerly as Xenoholographic Inc.).

During the year ended August 31, 2018, the Company's revenue of $416,965 related to the production of the Chinese television series "Always With You" through the Company's subsidiary, 1142128 B.C. Ltd. compared to revenue of $34,034 during the year ended August 31, 2017. Compressive loss totaled to $3,103,911 as compared to $6,261,214 during the year ended August 31, 2017. The significant change in comprehensive loss is mainly due to fair value gain on the acquisition of the subsidiary and gain on revaluation of derivation liability in fiscal 2018 and loss on settlement of debt in fiscal 2017.

7. 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.

Years ended August 31, 2019 and 2018

For the year ended August 31, 2019, the Company had a net loss of $2,360,626 compared with a net loss of $3,103,911 in the comparative year. During the year ended August 31, 2019, the Company incurred:

- revenue of $134,617 (2018 - $Nil). Revenue was primarily generated from AR SaaS licensing fees and professional services fees and for custom content to provide client augmented reality experiences.

- accretion of convertible promissory note of $692,857 (2018 - $209,750). The increase is mainly due to the interest accrued on a convertible promissory note during the current year.

- depreciation of $677,448 (2018 - $Nil). The increase is mainly due to depreciation on previously acquired intangible assets that became commercially viable and amortization was recorded during the current year.

- fair value gain on acquisition of XenoHolographic of $Nil (2018 - $1,790,306). The gain in 2018 was a result of the fair value change on the first 50% of XenoHolographic at the date of acquisition.

- financing fees of $Nil (2018 - $708,922) due to a related party $500,000 bridge loan agreement during the comparative year. As compensation the lender was granted 2,500,000 common share purchase warrants (valued at $708,922) of the Company, each warrant convertible into one common share at a price of $0.32 per share for up to two years from the date of issue.

- impairment of option acquired of $Nil (2018 - $44,285) related to the impairment of Prodigy Films Inc. due to uncertainty around future benefits during the comparative year.

- impairment of subsidiaries of $149,909 (2018 - $Nil) related to the impairment of investments in 3 Seconds Holdings and Kindergarten Teacher due to inactivity and uncertainty around future benefits.

- net profit interest acquired of $Nil (2018 - $189,989) related to interests acquired in 3 Seconds Holdings Inc. which were expensed due to uncertainty around future benefits.

7. DISCUSSION OF OPERATIONS (CONTINUED)

- office, rent, and miscellaneous of $180,214 (2018 - $85,692). The increase is mainly due to an increase in business activities related to development of the augmented reality operation during the current year.

- share-based compensation of $280,905 (2018 - $1,671,655). The decrease is due to fewer options being granted during the current year.

- shareholder communications and promotion of $307,063 (2018 - $475,888). The decrease was primarily due to decreased promotion activities during the current year.

- travel and accommodation of $77,972 (2018 - $171,097). The decrease was due to Company cost cutting efforts resulting in the directors travelling less frequently for business during the current period.

- gain on settlement of debt of $1,919,407 (2018 – loss of $1,045) related to the settlement of payables in the amount of $32,469 with a cash payment of $14,852, which resulted in a gain of $17,617 and the settlement of the convertible promissory note of $2,420,460 with 6,915,600 shares valued at $518,670.

- wages and salaries of $708,061 (2018 - $Nil). The increase is due to the salaries and benefits paid or accrued to persons working on the advancement of the AR business, including the Vice President of Sales and staff working on the technology itself.

- write-off of accounts payables of $131,907 (2018 - $Nil) due to passing the statute of limitations on amounts owed.

- $358,000 (2018 - $535,000) gain on revaluation of the derivative liability.

Three months ended August 31, 2019 and 2018

For the three months ended August 31, 2019, the Company had a net loss of $320,741 compared with a net loss of $437,104 in the comparative year. During the three months ended August 31, 2019, the Company incurred:

- accretion of convertible promissory note of $Nil (2018 - $209,750). The decrease is mainly due to the interest accrued on a convertible promissory note during the comparative period.

- fair value gain on acquisition of XenoHolographic of $Nil (2018 - $389,729). The gain was a result of the fair value change on the first 50% of XenoHolographic at the date of acquisition.

