



ImagineAR Inc.
(Formerly: Imagination Park Technologies Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 28, 2020

For the years ended August 31, 2020 and 2019

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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, 2020 and 2019 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, 2020. 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 28, 2020.

On April 16, 2020, the Company changed its name to ImagineAR Inc.

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;and*
- *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.

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3. COMPANY OVERVIEW

ImagineAR Inc. (formerly Imagination Park Technologies 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 digital 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 have been significantly improved with eight new mobile app version releases from March 1, 2019 – July 26, 2019. In calendar year 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 the Company has become fully commercialized starting September 2019, recurring client revenue is expected to increase in the second half of calendar year 2020 as the prospective sales funnel has continued to grow on a month-by-month basis as well as contracted clients are implementing new monthly AR Campaigns. Unfortunately, Covid-19 has negatively impacted the North American sports and live events marketplace and therefore reduced the Company revenue expectations in 2020. But with this new pandemic paradigm, the Company continues to receive requests for demonstrations from organizations in brands, sports, and the music marketplace.

About ImagineAR™ Product Suite

ImagineAR.com - is an "AR-as-a-Service" platform for desktops that enables businesses of any size to create and implement their own AR campaigns with no programming or technology experience. Every organization, from professional sports franchises to small retailers, can develop interactive AR campaigns that blend the real and digital worlds using ImagineAR™. Customers simply point their mobile device at logos, signs, buildings, products, landmarks and more to instantly engage videos, information, advertisements, coupons, 3D holograms and any interactive content all hosted in the cloud and managed using a menu-driven portal. Integrated real-time analytics means that all customer interaction is tracked and measured in real-time.

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™ SDK/API - Companies can integrate the ImagineAR™ platform with their existing mobile app. Larger companies and brands, who have significantly invested in their mobile app, can instantly create AR immersive campaigns to further expand consumer usage, activation, and downloads. These products will be available through an annual license agreement from the Company.

ImagineAR™ Cloud - Centralized content management system where the content is securely stored and managed.

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The Company developed the ImagineAR.com 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.)

The AR experiences could be published to the ImagineAR™ mobile app, ImagineAR™ SDK, 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 ImagineAR™ mobile app or an annual recurring licensing fee for the SDK.

The Company has been marketing ImagineAR™ to the sports industry, music, brands live events, and the retail marketplace.

Recent successful client agreements include:

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 2021.

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.

On April 1, 2020, the Company announced a partnership with the Louisville Bats to help support local restaurant partners whose operations have been affected by the Coronavirus pandemic. The initiative, "Buddy's Curbside Pick Up," offers the chance to win a variety of great Louisville Bats prizes by simply ordering curbside pickup from a participating restaurant and sharing a picture of your trip on social media with a special hashtag.

On April 29, 2020, the Company signed a five year \$300,000USD licensing agreement to provide its Augmented Reality Platform to SlapItOn for the launch of their new line of interactive products featuring social media leaders, athletes and celebrities. To date the Company has received \$45,000USD towards the contract and is recording revenue straight line over the five year period at \$5,000USD per month.

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On May 12, 2020, the Company signed a partnership with Engaged Nation, an award-winning leader in digital engagement marketing for the casino industry. Engaged Nation will integrate the Company's augmented reality platform into their REACH™ Platform as an enhanced offering to their casino clients.

On July 31, 2020, the Company launched a "CEO Verified" Discussion Forum on AGORACOM to serve as the Company's primary social media platform to interact with both current and prospective shareholders in a fully moderated environment. AGORACOM Verified Forums provide the first ever identity verification of small cap company executives on an investor platform. As a result, the Company's CEO and officers can post within a discussion forum without the risk of impersonation, while providing shareholders with the confidence of receiving verified information directly from the Company.

On August 13, 2020, the Company signed an MOU with the Pittsburgh Gateways Corporation ("Gateways"), a developer of technology-based research centers in the United States. Since its inception, Gateways has established, or formed collaborative alliances with, over 30 technology centers, primarily in Western Pennsylvania, but extending throughout the Northeastern and Midwestern United States. The organization has also assisted in the formation of over 60 new or development-stage ventures, many of which are thriving today as successful business and economic development enterprises. Its efforts have contributed to the creation of thousands of jobs.

