



QUIZAM MEDIA CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
AUGUST 31, 2017 AND 2016
(Unaudited)

The accompanying unaudited interim financial statements have been prepared by Management of Quizam Media Corporation and have not been reviewed by the Company's auditors

QUIZAM MEDIA CORPORATION**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	As at August 31, 2017 \$	As at May 31, 2017 \$
ASSETS		
Current		
Cash and cash equivalents	–	324,911
Accounts receivable	44,693	30,324
Prepaid expenses and deposits	28,231	27,492
Sales taxes recoverable	1,676	27,103
Total current assets	74,600	409,830
Property and equipment (Note 3)	72,069	32,503
Total assets	146,669	442,333
LIABILITIES		
Current		
Bank indebtedness	2,816	–
Accounts payable and accrued liabilities	92,139	110,477
Deferred revenue	35,350	56,656
Due to related parties (Note 9)	384,498	474,908
Total liabilities	514,803	642,041
EQUITY (DEFICIENCY)		
Share capital (Note 4)	16,947,446	16,947,446
Contributed surplus	2,359,322	2,359,322
Deficit	(19,674,902)	(19,506,476)
Total equity (deficiency)	(368,134)	(199,708)
Total liabilities and equity (deficiency)	146,669	442,333

Nature and continuance of operations (Note 1)

Commitments (Note 13)

APPROVED ON BEHALF OF THE BOARD ON OCTOBER 26, 2017

/s/ "Russ Rossi"

Russ Rossi, Director

/s/ "Jim Rosevear"

Jim Rosevear, Director

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

QUIZAM MEDIA CORPORATION**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three Months Ending August 31, 2017 \$	Three Months Ending August 31, 2016 \$
REVENUES		
Training services and software sales	138,944	116,620
	<u>138,944</u>	<u>116,620</u>
EXPENSES		
Accounting and legal (Note 9)	30,516	102,850
Automobile	2,566	3,007
Bank charges and finance fees	4,600	2,420
Depreciation	3,542	1,940
Investor and finance development (Note 9)	21,453	64,330
Management fees (Note 9)	36,000	40,200
Office and miscellaneous (Note 9)	26,637	68,504
On-Track TV development costs (Note 8 and 9)	26,500	67,500
Regulatory fees	1,532	1,921
Rent	11,444	35,515
Research and development (Note 9)	31,425	–
Software development costs (Note 9)	2,500	31,075
Share-based compensation (Note 5)	–	42,591
Subcontractors (Note 9)	23,273	100,019
Telephone and internet	12,268	3,235
Travel and business development (Note 9)	28,335	49,465
Wages and benefits (Note 9)	44,787	43,799
	<u>307,378</u>	<u>658,371</u>
LOSS BEFORE OTHER ITEMS	(168,434)	(541,751)
OTHER ITEMS		
Impairment write-down of film distribution rights	–	(3,650)
Interest income	8	1
NET LOSS AND COMPREHENSIVE LOSS	<u>(168,426)</u>	<u>(545,400)</u>
LOSS PER SHARE BASIC AND DILUTED	<u>(0.01)</u>	<u>(0.07)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>13,930,611</u>	<u>7,775,352</u>

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

QUIZAM MEDIA CORPORATION**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three Months Ending August 31, 2017 \$	Three Months Ending August 31, 2016 \$
OPERATING ACTIVITIES		
Net loss	(168,426)	(545,400)
Add back non-cash items:		
Depreciation	3,542	1,940
Impairment of film distribution rights	–	3,650
Share-based compensation	–	42,591
	(164,884)	(497,219)
Changes in non-cash working capital items:		
Accounts receivable	(14,369)	(6,622)
Prepaid expenses and deposits	(739)	6,300
Taxes recoverable	25,426	2,797
Accounts payable and accrued liabilities	(18,337)	10,755
Due to related parties	(90,410)	(120,135)
Deferred revenue	(21,306)	–
CASH USED IN OPERATING ACTIVITIES	(284,619)	(604,124)
FINANCING ACTIVITIES		
Bank overdraft	2,816	–
Issuance of common shares, net	–	588,100
CASH PROVIDED BY FINANCING ACTIVITIES	2,816	588,100
INVESTING ACTIVITIES		
Acquisition of property and equipment	(43,108)	(5,134)
Investment in film production	–	(3,650)
CASH USED IN INVESTING ACTIVITIES	(43,108)	(8,784)
DECREASE IN CASH AND CASH EQUIVALENTS	(324,911)	(24,808)
CASH AND CASH EQUIVALENTS – BEGINNING OF THE PERIOD	324,911	29,328
CASH AND CASH EQUIVALENTS – END OF THE PERIOD	–	4,520
SUPPLEMENTAL INFORMATION		
Interest paid	–	–
Income tax paid	–	–
NON-CASH FINANCING ACTIVITIES		
Issuance of shares for finders' fees	–	1,500