- financing fees of $Nil (2018 - $708,922) due to a related party $500,000 bridge loan agreement during the comparative period. As compensation the lender was granted 2,500,000 common share purchase warrants (valued at $708,922) of the Company, each warrant convertible into one common share at a price of $0.32 per share for up to two years from the date of issue.

7. DISCUSSION OF OPERATIONS (CONTINUED)

- impairment of option acquired of $Nil (2018 - $44,285) related to the impairment of Prodigy Films Inc. due to uncertainty around future benefits during the comparative period.

- impairment of subsidiaries of $149,909 (2018 - $Nil) related to the impairment of investments in 3 Seconds Holdings and Kindergarten Teacher due to inactivity and uncertainty around future benefits.

- net profit interest acquired of $Nil (2018 - $189,989) related to write-down of acquired asset, 3 Seconds Holding, due to uncertainty around future benefits during the comparative period.

- share-based compensation of $6,302 (2018 - $333,961). The decrease is due to fewer options being granted during the current period.

- shareholder communications and promotions of $16,201 (2018 - $143,683). The decrease is primarily due to decreased promotion activities such as news release distribution fees, and website updates during the current period.

- wages and salaries of $74,495 (2018 - $Nil). The increase is due to the salaries and benefits paid or accrued to persons working on the advancement of the AR business, including the Vice President of Sales and staff working on the technology itself.

- $Nil (2018 - $535,000) gain on revaluation of the derivative liability.

8. 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	**Aug. 31, 2019**	**May 31, 2019**	**Feb. 28, 2019**	**Nov. 30, 2018**
	$	$	$	$
Revenue and other income	43,500	7,161	38,162	45,794
Loss and Comprehensive loss	(320,741)	(309,827)	(762,844)	(967,214)
Loss per Common Share	(0.02)	(0.00)	(0.01)	(0.01)

Three Months Ended	**Aug. 31, 2018**	**May 31, 2018**	**Feb. 28, 2018**	**Nov. 30, 2017**
	$	$	$	$
Revenue and other income	(37,889)	-	454,854	-
(Loss) Income and Comprehensive (loss) Income	(437,104)	293,604	(1,537,794)	(1,422,617)
(Loss) Income per Common Share	(0.01)	0.00	(0.02)	(0.02)

During the quarter ended August 31, 2019, the Company incurred a loss and comprehensive loss of $320,741 primarily due to consulting, director and management fees of $345,953. The Company also had revenue of $43,500 for professional services fees for custom content to provide client augmented reality experiences.

8. SUMMARY OF QUARTERLY RESULTS (CONTINUED)

During the quarter ended February 28, 2019, the Company incurred a loss and comprehensive loss of $762,844 primarily due to consulting and management fees of $393,741 and wages and salaries of $349,596 paid or accrued to persons working on the advancement of the AR business, including the Vice President of Sales and staff working on the technology itself. Wages and salaries increased in the quarter because the technology became available for use, and costs associated with furthering the technology were expensed once the technology became available for use.

During the quarter ended November 30, 2018, the Company incurred a loss and comprehensive loss of $967,214 primarily due to the accretion of the convertible promissory note of $228,445, consulting and management fees of $387,268, communications and promotion of $232,127 and gain on revaluation of derivative lability of $341,000.

During the quarter ended August 31, 2018, the Company incurred $374,961 of share-based compensation relating to the issuance of stock-options.

During the quarter ended May 31, 2018, the Company had income and comprehensive income of $293,604. Income was a result of a fair value gain on the acquisition of Xenoholographic $1,400,577 offset of by expenses including $526,311 or consulting fees and management fees and shareholder communications and promotion of $200,333.

During the quarter ended February 28, 2018, the Company`s incurred a loss and comprehensive loss of $1,537,794 was primarily due to consulting and management fees of $250,712, pre-production expenses of $174,253 and share-based compensation of $883,955 relating to the issuance of stock-options. The Company also recorded $454,854 of production income and $454,854 of production expenses related to producing the Chinese television series "Always With You" through the Company's newly acquired subsidiary, 1142128 B.C. Ltd.

During the quarter ended November 30, 2017, the Company incurred a loss and comprehensive loss of $1,422,617 was primarily due to consulting and management fees of $173,573 and share-based compensation of $988,392 relating to the issuance of stock-options and warrants pursuance to bridge loan agreement.

