Form 51-102F1
Management Discussion and Analysis
Year ended October 31, 2015

1. Date of this report: February 28, 2016

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, 2015. This MD&A should be read in conjunction with our Audited Financial Statements dated October 31, 2015, and the Audited Financial Statements and related notes dated October 31, 2014, and related MD&A dated February 27, 2015, 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, as well as consulting services to public and private companies.

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 commenced 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, 2015, the Corporation reported a Net Comprehensive income of $438,275.

4. Results of Operations

Selected Annual Information

	2015 $	2014 $	2013 $	2012 $
Revenue	1,169,204	983,750	309,676	28,170
Net Income (Loss)	438,275	703,060	(8,378)	(43,177)
Total Assets	1,777,109	882,871	339,190	172,899
Basic and diluted EPS	0.04	0.11	(0.00)	(0.01)

- Net Income includes $366,668 of realized gains on marketable securities.
- During the year ended October 31, 2015 Consulting Revenue increased by $461,599, Property Management Income decreased by $248,250 and Administrative Income decreased by 32,694.

Summary of Quarterly Results

	31-October, 2015	31-July, 2015	30-April, 2015	31-January, 2015
Service revenue	190,363	328,956	514,412	135,473
Expenses	(244,793)	(162,722)	(171,446)	(244,155)
Other income(expenses)	(4,278,671)	459,570	4,044,689	(9,628)
Deferred income tax recovery	(123,773)	-	-	-
Net Income (Loss)	(4,456,874)	625,804	4,387,655	(118,310)
Wt. Avg. Number of Shares Outstanding	11,414,966	11,414,966	11,414,966	11,414,964
	(0.39)	**0.05**	**0.39**	**(0.01)**

	31-October, 2014	31-July, 2014	30-April, 2014	31-January, 2014
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**

<u>Results for the three month period ended October 31, 2015</u>

Service revenue for the three month period was $190,363 (October 31,2014 - $517,900).

During the three month period ended October 31, 2015, the Corporation paid $500 (October 31, 2014 – $8,500) in management/consulting fees, $82,500 (October 31, 2014 - $82,500) in rent, $84,311 (October 31, 2014 - $50,882) in salaries and benefits and $2,658 (October 31, 2014 - $22,215)) for filing fees.

Total expenses increased by $82,071 as compared with the same period in 2014. This is mostly attributable to management/consulting & filling fees and bad debt expense.

<u>Results for the year ended October 31, 2015</u>

Service revenue for the year was $1,169,204 (October 31, 2014 - $983,750).

During the year ended October 31, 2015, the Corporation paid $65,375 (October 31, 2014 – $27,000) in management/consulting fees, $330,000 (October 31, 2014 - $180,000) in rent, $245,394 (October 31, 2014 - $177,965) in salaries and benefits and $73,064 (October 31, 2014 - $32,559) for filing fees.

Total expenses increased by $267,920 as compared with the same period in 2014. This is mostly attributable to rent, filling, consulting and salaries expense.

EPS were $0.04 for the year ended October 31, 2015 (October 31, 2014–$0.11)

5. Liquidity

At October 31, 2015, the Corporation had $88,460 in liabilities (October 31, 2014– $166,415). In addition, the Corporation had a working capital surplus of $1,527,974 and at (October 31, 2014- $715,083).

	October 31, 2015	October 31, 2014
Current Assets	$ 1,616,434	$ 881,498
Current Liabilities	(88,460)	(166,415)
Working Capital	$ 1,527,974	$ 715,083

The Company had net income of $438,275 for the year ended October 31, 2015 ($703,060 at October, 2014). In addition, it had an accumulated retained earnings of $(611,329) (October 31, 2014- $(1,049,604)). 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 2015 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

Related party balances

The following amounts due from related parties, earned from revenues, are included in trade payables due from related parties:

	October 31, 2015	October 31, 2014
	$	$
Companies with parties having significant influence over the Company	349,333	399,277

These amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

As at October 31, 2015, the Company owed $Nil (2014 - $3,000) to a relative of the former Chief Executive Officer. This amount is unsecured, non-interest bearing and has no fixed terms of repayment.