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QUIZAM MEDIA CORPORATION**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)****FOR THE THREE MONTHS ENDED AUGUST 31, 2017 AND 2016**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Number of Common Shares	Amount \$	Contributed Surplus \$	Share Subscriptions Received \$	Deficit \$	Total \$
As at May 31, 2016	7,079,726	15,337,285	2,173,682	15,000	(17,647,399)	(121,432)
Units issued for cash	341,000	102,300	–	(15,000)	–	87,300
Issued as finder's fees	5,000	1,500	–	–	–	1,500
Share issuance costs	–	(1,500)	–	–	–	(1,500)
Warrants exercised	488,400	440,800	–	–	–	440,800
Stock options exercised	120,000	80,834	(20,834)	–	–	60,000
Share-based compensation	–	–	42,591	–	–	42,591
Rounding upon share consolidation	(26)	–	–	–	–	–
Net loss for the period	–	–	–	–	(545,400)	(545,400)
As at August 31, 2016	8,034,100	15,961,219	2,195,439	–	(18,192,799)	(36,141)
As at May 31, 2017	13,930,611	16,947,446	2,359,322	–	(19,506,476)	(199,708)
Net loss for the period	–	–	–	–	(168,426)	(168,426)
As at August 31, 2017	13,930,611	16,947,446	2,359,322	–	(19,674,902)	(368,134)

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017 AND 2016

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. CORPORATE INFORMATION, NATURE AND CONTINUANCE OF OPERATIONS

Quizam Media Corporation (the “Company”) was incorporated on September 15, 2000 under the provisions of the Company Act of British Columbia and is listed on the TSX Venture Exchange (“TSX-V”). The Company’s principal business activities consist of providing computer training and consulting services, marketing of a computer based educational program and film production. The address of the Company’s corporate office and its principal place of business is 4th Floor, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

These interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has a history of significant losses, sizeable accumulated deficits and working capital deficits. These factors form a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent on completing equity financings, obtaining support from related parties or generating consistent profitable operations in the future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance and Basis of Presentation

These interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, On-Track Computer Training Ltd. and Quizam Entertainment LLC. All inter-company balances and transactions have been eliminated on consolidation.

The consolidated financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company’s functional currency.

b) New accounting standards not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board (“IASB”) or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for the Company’s accounting periods beginning after June 1, 2018, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The following accounting standards and amendments are effective for the Company’s fiscal year beginning on June 1, 2018:

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”) which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) New accounting standards not yet adopted (continued)

IFRS 9 – Financial Instruments

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments.

IFRS 2 Share-Based Payment

In June 2016, the Board issued the final amendments to IFRS 2 *Share-Based Payment* as follows:

- (a) Effects that vesting conditions have on the measurement of a cash-settled share-based payment;
- (b) Accounting for modification to the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled;
- (c) Classification of share-based payment transactions with net settlement features.

The following accounting standard is effective for the Company’s fiscal year beginning on June 1, 2019:

IFRS 16 Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

Management is currently evaluating any impact that the above standards may have on the Company’s consolidated financial statements and this assessment has not yet been completed.

3. PROPERTY AND EQUIPMENT

Cost	Computer Hardware	Furniture and Fixtures	Leasehold Improvements	Library	Total
As at May 31, 2017	\$ 392,422	\$ 79,075	\$ 24,617	\$ 4,755	\$ 500,869
Additions	12,598	–	41,154	–	53,752
As at August 31, 2017	\$ 405,020	\$ 79,075	\$ 65,771	\$ 4,755	\$ 554,621
Accumulated Depreciation					
As at May 31, 2017	\$ 373,012	\$ 77,139	\$ 24,104	\$ 4,755	\$ 479,010
Depreciation	2,643	230	669	–	3,542
As at August 31, 2017	\$ 375,655	\$ 77,369	\$ 24,773	\$ 4,755	\$ 482,552
Carrying Amounts					
Balance, May 31, 2017	\$ 30,054	\$ 1,936	\$ 513	\$ –	\$ 32,503
Balance, August 31, 2017	\$ 29,365	\$ 1,706	\$ 40,998	\$ –	\$ 72,069

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4. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common voting shares without par value. Disclosures on any common shares issued are also provided in the interim consolidated statements of changes in equity (deficiency).

There were no share transactions during the three months ended August 31, 2017.

5. STOCK OPTIONS

Stock option plan and stock options issued:

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the "Plan"). Under the Plan, the option price must not be less than the closing price of the common shares of the Company on the TSX-V on the day immediately preceding the date of grant less the applicable discount if any. The number of options that may be issued under the plan is limited to no more than 10% of the Company's issued and outstanding shares on the grant date. Options vest immediately. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

The following table summarizes the continuity of the Company's stock options:

	Number of Underlying Shares	Weighted Average Exercise Price
Outstanding, May 31, 2017	480,000	\$ 0.56
Expired/Cancelled	(55,000)	1.00
Outstanding, August 31, 2017	425,000	\$ 0.50

All of the options outstanding at August 31, 2017, were fully vested.

The fair value for stock options granted during the three months ended August 31, 2017 and 2016, was estimated using the Black- Scholes option pricing model using the following weighted average assumptions:

	August 31, 2017	August 31, 2016
Risk-free interest rate	–	0.61%
Expected life (in years)	–	2.72
Expected volatility	–	169%
Expected forfeitures	–	0%
Dividend yield	–	0%

Total share-based compensation expense recognized for stock options granted during the three months ended August 31, 2017, to directors, officers and consultants of the Company was \$nil (2016 - \$42,591) and was charged to operations.

