Schedule "1"

PRESS RELEASE

FUNTIME HOSPITALITY CORP.

Toronto, Ontario
September 17, 2004

For Immediate Release

Funtime Hospitality Corp. announced today that it has completed a number of corporate transactions all of which were approved by shareholders at its Annual and Special Meeting held on August 24, 2004. The Corporation closed the sale by private placement of 8,254,900 Units at the price of $0.20 per Unit for proceeds of $1,650,980. Each Unit is comprised one common share and ½ of one Series A Warrant. Each full Warrant enables the purchase of 1 common share at $0.30 until September 17, 2006. The Corporation also completed the sale by private placement of an additional 1,000,000 Units to Michael Mandel, its Chief Executive Officer for proceeds of $200,000.00, which sum was loaned to Mr. Mandel by the Corporation. The Corporation issued 1,000,000 common shares to Bill Kertes, its President, at a deemed price of $0.20 per share, in payment for full time services without remuneration of Mr. Kertes from October 6, 2003 to August 31, 2004, and issued an additional 200,000 of its common shares at a deemed price of $0.20 per share to one full time employee, and one consultant in payment for services rendered by them to the Corporation.

The present directors of the Corporation are Messrs. Michael Mandel, Bill Kertes, Robert Ciaffone, John Chalmers, Jack Frymer and Fernando Nuflo. Mr. Mandel is the Chairman and Chief Executive Officer and Bill Kertes is its President and Gloria Britstone is the Chief Financial Officer of the Corporation.

The present issued share capital of the Corporation, after giving effect to the various transactions completed by the Corporation is 22,720,531 common shares. The Corporation has also granted options to purchase an aggregate of 2,860,000 common shares at the price of $0.20 per share to officers, directors, full time employees and a consultant for varying terms up to five (5) years, and in the case of employees, subject to vesting provisions.

The Corporation is also pleased to announce that it has made preliminary application to list its common shares for trading on the Canadian Trading and Quotation System Inc. (CNQ).

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For further information, please contact:

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