Related party transactions

The Company incurred the following transactions with companies with common directors and companies controlled by relatives of the former CEO and the current CFO:

	October 31, 2015	October 31, 2014
	$	$
Management and consulting fees	35,000	27,000
Accounting fees included in professional fees	17,130	4,110
Rent	330,000	180,000
Revenue	1,169,204	864,250
	1,551,334	1,075,360

During the year ended October 31, 2015, the Company issued the following loans to companies with common directors, common management, or companies with parties containing significant influence over the Company. These are included in loans receivable from related parties:

Amount due as at October 31, 2015	**Amount written off**	**Balance as at October 31, 2015**	**Interest income**	**Terms and description**
$	$	$	$	
83,000	83,000	-	-	$83,000 was loaned with interest of 8% due on June 30, 2015. This loan was written off during the year ended October 31, 2015 as it is in default, and collectability cannot be reasonably assured.
20,375		20,375	2,836	$18,355 was loaned with interest of 12% per annum, and is due on demand.
3,150	-	3,150	-	Non-interest bearing, due on demand.
1,050	-	1,050	-	Non-interest bearing, due on demand.
3,925	-	3,925	-	Non-interest bearing, due on demand.
2,200	-	2,200	-	Non-interest bearing, due on demand.
1,200	-	1,200	-	Non-interest bearing, due on demand.
114,900	83,000	31,900	2,836	

As at October 31, 2014, $2,819 was due from a company with former common directors, which was unsecured, non-interest bearing, and had no terms of repayment.

On November 21, 2014, the Company acquired of 1,000,000 units of Bard Ventures Ltd. (“Bard”), a company with a common director, 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.

During the year ended October 31, 2015, the Company loaned a company with parties having significant influence over the company $60,000, which was non-interest bearing. This was repaid to the Company during the year ended October 31, 2015.

During the year ended October 31, 2015, the Company wrote off $48,455 (2014 – recovered $10,150) of trade receivables due from related parties due to the uncertainty of collectability.

9. Critical Accounting Estimates

Not applicable to a venture issuer.

10. New Accounting Standards and Interpretations

IFRS 9 *"Financial Instruments"*
IFRS 9 *Financial Instruments* ("IFRS9") was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of this standard on its financial statements.

IFRS 15 "Revenue from Contracts with Customers"
This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is in the process of assessing the impact of this standard on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

11. Financial Instruments and Other Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Fair value through profit or loss ("FVTPL") - Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. They are subsequently measured at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities and that the Company intends to hold to maturity. These assets are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.
Available-for-sale – These consist of non-derivative financial assets that are designated as available-for sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

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 6,414,966 shares outstanding.

Authorized:
Unlimited Common voting shares without nominal or par value

Issued:
11,414,966 Common shares – at October 31, 2015 and at the report date

Warrants:

As the report date, there were 5,000,000 stock warrants outstanding.

Options:

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

13. Financing

On November 20, 2014 the Company completed a non-brokered private placement of 5,000,000 units at $0.05 per unit and raised a total of $250,000.00 for working capital purposes from the sale of Units. Each unit consists 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 $0.05 per share for a period of five years. No finder's fees were paid for this financing.

14. Marketable Securities Investment

On November 20, 2014, the Company made a private placement to purchase 1,000,000 units of Bard Ventures Ltd. at the price of $0.05. Each unit consists of one common share and one share purchase warrant.

On March 11, 2015, the Company made a private placement to purchase 4,500,000 units of Ameri-Can Agri Co. Inc. at the price of $0.10. Each unit consists of one common share and one share purchase warrant.

As of October 31, 2015, the Company's marketable securities was comprised of investments in shares and share purchase warrants of Canadian public companies. Details of the investment as at July 31, 2015 and October 31, 2014 are as follows:

October 31, 2015	**Cost**	**Accumulated fair value adjustment**	**Fair value**
	$	$	$
Common Shares	569,759	(52,249)	517,510
Warrants	8,083	401,422	409,505
	577,842	349,173	927,015

October 31, 2014	**Cost**	**Accumulated fair value adjustment**	**Fair value**
	$	$	$
Common Shares	27,974	(13,055)	14,919
Warrants	8,083	(4,440)	3,643
	36,057	(17,495)	18,562

15. 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 due from related parties. 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.

Trade receivables consists of amounts due from companies in the development stage, increasing credit risk. The Company has recorded impairments for receivables where there are indications the debtor cannot pay the balance owing.

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.

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 as it has written off its financial instruments held in a foreign currency as at October 31, 2015.

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.

Classification of financial instruments

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

	October 31, 2015	October 31, 2014
	$	$
Loans and receivables:		
Cash and cash equivalents	305,606	454,132
Other receivables	1,530	6,708
Loans receivable from related parties	31,900	2,819
Trade receivables due from related parties	349,333	399,277
FVTPL:		
Marketable securities	927,015	18,562
	1,615,384	881,498

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

	October 31, 2015	October 31, 2014
	$	$
Trade payables	6,168	8,006
Payroll liabilities	20,329	18,647
Due to related parties	-	3,000
	26,497	29,653

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, 2015		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	305,606	-	-
Marketable securities	67,160	-	859,855

	As at October 31, 2014		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	454,132	-	-
Marketable securities	14,920	-	3,642

17. Commitments

The Company has a lease rental agreement, with a company which has parties in common that have significant influence over the Company, of $27,500 per month, expiring April 30, 2019.

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
Yong Hong Hu, CFO
Parmjeet Johal, Director
Santokh Sahota, Director

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