On August 19, 2020, the Company announced that Gus Frerotte has joined the Company as an Advisor to the CEO for the purposes of marketing AR solutions to sports organizations to enhance fan engagement and generate new revenue streams. Mr. Frerotte is a former NFL Pro Bowl QB with over 15 years in the NFL league and current host of the podcast "Huddle with Gus". The Company believes Gus will continue to accelerate the Company's early Augmented Reality success within professional sports and related organizations.

On August 24, 2020, the Company announced the Joseph M. Katz Graduate School of Business at the University of Pittsburgh is unveiling a new and exciting business disruption series course called, "Augmented and Virtual Reality (AR/VR) for Brands and Strategy." The course, in partnership with the Company will be taught by Vanitha Swaminathan, Thomas Marshall Professor of Marketing. "Augmented and Virtual Reality for Brands and Strategy" will be initially available for MBA and MS students and eventually to undergraduate students at the College of Business Administration. The entirety of the course will be taught in an online format. U.S. News & World Report has ranked the Katz Graduate School of Business 39th in its 2021 ranking of the Best Business Schools in the United States.

On September 9, 2020, the Company signed a five year \$250,000USD licensing agreement to provide its Augmented Reality Platform to WaV Sports & Entertainment for the launch of their new proprietary line of global sports engagement products. In addition to the five year licensing fee, the agreement also provides for joint revenue sharing fees over the term which can significantly increase the annual revenue for the Company.

On September 14, 2020, the Company appointed Chris Dill as an advisor to the CEO for the purposes of taking the Company's platform solutions to professional sports teams and industry leading vendors to enhance fan engagement and generate new revenue streams.

On September 30, 2020, the Company signed a two year partnership agreement with Valencia C.F., one of the biggest soccer clubs in the world and the winner of six LaLiga titles, to provide its Augmented Reality Platform for fan activation and engagement. This historic agreement makes Valencia C.F. the first LaLiga team to incorporate Augmented Reality for fan activation and engagement.

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On October 7, 2020, the Company is providing its augmented reality self-service platform to support Chef Claudy Pierre's E.A.T. Initiative program in partnership with Pittsburgh Gateways' Energy Innovation Center (EIC) in Pittsburgh, Pennsylvania. During this pandemic, Pierre has started providing food to the community from the EIC Kitchen and has donated over 30,000 meals and Blessing Boxes, thanks to the support of the EIC and corporate partners such as Chime Bank and Super Bakery.

On October 14, 2020, the Company signed a reseller agreement with Sticky Media, a digital and physical sign manufacturer based in Montreal, Canada with over 1500 clients in the last 15 years including Psycho Bunny, Vans , Dominos, and Pajar.

On October 21, 2020, the Company announced its first ever mobile WebAR Retail Project launching in December 2020. This is a new product offering for the Company and first commercial agreement to provide 'non-app' augmented reality experiences for a major retail campaign program using 3D models. Consumers will experience augmented reality using their mobile phone cameras without downloading an app in a retail environment.

On October 26, 2020, the Company appointed Andrew Beranbom as an Advisor to the CEO for the purpose of launching Immersive AR Engagement during Live Streaming Branded Music Concerts. Mr. Beranbom is the CEO & Founder of First Tube Media with current clients including GrubHub, St. Jude's Hospital and Tito's Vodka. The Company believes Mr. Beranbom will significantly accelerate the Company's presence and revenue in Live Streaming Branded Music Concerts.

On November 20, 2020, the Company announced it will work with Shoppers Drug Mart and the event production agency HUMANCONTACT Inc., to deliver an Immersive AR Experience to over 2500 Corporate Staff, Pharmacist-Owners, and Front Store Managers across Canada. Using the ImagineAR Custom White-label mobile app, Shoppers Drug Mart will integrate dynamic AR into the live streamed virtual event sessions.

On November 23, 2020, the Company is excited the RIC Centre is announcing their first Digital Main Street Community Collaboration Project, delivering augmented reality walking tours for the Streetsville Business Improvement Area (BIA) in Mississauga in time for the holiday season. Ready Set Go Design was selected as the technology partner for this project using the ImagineAR™ augmented reality (AR) platform.

On November 25, 2020, the Company signed a two year revenue partnership agreement with Real Sociedad, two time La Liga Champion to provide its Augmented Reality SDK Platform for fan activation and engagement. This agreement makes Real Sociedad the second La Liga team to incorporate ImagineAR SDK Augmented Reality for global fan activation and engagement.