The weighted average grant date fair value of stock options granted during the period was \$nil (2016 - \$0.20) per option. The weighted average remaining contractual life of the stock options outstanding as at August 31, 2017 was 0.71 years (May 31, 2017 – 0.87 years).

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6. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of Underlying Shares	Weighted Average Exercise Price
Balance, May 31, 2017	5,858,023	\$ 0.37
Expired	(180,433)	1.00
Balance, August 31, 2017	5,677,590	\$ 0.35

At August 31, 2017, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
301,200*	\$0.80	September 14, 2017
96,390	\$0.70	December 10, 2017
4,800,000	\$0.30	June 21, 2018
480,000	\$0.50	August 1, 2018
5,677,590		

* Expired subsequently

The weighted average remaining contractual life of the warrants outstanding as at August 31, 2017, was 0.77 years (May 31, 2017 – 0.85 years).

7. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The Company derives sales from training services, software sales and licensing, and film distribution licenses sales.

(a) Training Services and UK On-Track TV sales and expenses for the three months ended August 31, 2017 and 2016, respectively:

	2017	2016
	\$	\$
Revenue	138,944	116,620
Expenses	(197,961)	(143,420)
Profit (loss)	(59,017)	(26,800)

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7. SEGMENTED INFORMATION (continued)

- (b) Software and Licensing sales and expenses for the three months ended August 31, 2017 and 2016, respectively:

	2017	2016
	\$	\$
Revenue	–	–
Expenses	(23,200)	(15,450)
Profit (loss)	(23,200)	(15,450)

The Company's operations are centralized whereby the Company's head office is responsible for the operational results. All of the Company's assets are in Canada. The Company's revenues include sales generated in Canada and in Europe as follows:

	2017	2016
	\$	\$
Canada	138,944	116,620
Europe	–	–
	138,944	116,620

8. PRODUCT DEVELOPMENT COSTS

- (a) On-Track TV

During fiscal 2017 and 2016, the Company finished a complete set of on-line curriculum for its training division called On-Track TV. The costs associated with development of the On-Track TV, which are included in expenses for the three months ended August 31, 2017 and 2016, are as follows:

	2017	2016
	\$	\$
Salary, wages and fees	–	7,500
Production costs	39,625	60,000
	39,625	67,500

- (b) Quizam software

The costs associated with development of the Quizam educational software, which are included in the interim consolidated statement of operations, and comprehensive loss for the three months ended August 31, 2017 and 2016, are as follows:

	2017	2016
	\$	\$
Salary, wages and fees (management, programming and marketing)	20,800	31,075

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9. RELATED PARTY TRANSACTIONS

(a) Key management compensation

The Company has identified its Directors, President and Chief Executive Officer, and Chief Financial Officer as its key management personnel and the compensation costs and fees related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

	2017 \$	2016 \$
Management fees	36,000	40,200

For the three months ended August 31, 2017 and 2016, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

(b) Amounts due to related parties

At August 31, 2017, \$384,498 (May 31, 2017 – \$474,908) was owed to a significant shareholder and companies owned by a significant shareholder, who is also a director and officer, and to a company owned by his relative.

(c) Related party transactions

During the three months ended May 31, 2017, an amount of \$ (2016 - \$207,905) was included in expenses for services provided by companies owned by a significant shareholder, who is also a director and officer, and immediate family of the significant shareholder. The breakdown of expenses included in the interim consolidated statement of operations and comprehensive loss is as follows:

	2017 \$	2016 \$
Accounting and legal	29,550	102,850
Investor and finance development	16,200	68,795
Management fees	36,000	40,200
Office and miscellaneous	23,218	43,698
On-Track TV development costs	26,500	72,945
Research and development	31,425	–
Software development costs	2,500	35,575
Subcontractors	–	72,325
Travel and business development	1,850	9,000
Wages and benefits	3,732	7,145
	170,975	452,533

10. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares, options and warrants for a total amount of \$19,306,768 at August 31, 2017 (May 31, 2017 – \$19,306,768). The Company's principal source of capital is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital funding to be able to meet the Company's educational software development, internet training development and film production to ensure the growth of activities.

QUIZAM MEDIA CORPORATION
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11. LINE OF CREDIT

As at August 31, 2017, the Company has a line of credit of \$5,000 bearing interest at the bank's prime rate plus five percent. The line of credit is guaranteed by the assets of the Company. There was no outstanding balance as of August 31, 2017, and 2016.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable, and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	August 31, 2017 \$	May 31, 2017 \$
FVTPL (i)	–	324,911
Loans and receivables (ii)	44,693	30,324
Other financial liabilities (iii)	(479,453)	(585,385)

(i) Cash and cash equivalents

(ii) Accounts receivable

(iii) Bank indebtedness, accounts payable, amounts due to related parties and promissory notes payable

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level	August 31, 2017 \$	May 31, 2017 \$
Cash and cash equivalents	1	–	324,911
Bank indebtedness	1	(2,816)	–

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of accounts receivable. Credit risk from accounts receivable encompasses the default risk of its customers. The Company manages its exposure to credit risk by only working with reputable companies and by performing on-going credit evaluations of its customers' financial condition and requires letters of credit or other guarantees whenever deemed appropriate. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The following table provides information regarding the aging of financial assets that are past due but which are not impaired as at August 31, 2017:

	Neither past due nor impaired	31-60 days	61-90 days	91 days and over	Carrying value
Trade accounts receivable	\$ 44,693	–	–	–	44,693

Liquidity Risk

The Company manages its ability to meet its short-term obligations through the capital management described in Note 10. The Company has a working capital deficit and requires additional financing to fund operations.

