Form 51-102F1
Management Discussion and Analysis
For the three month period ended January 31, 2012

1. Date of this report: April 20, 2012

The following Management Discussion and Analysis ("MD&A") has been prepared by the management and is provided to enable readers to assess Innovative's results of operations and financial condition for the three month period ended January 31, 2012. This MD&A should be read in conjunction with our Interim Financial Statements dated January 31, 2012 our Audited Financial Statements and related notes dated October 31, 2011, and MD&A dated February 25, 2011, and is based on known risks and uncertainties. The terms "Innovative," the "Corporation," "we," "us," and "our" in the following MD&A refer to Innovative Properties Inc. All amounts, unless noted otherwise, are in Canadian dollars and are based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

The Financial Statements, along with additional information on the Corporation, are available on SEDAR at www.sedar.com, or on the Corporation's website at www.innovativeproperties.com. The Board of Directors of the Corporation under recommendation of the Audit Committee has approved the contents of this MD&A, and this report covers financial information related to the year ended October 31, 2011 and other relevant information available up to the date of this report.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements." The use of any of the words "anticipate," "continue," "estimate," "expect," "may," "will," "project," "should," "believe," "intend," "plan," and similar expressions are intended to identify forward looking statements. These statements involve known and unknown risks, uncertainties, and other factors outside of management's control that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct; such forward-looking statements are based solely on information available up to the date of this MD&A. The Corporation assumes no responsibility for the accuracy and completeness of the forward-looking statements and does not undertake any obligations to publicly revise these forward-looking statements to reflect subsequent events or circumstances, unless required to do so by Securities Regulators.

By their very nature, forward-looking statements involve numerous factors and assumptions, and are subject to inherent risks and uncertainties, both general and specific, which give rise the possibility that predictions, forecasts, projections and other forward looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such statements. These factors include general business and economic conditions in Canada, the effects of competition in the markets where we operate, the impact of changes in laws and regulations (including tax laws), successful execution of our strategy, our ability to complete and integrate acquisitions successfully, our ability to attract capital, our ability to attract and retain key employees and executives, the financial position of our customers, our ability to refinance our debts upon maturity and changes in interest rates.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Corporation, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

2. **Overall Performance**

Description of Business

Innovative Properties Inc. (the "Corporation") was formed by amalgamation under the *Canada Business Corporations Act* on October 31, 2002. The amalgamated entity was named "Innovative Properties Inc." and its common shares became listed and posted for trading on the TSX Venture Exchange under the symbol "INR".

The Corporation's principal business is providing property management products and services to residential and commercial property owners. The Corporation disposed of its operating subsidiaries during 2011. During the three month period ended January 31, 2011, the company's activities were concentrated seeking new business opportunities and investors.

Net Earnings and Comprehensive Earnings

Management reports that in the three month period ended January 31, 2012, the Corporation reported net and comprehensive loss of $2,040.

3. **Results of Operations**

Selected Annual Information

	2011 $ IFRS	2010 $ IFRS	2009 $ CGAAP	2008 $ CGAAP
Revenue	-	530,552	259,920	3,552
Net Income (Loss)	693,134	(749,349)	(613,871)	(217,437)
Total Assets	7,077	280,606	419,883	22,029
Basic and diluted EPS[1]	0.03	(0.03)	(0.03)	(0.01)

1 Exercise of options would be anti-dilutive

During the year ended October 31, 2011 the Company divested itself of its subsidiary Dime Inc and realized a gain on disposal of $861,374.

Summary of Quarterly Results

	31-Jan, 2012	**31-Oct, 2011**	**31-Jul, 2011**	**30-Apr, 2011**
	IFRS	IFRS	IFRS	IFRS
Sales	-	-	-	-
Gross Profit	-	-	-	-
Expenses	2,040	49,461	19,984	61,358
Other income (expenses)	-	-	48,204	-
Net Earnings	(2,040)	(1,257)	(19,984)	(59,220)
Capital Stock (restated)	3,362,546	3,362,546	3,362,546	3,362,546
EPS	(0.00)	(0.00)	(0.01)	(0.02)

	January 31, 2011	**October 31, 2010**	**July 31, 2010**	**April 30, 2010**
	IFRS	**IFRS**	**IFRS**	**IFRS**
Gross Revenue	-	81,330	104,036	183,199
Net Income (Loss)	773,595	(143,796)	(199,177)	(209,964)
Capital Stock (restated)	3,362,546	3,362,546	3,362,546	3,362,546
EPS	0.23	(0.04)	(0.06)	(0.06)

First Quarter Results

During the first quarter of 2012, the Company was relatively inactive; however, it did consolidate its related party liabilities into one third party loan and contracted a short term loan to liquidate a portion of current liabilities. In addition, it was looking for new business opportunities.

Total expenses decreased by $35,396 as compared with the same period in 2011.

Other income for the period ended January 31, 2012 was $Nil and (January 2011 - $811,032).