On December 10, 2020, the Company announced a partnership agreement with Indian Superstar Singer Ananya Birla to spearhead the Company consumer launch in India. With over 350 million streams of her songs on streaming platforms, Ananya's fan base is growing exponentially. She also is the only multi-platinum selling English singer in India, pioneering many firsts in the global music scene.

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, 2020, the Company had a net working capital of \$4,221,228 (August 31, 2019 – \$16,921).

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These events and conditions result in a material uncertainty that 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.

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, 2020, 2019, and 2018:

	2020	2019	2018
	\$	\$	\$
Revenue	54,149	134,617	416,965
Loss and comprehensive loss for the year	9,393,631	2,360,626	3,103,911
Basic and diluted net loss per common share	0.07	0.02	0.05
Working capital (deficiency)	4,221,228	16,921	(2,040,495)
Total assets	4,831,020	6,966,376	7,223,487
Long-term debt	Nil	Nil	Nil

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A discussion of significant changes in revenue and loss and comprehensive loss for the year ended August 31, 2020 and 2019 are disclosed in Section 7, below.

As at August 31, 2020, the Company had assets of \$4,813,020 (2019 - \$6,966,376) and liabilities of \$705,977 (2019 - \$476,966). The decrease in assets of \$2,153,356 can be primarily attributed to changes in working capital items and the write-down of intangible assets and goodwill.

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.

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, 2020 and 2019

For the year ended August 31, 2020, the Company had a net loss of \$9,393,631 (with basic and diluted loss per share of \$0.07) compared with a net loss of \$2,360,626 (with basic and diluted loss per share of \$0.02) in the comparative year. During the year ended August 31, 2020, the Company incurred:

- revenue of \$54,149 (2019 - \$134,617). Revenue was primarily generated from AR SaaS licensing fees and professional services fees and for custom content to provide client augmented reality experiences. The Company no longer generates revenue from movie production or file concept sales. SlapitOn revenue will be recognized once the app is live in mobile app stores.
- accretion of convertible promissory note of \$Nil (2019 - \$692,857). The decrease is due to the conversion of a promissory note in 2019.
- consulting, director and management fees of \$1,070,451 (2019 - \$1,163,114). The decrease is mainly due to higher fees accrued or paid to the consultants to assist with business operation in fiscal 2019.
- depreciation of \$952,963 (2019 - \$677,448). Depreciation is due to depreciation on previously acquired intangible assets that became commercially viable during the prior year.
- Office, rent, and miscellaneous of \$124,239 (2019 - \$180,214). The decrease is due to decrease in activities during the current year.
- professional fees of \$226,459 (2019 - \$250,847). The decrease is due to cost saving efforts by the Company. 2019 fees included costs relating to subsidiaries that were disposed of before the current period. As well, 2019 fees included costs relating to that year's AGM materials, with no similar costs in 2020.
- share-based compensation of \$467,266 (2019 - \$280,905). The increase is due to the Company's decision to compensate its officers, directors, and consultants through the grant of stock options, rather than cash compensation during the current year.

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- shareholder communications and promotion of \$269,029 (2019 - \$307,063). The decrease is primarily due to fewer promotion activities incurred during the current year.
- Software costs of \$592,104 (2019 - \$423,712). Prior year software expenses were capitalized as the software was not yet available for use. Current year software costs were expensed as the software was available for use and commercially viable.
- travel and accommodation of \$5,058 (2019 - \$77,972). The significant decrease was due to the directors travelling less frequently for business during the current period.
- wages and salaries of \$83,554 (2019 - \$708,061). The decrease is due to the termination of the former CFO of the Company and individuals working on the advancement of the AR business, including the Vice President of Sales and staff working on the technology itself in fiscal 2020.
- \$Nil (2019 - \$358,000) gain on revaluation of the derivative liability.
- Gain on settlement of debt of \$30,910 (2019 - \$1,919,407) due to settlement of outstanding payable amounts during the current year.
- Reversal of accounts payable of \$Nil (2019 - \$131,907) due to outstanding accounts payable exceed statute of limitation during the comparative year.
- Write-down of intangible assets of \$5,541,485 (2019 - \$Nil) due to the annual impairment testing, the management wrote down the goodwill and intangible assets as a result of not meeting forecasted revenue during the current year.