Foreign Exchange Risk

As the Company generates a portion of its revenues in the U.K., and a portion is in the U.S. (movie sales), the Company's foreign exchange risk arises with respect to the U.K. pound sterling and U.S. dollar. Financial instruments that subject the Company to foreign currency exchange risk include cash and accounts receivable. Approximately 0% of the Company's revenues are denominated in the U.K. pound sterling (2016 – 4%), and 0% in U.S. dollars (2016 – 0%) while a significant amount of the Company's expenses are denominated in Canadian dollars. In management's opinion, the Company is not exposed to significant foreign exchange rate risk.

Interest Rate Risk

In management's opinion, the Company is not exposed to significant interest rate risk.

13. COMMITMENTS

During the year ended May 31, 2017, the Company signed a new rental agreement effective until August 31, 2022. The Company has committed to pay rent, taxes and operating costs. Minimum lease payments are as follows:

2018	57,060
2019	101,460
2020	105,732
2021	110,004
2022	114,276
Thereafter	28,836
Total	517,368

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14. SUBSEQUENT EVENT

Subsequent to August 31, 2017, a total of 301,200 warrants exercisable at \$0.80 expired unexercised.

Form 51-102F2

Management's Discussion & Analysis (MD & A)

Forward-Looking Information

This MD&A contains "forward-looking information" that is based on management's expectations, estimates and projections as of the date of this MD&A. Forward looking information in this MD&A can frequently be identified as incorporating such words as "plans", "becomes", "expects", "estimates", "forecasts", "intends", "anticipates", "believes", "may", "could", "would", "might" or "will". This forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by the forward looking information in this MD&A. Actual results may vary materially from the forward looking information contained in this MD&A.

The forward-looking information contained in this MD&A is based on the information available as of the date of this MD&A and we have no intention of updating them except as required by applicable securities law. Numerous events and circumstances could occur subsequent to the date of this MD&A that could cause the actual results, performance or achievements that may be expressed or implied by the forward-looking information.

Forward-looking statements are included in sections 1.2, 1.5, 1.6, and 1.9. Examples of such forward looking information included in this MD&A include, but are not limited to, trends in the marketplace favoring both Quizam's products; the demand for Corporate Computer training being fueled by the increased reliance on computers in the workplace; growing use of the internet helping to improve the awareness and consequent demand for the Quizam product; demand for Quizam's products increasing; the large global increase in the use of cell phones and internet, together with an increased appreciation for education and training giving the company excellent strategic positioning; all future global License sales will be in Canadian dollars; there can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable; the company will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings; broadening of On-TrackTV; increasing our On-TrackTV sales team; significant parental/family demand for study tools; inventory increasing in value; anticipating receiving deferred purchases; management anticipates more Country Licenses coming on board and increased website visits in the coming quarters. In addition, Quizam Media has opened up a "Movie" division. We are producing our own feature length movies.

All of the above forward looking statements are subject to significant risks and uncertainties. Certain material risk factors, that could cause actual results to differ materially from the forward-looking information contained in this MD&A include, but is not limited to, changes in the actions

of competitors; fluctuations of exchange rates; the trading level of the company's stock; the continued availability of financing on appropriate terms for future projects; the continued increase of commercial run rates; a decline in market liquidity, and the volatility of global markets. Events and circumstances that occurred during the three months ended August 31, 2017, which are reasonably likely to cause actual results to differ materially are the volatility of the global economy and increased competition which could prevent the company from improving its cash position, improving profitability, increasing Country Licenses or completing necessary financings; decreased usage of the internet, cell phones, and PDA's which could decrease demand for Academic Quizzing software and Quizam's products; the inability to hire appropriate staff and the results of product development activities could prevent further revisions to the software and the development of new products. Changes in the Entertainment industry could also affect results. Currently the movie business is going through major changes as the Internet and On-Demand usage increases.

The current economy increases the uncertainty of forward looking statements and information included in the MD&A.

1.1 Date of Information

October 30th, 2017

1.2 Overall Performance

We are pleased with development of On-Track TV as it has received a great deal of attention in Canada, the United Kingdom. More recently, we have entered in discussions with groups from India and China with regards to our learning platform and library. On-Track TV distributes on-line information technology learning over the internet. The business model is based on self-service through a website with residual subscriptions. People are going to the On-Track TV site and using the training. Our continued increase in On-Track TV Web-Hits supports this.

We continue to enhance On-Track TV. Our two main areas of On-Track TV development include the LMS (learning management system) and content. More recently we have invested much time and effort to ensure our content is of the highest quality. As software companies continue to release new versions we continue to develop On-Track TV content for these new versions.

