Form 51-102F1
Management Discussion and Analysis
For the years ended October 31, 2014 and 2013

1. Date of this report: February 27, 2015

The following Management Discussion and Analysis ("MD&A") has been prepared by management and is provided to enable readers to assess Innovative's results of operations and financial condition for the year ended October 31, 2014. This MD&A should be read in conjunction with our Audited Financial Statements dated October 31, 2014, our Audited Financial Statements and related notes dated October 31, 2014, and related MD&A dated February 28, 2014, 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 other relevant information available up to the date of this report.

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 year ended October 31, 2012, the company's activities were concentrated on seeking new business opportunities.

On September 2, 2014 the Company announced that it had received final approval to list its common shares on the Canadian Securities Exchange ("CSE"). The Company's common shares will commence trading on the CSE effective September 3, 2014, under the symbol "INR". It received consent from the Toronto Venture Stock Exchange to voluntarily delist its shares effective upon the close of markets September 5, 2014.

3. Earnings

Management reports that in the year ended October 31, 2014, the Corporation reported a Net Comprehensive Income of $703,060.

4. Results of Operations

Selected Annual Information

	2014 $	2013 $	2012 $	2011 $
	IFRS	IFRS	IFRS	IFRS
Revenue	983,750	309,676	28,170	-
Net Income (Loss)	703,060	(8,378)	(43,177)	693,134
Total Assets	882,871	339,190	172,899	7,077
Basic and diluted EPS	0.10	(0.00)	(0.01)	0.21

- During the year ended October 31, 2014 Consulting Revenue increased by $500,733, Property Management Income increased by $154,050 and Administrative Income increased by 19,292.

Summary of Quarterly Results

	31-October, 2014	31-July, 2014	30-April, 2014	31-January, 2013
	IFRS	IFRS	IFRS	IFRS
Service revenue	517,900	234,800	93,500	137,550
Expenses	(203,290)	(155,448)	(92,070)	(104,388)
Other income (expenses)	(9,487)	-	-	75
Deferred income tax recovery	283,918	-	-	-
Net Income (Loss)	589,041	79,352	1,430	33,237
Wt. Avg. Number of Shares Outstanding	6,414,964	5,581,633	5,163,825	4,323,642
EPS	0.09	0.01	0.00	0.01

	31-October, 2013	31-July, 2013	30-April, 2013	31-January, 2013
	IFRS	IFRS	IFRS	IFRS
Service revenue	63,309	107,585	63,000	75,782
Expenses	56,493	92,387	76,787	92,387
Other income (expenses)	-	-	-	-
Net Income (Loss)	(44,476)	15,198	21,904	(1,004)
Wt. Avg. Number of Shares	3,483,459	3,081,633	3,081,633	3,081,633

Outstanding

Results for the three month period ended October 31, 2014

Service revenue for the fourth quarter was $517,900 (October 31, 2013 - $63,308).

During the three month period ended October 31, 2014, the Corporation paid $3,500 (October 31, 2013 – $nil) in management fees, $75,000 (October 31, 2013 - $7,500) in rent, $50,882 (October 31, 2013 - $44,777) in salaries and benefits and $19,051 (October 31, 2013 - $913) for filing fees.

Total expenses increased by $224,311 as compared with the same period in 2013. This is mostly attributable to rent expense.

EPS were $0.06 for the period ended October 31, 2014 (October 31, 2013 – ($0.01).

Results for the year ended October 31, 2014

Service revenue for the year was $983,750 (October 31, 2013 - $246,368).

During the year ended October 31, 2014, the Corporation paid $27,000 (October 31, 2013 – $18,000) in management fees, $180,000 (October 31, 2013 - $30,000) in rent, $177,965 (October 31, 2013 - $144,601) in salaries and benefits and $32,559 (October 31, 2013 - $17,724) for filing fees.

Total expenses increased by $237,142 as compared with the same period in 2013. This is mostly attributable to office, professional fees, rent and salary expense.

EPS were $0.010 for the period ended October 31, 2014 and (October 31, 2013 – ($0.00).

Accounts Receivables Breakout

	October 31, 2014	October 31, 2013
	$	$
Total Due	409,699	66,864
Total Current	313,037	29,719
Total Overdue	92,948	37,146
1 to 30 overdue	171,467	12,023
31 to 60 overdue	33,019	4,918
61+ overdue	205,213	20,205
Allowance for doubtful accounts	-	(13,864)
Net Trade Receivables	405,985	53,000

Service Revenue Breakout

	October 31, 2014	October 31, 2013
	$	$
Property management fees	400,050	246,000

Accounting fees recovery	-	15,000
Consulting fees	550,200	49,468
Administration fees	33,500	17,922
	983,750	328,390

5. Liquidity

At October 31, 2014, the Corporation had $166,415 in liabilities (October 31, 2013 – $41,876). In addition, the Corporation had a working capital surplus of $715,083 and at (October 31, 2012 - $280,050).