EPS were $(0.00) for the period ended January 31, 2012 and (January 31, 2011 - $0.23).

4. Liquidity

At January 31, 2012, the Corporation had $314,885 in liabilities (2011 – $237,526). In addition, the Corporation had a working capital deficit of $303,171 and at (January 31, 2010-$(220,667)).

The Company had net loss of $2,040 for the three month period ended January 31, 2012, had an accumulated deficit of $1,703,149, and has had recurring losses since inception. The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional capital, and/or on borrowing from third parties sufficient to meet current and future obligations.

Corporation management is actively pursuing investment capital to finance operations until a new business opportunity can be undertaken.

5. Capital Resources

The Corporation does not have any capital expenditure commitments for 2012.

The Corporation anticipates that any acquisitions will be financed by a combination of the issuance of common shares and some form of subordinated debt.

6. Off-Balance Sheet Arrangements

There are no off-balance sheet financing arrangements.

7. Transactions with Related Parties

As at January 31, 2012, there was $Nil (January 2011 - $112,638) owing to directors, or companies controlled by directors. During the three month period ended January 31, 2012, the Corporation paid $Nil (January 2011 – $22,958) in interest expenses, $Nil (January 2011 - $14,681) in consulting fees and $Nil (January 2011 - $43,838) in professional fees to directors or companies controlled by directors.

8. Restructuring and Recapitalization

During the three month period ending January 31, 2012 the Company has been involved in restructuring and recapitalization activities, designed to reduce the Corporation's debt burden and strengthen its balance sheet.

a. The common shares of Innovative were consolidated on a 7:1 basis such that the 23,537,825 Common Shares issued and outstanding were consolidated to 3,362,546

Common Shares.

b. Innovative borrowed $50,000.00 for working capital purposes and the proceeds were used to satisfy outstanding current liabilities.

c. A loan of $283,270 from a third party allowed the Company to consolidate related party loans into one.

d. In addition to new people being appointed to the positions of President and Chief Executive Officer and Chief Financial Officer, several Directors resigned and others were appointed.

e. On January 24, 2012 the Company announced a non-brokered private placement, consisting of up to eight million three hundred and thirty three thousand three hundred and thirty four (8,333,334) units at a purchase price of six (6) cents per unit (post-consolidation) to raise gross proceeds of up to five hundred thousand ($500,000) dollars. Each unit would consist of one common share in the capital of the company and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share in the capital of the company for a period of two years at a purchase price of ten (10) cents per share (post-consolidation).

9. Critical Accounting Estimates

Not applicable to a venture issuer.

10. Changes in Accounting Policies including Initial Adoption

<u>Future changes in significant accounting policies</u>

Business Combination:

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replace CICA Handbook Sections 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards (“IFRS”). Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time. The Company believes there are no material impacts on adoption of these accounting standards.

International Financial Reporting Standards (IFRS):

The Company transitioned to International Financial Reporting Standards as at November 1, 2010 and has prepared an IFRS Statement of financial position beginning for November 1, 2011 with one comparative period.

11. Financial Instruments and Other Instruments

The Corporation's financial instruments are cash, accounts receivable, and accounts payable and accrued liabilities, and short term debt.

The Corporation's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates fair value due to the immediate or short term maturity of these instruments.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation may be exposed to interest rate price risk through fixed rate debt and interest rate cash flow risk through floating interest rate bank indebtedness and credit facilities.

12. Share Capital

Common Shares:

Authorized:				
Unlimited	Common voting shares without nominal or par value		**2012**	2011
Issued:				
3,362,546	Common shares	**$**	**908,082**	$ 908,082

Warrants:

No warrants were outstanding or issued during the three months ending January 31, 2012.

Options:

As at January 31, 2012, there were 1,000,000 stock options outstanding with a weighted average exercise price and weighted average life of $0.10 and 2.33 years, respectively. Subsequent to the quarter end, time expired for two former directors to exercise their options.

	Number	Amount $
Balance, October 31, 2011	1,000,000	49,300
Balance, January 31, 2012	1,000,000	49,300
Expired	(400,000)	(19,720)
Balance, April 20, 2012	600,000	**29,580**

13. Subsequent Events

- On March 01, 2012 the Company paid in full the short term loan of $283,270.

- On March 9, 2012 the TSX-V notified the Company that it had reviewed its private placement that had been announced on January 24, 2012. As a result of this review, the price per unit will increase from $0.06 to $0.085 and as a consequence the number of shares available for issue will decline from eight million three hundred and thirty three thousand three hundred and thirty four (8,333,334) to five million eight hundred and eighty-three thousand three hundred and fifty two (5,882,352).

- On April 11, 2012 Mr. William Crandell formally resigned from the Board.

14. Management's Report on Internal Control over Financial Reporting

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

15. Directors and Officers (at April 20, 2012)

Sonny Janda, Pres. and Director
Jamie Lewin, CFO and Director
Gordon Neal, Director
Robert Bell, Director
Eugene Beukman, Director

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