Though the Canadian economy is strong much of the current global economy is unstable and uncertain. The company competes in the global marketplace and the instability of the global economy creates a more challenging environment for the company. The continued devalued Canadian Dollar is helping to make our product more competitive globally.

The page hits and Video view/downloads from the On-Track TV website continues to increase quarter by quarter. It appears that trends in the marketplace are favoring Quizam's

On-Track TV product. The demand for corporate computer training is being fueled by the increased reliance on computers in the workplace coupled with the continued releases of new products from software producers like Microsoft.

Our usage and page hits worldwide for the each of the last eight quarters are as follows

Fiscal quarter ended:	Page Hits	Video Downloads
August 31, 2017	257,378	193,940
May 31, 2017	244,823	189,578
February 28, 2017	238,103	187,533
November 30, 2016	189,601	150,400
August 31, 2016	158,470	122,518
May 31, 2016	151,016	121,487
February 29, 2016	117,211	89,095
November 30, 2015	114,724	91,777

We continue to transition from face to face training to online training. Our online division is growing faster than the face to face training division and the ontracktv.com website is growing much faster than the On-Track face to face training website.

Quizam has altered its “Exclusivity” agreement with Central Media in the UK. The agreement is now non-exclusive and permits Quizam to work with other partners in the UK for the sale and distribution of ontrackTV.com into the UK market under the name ontrackTV.co.uk. The ontrackTV.co.uk library of online learning videos is sold via annual subscriptions to those seeking to learn about common software packages, Human Resource (HR) training, and Management Leadership Training.

On-TrackTV continues to diversify its offering to include far more than just software training.

Our UK partner is continuing to forge new clients for us in the UK market. Sales have been down this year in Europe, but we are currently working on some significant deals that are taking longer than expected. Management feels European sales will increase this year.

In March 2010 we established a new partner in the Middle East. We are looking forward to some success with this new territory as well. We are continuing to do presentations, but to date the results have been disappointing.

Until now On-TrackTV has focused on information technology computer training, however, due to client demands and custom training requests we are now expanding the curriculum to include soft skill training for corporations. We have added new soft skill courses such as Conflict Resolution in the Workplace, Brain Storming and Increasing Workplace Assertiveness. We have also added 500 new on-line courses in trades including apprentice programs for plumbing, electrical, pipe fitting and carpentry.

In addition to the training services described above, our global strategy with On-TrackTV has been to place our tags on partner’s websites; however, revenue from this source has been minimal so far.

The Company has two teams familiar with both markets working in Canada and the United Kingdom. Increased demand for On-TrackTV has resulted in reassigning some of the Quizam Software team and as a result, Quizam Software development and sales efforts have become secondary to On-TrackTV. However, we are still working to develop a free shared online Quizam community. More recently we have developed some Quizzing tools for National Companies to test their employees. We see this market as having large and complimentary potential to On-Track TV.

We are also adding administrative components to On-TrackTV which will broaden our corporate appeal. We are looking at broadening On-TrackTV to include other broadcasts such as CEO messages, compliance issues, and other customized corporate communication requirements for clients. We plan to increase our On-TrackTV corporate sales team and to sell the product to Fortune 500 companies.

Management feels that the growing use of the internet will help to improve the awareness and consequently demand for the Quizam product.

Management sees the demand for Quizam's products increasing. The global increased use of cell phones and internet, together with an increased appreciation for education and training will give the company excellent strategic positioning. We are currently developing products for handheld devices such as iPhones and Android phones.

The Company is continuing to add quizzes to its internet library. Many of the topics are classic and timeless. As this library continues to grow it becomes a valuable asset to the Company. The Company is exploring ways of accelerating the growth of this library either through corporate purchases of content or perhaps a "community" sharing model where quizzes can be added by global users. In either case management sees this inventory increasing in value as time goes on.

The Company has the equipment and experience in producing non-fiction learning vignettes. Management decided to expand its content to include some "Fiction" based filming such as Movies for Entertainment. In October, 2014, the Company announced the opening of a new Entertainment Division. The Company will be a producer/aggregator of family entertainment. In October, 2014 the Company also announced the appointment of Lewis Schoenburn, Jacquie Wechselberger and Uwe Boll as members of the Company's Advisory Board.

In January 2015 the Company signed a deal with Event Film for film distribution and management believes that overall performance is improving. The Company is working toward producing content both for education and for entertainment. Thus far Event Film has introduced our films to new markets and we are making sales.

In February 2015, the Company signed a deal with Extreme Video in Italy to produce a horror thriller movie entitled "The Blind King". The movie was completed in February 2016 and has made some modest sales. We have earned some revenues as seen in the income statement. We expect sales and royalties to continue for this film.

In March 2015, the Company signed a deal with Clarius Entertainment in Los Angeles whereby the Company will guarantee loans of up to US\$6.25Million to assist with theatrical

releases in the North American market. In May 2015 both parties agreed to have the deal expire and work on new improved deal whereby Quizam could have equity position (see below). We signed the new improved deal in October 2015 whereby for shares and warrants we acquired a 10% non-dilutive share of Aviron Pictures and a US\$1million promissory note payable to Quizam Media (see below).