	October 31, 2014	October 31, 2013
Current Assets	$ 881,498	$ 321,926
Current Liabilities	(166,415)	(41,876)
Working Capital	$ 715,083	$ 280,050

The Company had net income of $703,060 for the year ended October 31, 2014, and net loss of 8,378 at October 31, 2013. In addition, it had an accumulated deficit of $1,049,604 (October 31 2013 - $1,752,664). The Corporation's ability to continue as a going concern is dependent upon its ability to finance operations with revenue derived from new business opportunities.

6. Capital Resources

The Corporation does not have any capital expenditure commitments for 2014 beyond an office lease.

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

7. Off-Balance Sheet Arrangements

There are no off-balance sheet financing arrangements.

8. Transactions with Related Parties

As at October 31, 2014, the Company owed $3,000 (October 31, 2013 - $2,200) to a relative of the former CEO.

As at October 31, 2014, the Company was owed $2,819 (October 31, 2014 - $nil) from a company with common directors. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

As at October 31, 2014, the Company was due $399,277 (October 31, 2013 - $53,000) of trade receivables from companies controlled by a relatives of the former Chief Executive Officer, Sonny Janda and $nil (October 31, 2013 - $nil) short term loans from companies having a common Chief Financial Officer, Jamie Lewin.

The Company incurred the following transactions with companies with common directors and companies controlled by relatives of the former CEO, Sonny Janda:

	October 31, 2014	October 31, 2013
	$	$
Rent	180,000	30,000
Revenue	864,250	309,676
	1,044,250	357,676

Key management personnel compensation

	October 31, 2014	October 31, 2013
	$	$
Professional fees – Jamie Lewin, CFO	4,110	3,780
Management fees to relatives of the former CEO	27,000	18,000

9. Critical Accounting Estimates

Not applicable to a venture issuer.

10. Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2013 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, is not expected to have a material effect on the Company's future results and financial position:

a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
b) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12);
c) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);
d) IFRS 12 Disclosure of Interest in Other Entities;
e) IFRS 13 Fair Value Measurement; and
f) IAS 1 Presentation of Financial Statements (Amendments regarding Presentation of Items of Other Comprehensive Income).

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:

On October 07, 2014 the Company received approval from the Canadian Securities Exchange ("CSE") to consolidate its shares on the ratio of one new share for three old shares. Prior to consolidation there were 19,244,899 shares outstanding. Post consolidation there were 6,414,984 shares outstanding.

Authorized:

Unlimited	Common voting shares without nominal or par value	
Issued:		
6,414,984	Common shares – at October 31, 2014 and report date	$1,508,082

Warrants:

As the report date, there were nil stock warrants outstanding.

Options:

As the report date, there were nil stock options outstanding.

13. Financing

On September 17, 2013 the Company completed a private placement of 3,333,333 units at $0.015 per unit for gross proceeds of $150,000. Each unit consists of one common share and one common share purchase warrant exercisable at $0.05 for a period of one year from the issuance date and at $0.10 for a period of one year subsequently. The fair value of the warrants issued was $50,000.

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.

16. Financial risk management and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 primary exposure to credit risk is on its cash held in bank accounts and its trade receivables. Cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

16. Financial risk management (continued)

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	October 31, 2014	October 31, 2013
	$	$
Cash and equivalents	454,132	268,926
Loans and receivables:		
Trade receivables	405,985	53,000
Due to related parties	2,819	
At fair value through profit and loss:		
Marketable Securities	18,562	
	881,498	321,926

Financial liabilities included in the statement of financial position are as follows:

	October 31, 2014	October 31, 2013
	$	$
Trade payables & accruals	8,006	39,676
Due to related parties	3,000	2,200
Payroll liabilities	18,647	
	29,653	41,876

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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.

	As at October 31, 2014		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	454,132	-	-
Trade receivables	-	-	265,285
Marketable securities	14,920		3,562

	As at October 30, 2013		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	268,926	-	-
Trade receivables	-	-	53,000

17. Subsequent Events

On November 20, 2014 the Company announced that it had closed a non-brokered private placement and raised a total of $250,000.00 for working capital purposes from the sale of Units. The Company issued 5,000,000 units at $0.05 with each unit consisting of one common share in the equity of the Company and one share purchase warrant. A warrant entitles the holder to purchase one additional common share of the Company at a price of CAD$0.05 per share for a period of five years. No finder's fees were paid for this financing

On November 21, 2014, the Company acquired of 1,000,000 units of Bard Ventures Ltd. (“Bard”) at $0.05 per unit for a payment of $50,000. Each unit consists of one common share in the capital of Bard and one common share pursuant warrant. Each warrant will entitle the Company to purchase one warrant share for a period of 5 years at a price of $0.05 per share.

On January 1, 2015, the Company entered into a loan agreement with a company with a common director to convert $18,356 owing from the related party in accounts payable to a loan which is unsecured, is payable on demand and which accrues interest at 12% per annum.

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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.

Officers and Directors

Gurpreet Gill, President and Director
Jamie Lewin, CFO
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