9. FOURTH QUARTER

During the quarter ended August 31, 2019, the Company had the following significant events or transactions:

- As detailed in Section 3 of this MD&A, the Company entered into several agreements to provide augmented reality experiences and/or opportunities.

10. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position was $439,721 at August 31, 2019 compared to $324,938 at August 31, 2018. The Company had a working capital of $16,921 at August 31, 2019 (2018 – deficiency of $2,040,495). During the year ended August 31, 2019, cash flow activities consisted of:

i) cash spent on operating activities of $2,759,530 (2018 - $2,470,811) consisting of operating expenses during the current year.

ii) cash received from financing activities of $3,005,312 (2018 - $4,045,587) consisting primarily of $3,009,008 from private placements.

10. LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

iii) cash spent on investing activities of $130,999 (2018 - $1,778,239) consisting primarily of $77,094 (2018 - $Nil) for purchase of intangible assets and $52,900 of cash relinquished on the disposition of a subsidiary.

During the year ended August 31, 2019, the Company:

i) closed a non-brokered private placement financing of 25,075,068 units at a price of $0.12 per unit for 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.

ii) issued 6,915,600 shares valued at $518,670 and settled $2,420,460 of convertible promissory note, which resulted in a gain of $1,901,790.

iii) issued 5,000,000 shares valued at $425,000 in consideration of a patent portfolio for the augmented reality industry.

11. SHARE CAPITAL

As at the date of this report, the Company had 113,372,138 common shares issued and outstanding and the following incentive stock options were outstanding:

Expiry Date	Exercise Price	Number of Options Outstanding	Exercisable
August 13, 2021	$0.17	250,000	250,000
August 24, 2021	0.24	212,500	212,500
September 28, 2021	0.14	500,000	500,000
November 16, 2021	0.15	50,000	50,000
February 1, 2022	0.10	100,000	100,000
February 3, 2022	0.05	317,100	317,100
March 25, 2022	0.055	100,000	100,000
April 12, 2022	0.50	40,000	40,000
April 18, 2022	0.31	750,000	750,000
June 10, 2022	0.10	100,000	50,000
July 4, 2022	0.26	250,000	250,000
September 12, 2022	0.05	500,000	250,000
October 9, 2022	0.05	2,000,000	2,000,000
November 9, 2022	0.28	325,000	325,000
April 11, 2024	0.60	2,000,000	2,000,000
May 14, 2024	0.90	1,000,000	1,000,000
		8,494,600	8,194,600

11. SHARE CAPITAL (CONTINUED)

As at the date of this report, warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise Price	Number of Warrants Outstanding
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	0.25	4,758,571
August 9, 2021	0.25	3,700,000
November 5, 2021	0.25	25,075,068
		37,873,567

12. OFF-BALANCE SHEET ARRANGEMENTS

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

13. RELATED PARTY TRANSACTIONS

Amounts paid or accrued to related parties are as follows:

	For the year ended August 31, 2019	2018
Consulting, director, and management fees	$ 543,386	$ 740,173
Financing expense	-	708,922
Share-based compensation	307,731	708,729
Wage and salaries	69,323	-
Total	$ 920,440	$ 2,157,824

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the year ended August 31, 2019, the Company paid or accrued:

i) management and consulting fees of $261,999 (2018 - $257,590), to the CEO of the Company, namely Alen Paul Silverrstieen.

ii) consulting fees of $51,000 (2018 - $175,500) 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 $Nil (2018 - $155,250) to a former director of the Company, namely Yas Taalat.

v) consulting fees of $Nil (2018 - $44,500) to a former director of the Company, namely Ben Lu.

vi) director fees of $120,000 (2018 - $62,500) recorded in consulting and management fees to a former director of the Company, namely James Skippen.

13. RELATED PARTY TRANSACTIONS (CONTINUED)

vii) director fees of $100,000 (2018 - $33,333) recorded in consulting and management fees to a former director of the Company, namely John Gillberry.

viii) consulting fees of $10,387 (2018 - $Nil) to the CFO of the Company, namely Leon Ho.

ix) wage and salaries of $69,323 (2018 - $Nil) to the former CFO of the Company, namely Anthony Pizzonia.