In May 2015, the Company through Event Film entered into a licensing agreement with Koch Media whereby Koch will purchase 4 feature films from Event Film for the Italian speaking European market. The films are titled “Gifted”, “Gifted 2”, “Primal Shift” and “The Blind King”. Koch is to pay US\$20,000 for “The Blind King” owned by the Company (received) and US\$15,000 for the other three movies distributed by Quizam Media as an agent for a 15% distribution commission, plus 50% of all gross receipts from the exploitation of the film. A 20% commission is to be paid by Quizam Media to Event Film (waived for “The Blind King”).

In June 2015, the Company entered into a letter of intent to acquire a 10% non-dilutable equity interest in William Sadleir’s new motion picture distribution company, Aviron Group, LLC, (“Aviron”) headquartered in Beverly Hills, California.

The Company subsequently entered into a Share Exchange Agreement which closed on November 5, 2015 (the “Agreement”). Under the terms of the Agreement, the Company issued 100,000 common shares and 1,225,000 share purchase warrants to acquire 1,000 Class A units of Aviron, representing a 10% non-dilutable equity interest. Each warrant entitles the holder to acquire one common share at a price of \$0.08 for a period of 60 months following closing. Aviron granted the Company a Net Earnings Participation interest consisting of (i) US\$50,000 per year for five years, paid quarterly (US\$24,500 received in fiscal 2016) (ii) the issuance of a non-interest bearing promissory note of US\$1,000,000 due and payable on or before October 30, 2020 (iii) 10% of Aviron’s net annual revenues (no payments were received as of May 31, 2016 and this clause is under dispute) (iv) and 10% of all proceeds or value received at the time of a liquidity event, including a public or private sale of Aviron, or winding up of the company. In January 2017 after determining that Aviron was not performing as expected Quizam terminated its relationship with Aviron. All terms of the transaction were reversed and Aviron paid a \$66,000 fee to Quizam.

Effective October 5, 2016, the Company completed a 1-for-10 share consolidation. All share and per share amounts have been retroactively restated to reflect the share consolidation.

The Company plans to continue to focus on growth and profitability. The main strategies in the process include:

- a) Strict focus on increasing gross sales in each month compared to the same month in previous year;
- b) Increase of pricing in all areas;

- c) Huge expansion of course offerings beyond IT and computer training. Some of the new course offerings include customer service, conflict resolution, minute note-taking, and project management;
- d) Special marketing team devoted to gaining Fortune 500 companies as clients for On-Track TV;
- e) Continue to develop On-Track TV markets in the UK, North America, and Bahrain (Middle East);
- f) Add quizzing component to On-Track TV where users are quizzed after viewing content;
- g) Offering web development services under the name On-Track Web Development. This enables us to leverage our in house team and increase revenue;
- h) Continue to enhance the LMS (learning management system) of the On-Track TV website;
- i) Further development of the UK market;
- j) Full scale animation and film productions in the areas of non-fiction and education;
- k) Production of 3 – 4 Independent films per year;
- l) Develop and offer courses in common accounting software such as Simply Accounting, Quick Books and Caseware. This would be for both Face to Face and OntrackTV.

1.3 Discussion of Operations

Revenue for the three months ended August 31, 2017, remained consistent at \$138,944 compared to \$116,620 during the three months ended August 31, 2016. Loss before other items decreased to \$168,434 (2016 - \$541,751) during the three months ended August 31, 2017. Operating expenses decreased from \$658,371 during the three months ended August 31, 2016, to \$307,378 during the three months ended August 31, 2017. The decrease of \$350,993 was mainly as a result of a decrease expense in accounting and legal fees, investor and finance development, office and miscellaneous, On-Track TV development costs, rent, subcontractors, travel and business development, and software development, and Share-based compensation. Net loss decreased by \$376,974 as a result of a decrease in operating expenses.

The significant changes were as follows:

- Accounting and legal costs decreased to \$30,516 for the three months ended August 31, 2017 (2016 – \$102,850). The decrease is a result of finding effective ways to bookkeeping, and maintaining files.
- Investor and finance development costs decreased to \$21,453 for the three months ended August 31, 2017 (2016 – \$64,330). The decrease is a result of more investor relations meetings done through conference calls.

- Office and miscellaneous costs decreased to \$26,637 for the three months ended August 31, 2017 (2016 – \$68,504). The decrease is a result of increased using electronic manuals, rather than production of in house manuals.
- On-Track TV development costs decreased to \$26,500 for the three months ended August 31, 2017 (2016 – \$67,500). The decrease is a result of far more economical and cost effective solution of On-Track TV. In 2016 much money was spent upgrading and streamlining On-Track TV.
- Rent costs decreased to \$11,444 for the three months ended August 31, 2017 (2016 – \$35,515), as a result of benefit of lease incentive from renting a new office location, which is no rental fee for July and August 2017.
- Research and development costs increased to \$31,425 for the three months ended August 31, 2017 (2016 – \$Nil), as a result of development of new social media training courses, and IT development on On-Track TV site and Quizam site.
- Software development costs decreased to \$2,500 for the three months ended August 31, 2017 (2016 – \$31,075). The decrease is a result of software upgrades completeness. Much money was spent upgrading and streamlining in 2016. The costs are now down significantly.
- Share-based compensation costs decreased to \$Nil for the three months ended August 31, 2017 (2016 – \$42,591), as there were no stock options granted during the quarter.
- Subcontractors costs decreased to \$23,273 for the three months ended August 31, 2017 (2016 - \$100,019). The decrease is a result of upgrades completeness now. In 2016 much money was spent on upgrades and streamlining. Those upgrades are now complete and costs are down. We see this trend continuing.
- Our training division continues to improve its performance and management feels we are gaining more market share every quarter. We are blending out On-TrackTV with our face to face offerings to attract more large clients.