Three month ended August 31, 2020 and, 2019

For the three months ended August 31, 2020, the Company had a net loss of \$6,464,708 (with basic and diluted loss per share of \$0.01) compared with a net loss of \$320,741 (with basic and diluted loss per share of \$0.00) in the comparative period. During the three months ended August 31, 2020, the Company incurred:

- consulting, director and management fees of \$205,430 (2019 - \$345,953). The decrease is mainly due to lower fees accrued or paid the consultants to assist with business operation in fiscal 2019.
- share-based compensation of \$84,087 (2019 - \$6,302). The increase is due to the Company's decision to compensate its officers, directors, and consultants through the grant of stock options, rather than cash compensation during the current year.
- shareholder communications and promotion of \$35,072 (2019 - \$16,201). The increase is primarily due to the Company's effort to raising awareness in the market during the current year.
- Software costs of \$148,888 (2019 - \$400,254) decrease due to majority of expenditures relates to maintenance and development of the augmented reality technology and reduction in expenditures due to market uncertainty from the pandemic during the current year.
- travel and accommodation of \$1,273 (2019 - \$22,283). The decrease was due to the directors travelling less frequently for business in the pandemic environment during the current year.

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- wages and salaries of \$16,449 (2019 - \$74,495). The decrease is due to the termination of the former CFO of the Company and persons working on the advancement of the AR business, including the Vice President of Sales and staff working on the technology itself in fiscal 2020.
- Reversal of accounts payable of \$Nil (2019 - \$65,835) due to outstanding accounts payable exceed statute of limitation during comparative year.
- Impairment of subsidiaries of \$Nil (2019 - \$19,652) due to the uncertainty of future benefits for 3 Seconds Holding Inc. and Kindergarten Holding during the comparative year.
- Write-down of intangible assets of \$5,541,485 (2019 - \$Nil) due to the annual impairment testing, the management wrote down the goodwill and intangible assets as a result of not meeting forecasted revenue during the year.

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 fiscal 2020 and 2019:

Three Months Ended	Aug. 31, 2020	May 31, 2020	Feb. 29, 2020	Nov. 30, 2019
	\$	\$	\$	\$
Revenue and other income	1,080	5,892	27,023	20,154
Loss and Comprehensive loss	(6,464,708)	(1,166,776)	(877,003)	(885,144)
Loss per Common Share	(0.05)	(0.01)	(0.01)	(0.01)

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)

9. FOURTH QUARTER

During the quarter ended August 31, 2020, 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 \$4,659,437 at August 31, 2020 compared to \$439,721 at August 31, 2019. The Company had a working capital of \$4,221,228 at August 31, 2020 (2019 – \$16,921). During the year ended August 31, 2020, cash flow activities consisted of:

- i) cash spent on operating activities of \$2,134,280 (2019 - \$2,759,530) consisting of operating expenses during the current year.

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- ii) cash received from financing activities of \$6,375,864 (2019 - \$3,005,312) primarily consist of cash received from convertible debentures, proceeds from options and warrants exercised, and proceeds from loan.
- iii) cash spent on investing activities of \$21,868 (2019 - \$130,999) primarily consist of cash used for lease obligations during the current year.

11. SHARE CAPITAL

As at the date of this report, the Company had 189,518,431 common shares

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

Expiry Date	Exercise Price	Number of Options Outstanding	Exercisable
February 5, 2021	\$0.075	100,000	100,000
March 10, 2021	0.05	100,000	100,000
May 7, 2021	0.05	200,000	50,000
May 20, 2021	0.05	250,000	-
August 24, 2021	0.24	62,500	62,500
September 28, 2021	0.135	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
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	100,000
June 26, 2022	0.14	125,000	125,000
July 4, 2022	0.26	250,000	250,000
July 30, 2022	0.175	150,000	50,000
August 18, 2022	0.140	325,000	250,000
September 8, 2022	0.125	300,000	150,000
September 12, 2022	0.125	100,000	50,000
September 12, 2022	0.05	462,500	250,000
October 26, 2022	0.19	150,000	150,000
November 9, 2022	0.28	325,000	325,000
February 19, 2023	0.10	750,000	750,000
July 8, 2023	0.30	600,000	-
October 2, 2023	0.25	5,250,000	5,250,000
April 11, 2024	0.60	1,000,000	1,000,000
May 14, 2024	0.90	500,000	500,000
April 21, 2025	0.05	250,000	50,000
		13,107,000	11,319,600

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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
May 16, 2021	\$0.25	3,103,571
August 9, 2021	0.25	2,800,000
November 5, 2021	0.25	21,225,068
January 30, 2023	0.10	200,000
February 25, 2023	0.10	2,100,000
February 25, 2023	0.10	24,900
		29,453,539