As of August 31, 2019, $163,346 (August 31, 2018 - $63,027) remained outstanding to related parties and is included in accounts payable and accrued liabilities.

As of August 31, 2019, the Company was owed $Nil (August 31, 2018 - $9,705) from a company with former directors in common which is included in receivables.

During the year ended August 31, 2019, the Company issued 4,200,000 stock options (2018 – 2,650,000) to an officer, a former officer, and directors resulting in share-based compensation of $307,731 (2018 - $708,729). The 2,300,000 options issued to the former officer were cancelled upon his resignation.

During the year ended August 31, 2019, the Company issued Nil warrants (2018 – 2,500,000) relating to a loan payable to a director resulting in financing expense of $Nil (2018 - $708,922).

14. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS AND FUTURE ACCOUNTING CHANGES

New accounting standards and interpretations

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9") introduces new requirements for the classification and measurement of financial instruments. This standard replaces the guidance in IAS 39: Financial Instruments: Recognition and Measurements ("IAS 39"). recognition. Management adopted this standard and retrospectively applied in the Company's consolidated financial statements for the period beginning September 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

The Company completed an assessment of its financial assets and liabilities as at September 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets and Liabilities	Original classification (measurement) IAS 39	New classification and measurement IFRS 9
Cash	Fair value through profit and loss (FVTPL)	Fair value through profit and loss
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Loans payable	Other financial liabilities (amortized cost)	Amortized cost

14. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS AND FUTURE ACCOUNTIGN CHANGES (CONTINUED)

New accounting standards and interpretations (continued)
IFRS 15 Revenue from Contracts with Customers: The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition. Management adopted this standard and retrospectively applied in the Company's consolidated financial statements for the period beginning September 1, 2018, and this standard did not have a significant impact on the Company's existing accounting policies or financial statement presentation.

Future accounting changes
IFRS 16 Leases: The new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. Applicable to annual periods beginning on or after January 1, 2019. The eventual application of this standard is not expected to have a significant impact on the Company's existing accounting policies or financial statement presentation.

15. FINANCIAL INSTRUMENTS

Financial instruments
The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. They are classified as current assets or non-current assets based on their maturity date.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes to the Company's approach to mitigating risk exposures during the year ended August 31, 2019.

Fair value

The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

Financial statements measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as either "Level 1" Unadjusted quoted prices in active markets for identical assets or liabilities; "Level 2" Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and, "Level 3" Inputs that are not based on observable market data.

Financial instruments measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as follows:

	August 31, 2019			August 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Asset						
Cash	$ 439,721	$ -	$ -	$ 324,938	$ -	$ -

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 that are financial instruments consist of trade receivables. The Company has no significant concentration of credit risk arising from operations.

15. 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 at August 31, 2019, the Company had $476,966 (2018 - $595,888) of accounts payable and accrued liabilities which are due on standard trade payable terms not exceeding 90 days and loans payable of $Nil (2018 - $425) and a convertible promissory note and derivative liability of $Nil (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 August 31, 2019, the Company has US$21,501 included in cash, and US$106,235 included in accounts payable and accrued liabilities. 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.

16. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholders' equity.

The Company is dependent on external financing to fund its activities. In order to carry out future transactions and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess additions to its media business if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

16. CAPITAL MANAGEMENT (CONTINUED)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period presented. The Company and its subsidiaries are not subject to externally imposed capital requirements.

17. CONTINGENCIES

The Company is unaware of exposure to any contingent liabilities.

18. 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.

19. CHANGES IN MANAGEMENT

On January 17, 2019, the Company appointed Sheldon Inwentash to the Board of Directors.

On January 30, 2019, the Company appointed Gerry Feldman to the Board of Directors.

On March 1, 2019, the Company appointed Sheldon Inwentash as Chairmen of the Board and Alen Paul Silverrstieen to the Board of Directors upon the resignation of John Gillberry and Jim Skippen.

On March 25, 2019, the Company appointed Leon Ho as the interim Chief Financial Officer following the resignation of Anthony Pizzonia who was the Chief Financial Officer from January 9, 2019 to March 24, 2019.