1.4 Summary of Quarterly Results

The effect of applying the treasury stock method to the Company's loss per share calculation is antidilutive. Therefore, basic and diluted losses per share are equal for the periods presented.

The quarterly periods in the table below are presented under International Financial Reporting Standards in Canadian dollars.

Description	August 31, 2017	May 31, 2017	February 28, 2017	November 30, 2016	August 31, 2016	May 31, 2016	February 28, 2016	November 30, 2015
Total Revenue	\$138,944	\$164,006	\$132,116	\$134,108	\$116,620	\$187,677	\$125,884	\$121,050
Income or (loss) before other items	\$(168,434)	\$(127,598)	\$(444,331)	\$(783,414)	\$(541,751)	\$(348,010)	\$(415,799)	\$(436,261)
Net Income or (loss) for the period	\$(168,426)	\$(152,265)	\$(377,969)	\$(783,443)	\$(545,400)	\$(1,637,700)	\$(410,395)	\$(431,866)
Net income (Loss) before other items per	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.08)	\$(0.07)	\$(0.30)	\$(0.10)	\$(0.10)

share basic and
diluted
Income (Loss)
per share basic
and diluted

\$(0.01) \$(0.01) \$(0.03) \$(0.08) \$(0.07) \$(0.30) \$(0.10) \$(0.10)

Revenue and net loss during three months ended February 29, 2016, was consistent with the previous quarter.

Revenue increased during the three months ended May 31, 2016. Net loss increased during the fourth quarter ended May 31, 2016, largely due to the impairment losses of investment in Aviron and the promissory note and receivable from Aviron.

Revenue decreased during three months ended August 31, 2016. Net loss decreased during the first quarter ended August 31, 2016, as a result of the impairment losses recognized during the three months ended May 31, 2016.

Revenue increased during three months ended November 30, 2016. Net loss increased during the second quarter ended November 30, 2016, as a result of the share-based compensation and an increase in professional fees, share-based compensation and travel and business development.

Revenue remained consistent during three months ended February 28, 2017. Net loss decreased during the third quarter ended February 28, 2017, as a result of a decrease accounting and legal costs, share-based compensation and travel and business development.

Revenue increased during the three months ended May 31, 2017. Net loss decreased during the fourth quarter ended May 31, 2017, as a result of a decrease accounting and legal costs, investor and finance development, office and miscellaneous, and research and development.

Revenue decreased during three months ended August 31, 2017. Net loss remained consistent during the first quarter ended August 31, 2017.

1.5 Liquidity

The Company's liquidity has decreased at August 31, 2017 since May 31, 2017.

	August 31, 2017	May 31, 2017
Cash and cash equivalents	\$ -	\$324,911
Accounts receivable & prepaid expenses	\$44,693	\$30,324
Accounts payable and accrued liabilities	\$92,139	\$110,477
Due to related parties	\$384,498	\$ -

As at August 31, 2017, the Company had cash and cash equivalents of \$Nil and a working capital deficiency of \$440,203 compared to cash and cash equivalents of \$324,911 and a working capital deficiency of \$195,365 as at May 31, 2017. The Company's decrease in working capital is attributable to the decrease in cash and cash equivalents.

During the three months ended August 31, 2017, the Company used \$284,619 of cash for operating activities compared to \$604,124 in the comparative period. The Company

incurred \$43,108 (2016 - \$5,134) in acquisition of equipment during the period ended August 31 2017. The Company has financed its operations for the last two years mainly through the issuance of share capital. The Company has raised \$Nil (2016 - \$588,100) through subscription of share capital during the three months ended August 31, 2017. The Company has incurred losses as it continues to develop its software products. The Company continues to be dependent on its cash reserves and future financings.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay or scale back its software development and marketing. Any equity offerings will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Currently the Company has insufficient funds to meet its requirements for the coming year. It will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings.

1.6Capital Resources

The Company's capital currently consists of common shares, options and warrants. The Company's principal source of funds is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's educational software development, internet training development and film production to ensure the growth of activities.

During the year ended May 31, 2017, the Company signed a new rental agreement effective until August 31, 2022. The Company has committed to pay rent, taxes and operating costs. Minimum lease payments are as follows:

Fiscal Year	\$
2018	57,060
2019	101,460
2020	105,732
2021	110,004
2022	114,276
Thereafter	28,836
Total	517,368

1.7Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

1.8 Transactions Between Related Parties

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

	August 31, 2017	August 31, 2016
Management fees	\$36,000	\$ 40,200

For the three months ended August 31, 2017 and 2016, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

At August 31, 2017, \$384,498 (May 31, 2017 – \$474,908) was owed to a significant shareholder and companies owned by a significant shareholder, who is also a director and officer, and to a company owned by his relative.