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:

	<i>For the period ended,</i>	
	August 31, 2020	August 31, 2019
Consulting, director, and management fees	\$ 356,318	\$ 543,386
Shareholder communications and promotion	55,000	-
Share-based compensation	281,664	307,731
Wage and salaries	-	69,323
Total	\$ 692,982	\$ 920,440

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the year ended August 31, 2020, the Company paid or accrued:

- i) management and consulting fees of \$332,318 (2019 - \$261,999), to the CEO of the Company, namely Alen Paul Silverstien, included a bonus of \$50,000 which was returned to the Company through the exercise of convertible debenture subsequent to July 31, 2020.
- ii) consulting fees of \$Nil (2019 - \$51,000) to Triton Films Inc., a corporation owned by a former director and former CEO of the Company, namely Gabriel Napora.
- iii) consulting fees of \$55,000 (2019 - \$Nil) to Park Limited Place, a company owned by a director of the Company, namely Sheldon Inwentash.
- iv) director fees of \$Nil (2019 - \$120,000) recorded in consulting, director, and management fees to a former director of the Company.
- v) director fees of \$Nil (2019 - \$100,000) recorded in consulting, director, and management fees to a former director of the Company.

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- vi) consulting fees of \$24,000 (2019 - \$10,387) to the CFO of the Company, namely Leon Ho.
- vii) wage and salaries of \$Nil (2019 - \$69,323) to the former CFO of the Company, namely Anthony Pizzonia.

As of August 31, 2020, \$163,090 (2019 - \$163,346) remained outstanding to related parties and is included in accounts payable and accrued liabilities.

During the year ended August 31, 2020, the Company issued 3,350,000 stock options (2019 – 4,200,000) to an officer and a director of the Company, resulting in share-based compensation of \$281,664 (2019 - \$307,731).

During the year ended August 31, 2020, the Company issued 13,480,699 units valued at \$674,938 to a director of the Company, companies controlled by a director of the Company, spouse and dependent of a director of the Company. The conversion of the debentures settled liabilities of \$593,456, of which \$42,755 related to accrued interest, and accordingly, the Company reallocated \$81,481 of convertible debenture equity portion to share capital. In connection with the conversion, no value was allocated to the warrant component of the unit offering.

14. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS AND FUTURE ACCOUNTING CHANGES

Effective September 1, 2019, the Company adopted the following accounting policies:

Leases

In the current year the company adopted and applied IFRS 16 Leases (as issued by the IASB in January 2016). IFRS 16 Leases replaces IAS 17, Leases and IFRIC 4, Determining whether an arrangement contains a lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, the customer ("lessee") and the supplier ("lessor"). The standard brings most leases onto the statement of financial position for lessees under a single model, eliminating the previous classifications of operating and finance leases. The only exemption to this treatment is for low value leases or lease contracts with a duration of less than one year. This standard results in the recognition of a right of use asset and an accompanying lease liability in the statement of financial position.

The company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

On initial application, for leases previously classified as operating leases under IAS 17, the company has elected to record right of use assets based on the corresponding calculated lease liability at September 1, 2019 of \$44,998. When measuring lease liabilities for those leases previously classified as operating leases under IAS 17, the Company discounted future lease payments using its incremental borrowing rate as at September 1, 2019.

15. FINANCIAL INSTRUMENTS

Financial instruments

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories. Those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); or those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

The classification and measurement bases of the Company’s financial instruments are as follows:

Financial Assets and Liabilities	New classification and measurement IFRS 9
Cash	Fair value through profit and loss
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures – liability portion	Amortized cost
Loans payable	Amortized cost

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

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Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Classification

The Company's financial assets consists of cash, which is classified and measured at FVTPL and accounts receivable which are measured at amortized cost using the effective interest method. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

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.

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

	August 31, 2020			August 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Asset						
Cash	\$ 4,659,437	\$ -	\$ -	\$ 439,721	\$ -	\$ -

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.

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, 2020, the Company had \$485,448 (2019 - \$476,966) 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 on the Company's monetary assets and liabilities the Company is exposed 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, 2020, the Company has US\$1,134,731 included in cash, US\$21,795 included in accounts payable and accrued liabilities. A 5% change in the exchange rate will result in a \$55,647 change on profit or loss.

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.

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 newcomers 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.