Accounting and legal, investor and finance development, office and miscellaneous, On-Track TV development, research and development, software development, subcontractors, travel and business development, and wages and benefit expenses are provided by related parties and significant shareholders of the Company.

These expenses were incurred from a company owned by a significant shareholder who is also a director and officer. An amount of \$46,905 (2016 - \$235,293) was included in expenses for these services during the three months ended August 31, 2017.

During the three months ended August 31, 2017, \$58,095 (2016 - \$53,333) of these expenses were included in expenses to a company controlled by a significant shareholder who is also a director and officer.

During the three months ended August 31, 2017, \$62,243 (2016 - \$156,762) of these expenses were included in expenses to a company owned by a relative of a director of the Company.

During the three months ended August 31, 2017, \$3,732 (2016 - \$7,145) of these expenses were included in expenses to immediate family of a director.

1.9 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Significant areas requiring the use of management estimates relate to estimation of

an allowance for doubtful accounts, the measurement of share-based compensation, expected lives of long-lived assets, and the recognition of deferred income tax assets. Actual results could differ from those estimates. Significant judgements are applied by management to determine whether sales have met the Company's revenue recognition criteria, and to assess the probability of realizing deferring income tax assets based on the likelihood of generating taxable income in the future. Different judgement could yield different results.

1.10 Changes in Accounting Policies including Initial Adoption

Future Accounting Changes:

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for the Company's fiscal year beginning June 1, 2018, or for later years. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following accounting standards and amendments are effective for the Company's fiscal year beginning on June 1, 2018:

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 9 – Financial Instruments

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments.

IFRS 2 Share-Based Payment

In June 2016, the Board issued the final amendments to IFRS 2 *Share-Based Payment* as follows:

- (a) Effects that vesting conditions have on the measurement of a cash-settled share-based payment;

- (b) Accounting for modification to the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled;
- (c) Classification of share-based payment transactions with net settlement features.

The following accounting standard is effective for the Company's fiscal year beginning on June 1, 2019:

IFRS 16 Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

Management is currently evaluating any impact that the above standards may have on the Company's consolidated financial statements and this assessment has not yet been completed.

1.11 Financial Instruments and Other Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable, and due to related parties. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has no assets other than cash classified as FVTPL at August 31, 2017. The Company has classified accounts receivable as loans and receivables. The Company has not classified any financial assets held to maturity or available for sale.

b) Financial liabilities

The Company has recognized its bank indebtedness, accounts payable, due to related parties and promissory notes payable as other financial liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	August 31, 2017	May 31, 2017
	\$	\$
FVTPL (i)	–	324,911
Loans and receivables (ii)	44,693	30,324
Other financial liabilities (iii)	(479,453)	(585,385)

(i) Cash and cash equivalents

(ii) Accounts receivable

(iii) Bank indebtedness, accounts payable, amounts due to related parties and promissory notes payable

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level	August 31, 2017	May 31, 2017
		\$	\$
Cash and cash equivalents	1	–	324,911
Bank indebtedness	1	(2,816)	–

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of accounts receivable. The Company manages its exposure to credit risk by only working with reputable companies and by performing on-going credit evaluations of its customers' financial condition and requires letters of credit or other guarantees whenever deemed appropriate. The maximum

exposure to loss arising from accounts receivable is equal to their carrying amounts.

The following table provides information regarding the aging of financial assets that are past due but which are not impaired as at August 31, 2017:

	Neither past due nor impaired	31-60 days	61-90 days	91 days and over	Carrying value
Trade accounts Receivable	\$ 44,693	–	–	–	44,693

Liquidity Risk

The Company manages its ability to meet its short-term obligations through the capital management described in Note 10 to the interim consolidated financial statements. The Company has a working capital deficit and requires additional financing to fund operations.

Foreign Exchange Risk

As the Company generates a portion of its revenues in the U.K., and a portion is in the U.S. (movie sales), the Company's foreign exchange risk arises with respect to the U.K. pound sterling and U.S. dollar. Financial instruments that subject the Company to foreign currency exchange risk include cash and accounts receivable. Approximately 0% of the Company's revenues are denominated in the U.K. pound sterling (2016 – 4%), and 0% in U.S. dollars (2016 – 0%) while a significant amount of the Company's expenses are denominated in Canadian dollars. In management's opinion the Company is not exposed to significant foreign exchange rate risk.

Interest Rate Risk

In management's opinion the Company is not exposed to significant interest rate risk.

1.12 Additional Information

Additional information about the Company is available on SEDAR (Website: www.sedar.com)

Outstanding Share Data

The following table summarizes the issued and outstanding share capital as of the date of the MD&A:

	Number of shares issued or issuable as at August 31, 2017	Number of shares issued or issuable as at October 26, 2017
Common shares	13,930,611	13,930,611
Stock options	425,000	425,000

Warrants

5,677,590

5,376,390