Form 51-102F1
Management Discussion and Analysis
Quarter Ended January 31, 2017

1. Date of this report: March 30, 2017

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, 2016. This MD&A should be read in conjunction with our Condensed Interim Financial Statements dated January 31, 2017, our Audited Financial Statements and related notes dated October 31, 2016, and related MD&A dated February 28, 2017, 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 month period ended January 31, 2017, the Corporation reported a Net Comprehensive gain of $586,200, including $596,290 from FMV increase on marketable securities.

4. Results of Operations

Selected Annual Information

	2016 **$**	**2015** **$**	**2014** **$**
	IFRS	IFRS	IFRS
Revenue	642,700	1,169,204	983,750
Net Income (Loss)	(604,182)	438,275	703,060
Total Assets	1,507,094	1,777,109	882,871
Basic and diluted EPS	(0.02)	0.04	0.11

- For the year ended October 31, 2016, net income includes $153,396 of realized loss on marketable securities.
- During the year ended October 31, 2016 Consulting Revenue decreased by $526,504, Property Management Income decreased by $69,900 and Administrative Income decreased by $53,499.

Summary of Quarterly Results

	January 31, 2017	**31-Ocotber, 2016**	**31-July, 2016**	**30-April, 2016**
	IFRS	IFRS	IFRS	IFRS
Service revenue	0	0	177,000	280,550
Expenses	(16,108)	(461,174)	(37,447)	(200,689)
Other income(expenses)	602,308	(444,146)	(5,486)	108,707
Deferred income tax recovery				
Net Income (Loss)	586,200	(901,646)	134,067	88,568
Wt. Avg. Number of Shares Outstanding	13,048,957	13,048,957	11,928,105	11,621,559
EPS	**0.04**	**(0.07)**	**0.01**	**0.01**

	31-January, 2016	**31-October, 2015**	**31-July, 2015**	**30-April, 2015**
	IFRS	IFRS	IFRS	IFRS
Service revenue	285,150	190,363	328,956	514,412
Expenses	(160,359)	(244,793)	(162,722)	(171,446)
Other income (expenses)	(49,962)	(4,278,671)	459,570	4,044,689
Deferred Income Tax Recovery		(123,773)		
Net Income (Loss)	74,829	(4,456,874)	625,804	4,387,655
Wt. Avg. Number of Shares Outstanding	11,141,011	11,141,011	11,048,666	10,862,480
EPS	**0.01**	**(0.39)**	**0.05**	**(0.41)**

<u>Results for the three month period ended January 31, 2017</u>

Service revenue for the three month period was $Nil (January 31, 2016- $285,150).

During the three month period ended January 31, 2016, the Corporation paid $4,500 (January 31, 2016– $1,000) in management/consulting fees, $4,500 (January 31, 2016- $82,500) in rent, $Nil (January 31, 2016- $68,654) in salaries and benefits and $1,160 (January 31, 2016- $2,493) for filing fees.

Total expenses decreased by $144,251 as compared with the same period in 2016. This is mostly attributable to rent and salaries expense.

EPS were 0.04 for the period ended January 31, 2017 (January 31, 2016–($0.01))

5. Liquidity

At January 31, 2017, the Corporation had $118,987 in liabilities (January 31, 2016– $76,799). In addition, the Corporation had a working capital surplus of $2,075,056and at (January 31, 2016- $1,602,874).

	January 31, 2017	January 31, 2016
Current Assets	$ 2,038,942	$ 1,679,873
Current Liabilities	(118,987)	(76,999)
Working Capital	$ 1,919,955	$ 1,602,874

The Company had net gain of $586,200 for the three month ended January 31, 2017, and net gain of 74,829 at January 31, 2016. In addition, it had an accumulated deficit of $629,311 (January 31, 2016- $536,493).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 has paid $109,281 for the leased office renovations during the year ended October 31, 2016. The lease has terminated and all related expenditures are recorgnized as expense for the year. No any capital expenditure paid during the three month ended January 31, 2017.

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

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

	January 31, 2017	October 31, 2016
	$	$
Companies with parties having significant influence over the Company	134,167	132,449

During the year ended October 31, 2016, the Company wrote off $104,747 (2015 – $48,455) of trade receivables due from related parties due to the uncertainty of collectability. As of reporting date, $10,000 was paid to the Company to final settle the amounts.

As at January 31, 2017, the Company had $4,425 (October 31, 2016- $4,478) loans receivable due from the companies with common directors, common management, or companies with parties containing significant influence over the Company.

These amounts due from related parties are unsecured, non-interest bearing and have 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:

	January 31, 2016	January 31,,2016
	$	$
Management and consulting fees	4,500	1,000
Accounting fees included in professional fees	5,500	3,000
Rent	4,500	82,500
Revenue	-	246,000
	14,500	332,500

As of January 31, 2017, the Company has a balance of $94,500 accrued rental expenses due to the landloard company with significant influence over the Company. The lease was terminated in January 2017, and the payable was settled by agreement to offset the receivable from the landloard company.

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 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 6,414,966 shares outstanding.

Authorized:
Unlimited Common voting shares without nominal or par value

Issued:
16,414,966 Common shares – at January 31, 2017 and report date

Warrants:
As January 31, 2017 and the report date, there was no warrant outstanding.

Options:
As January 31, 2017 and the report date, there were nil stock options outstanding.

13. Financing

On November 20, 2014 the Company completed a non-brokered private placement 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.

During the year ended October 31, 2016, the Company authorized and directed to issue DRS Advice for fully paid common shares in the capital of $250,000 for 5,000,000 Common Shares at the exercise price of $0.05 per unit.

14. Marketable Securities

As at October 31, 2016 and October 31, 2015, the Company's marketable securities were comprised of investments in shares and share purchase warrants.

January 31, 2017	Cost	Accumulated fair value adjustment	Fair value
	$	$	$
Common Shares	716,865	715,913	1,432,778
Warrants	-	20,560	20,560
	716,865	736,473	1,453,338

October 31, 2016	Cost	Accumulated fair value adjustment	Fair value
	$	$	$
Common Shares	716,865	121,391	838,256
Warrants	-	18,792	18,792
	716,865	140,183	857,048

15. Option agreement with Chimata Gold Corp.

On August 31, 2016, the Company entered into an option agreement with Chimata Gold Corp. ("Chimata"), a related party, wherein Chimata would earn 100% interest in the Company's Maggie claims located in British Columbia, Canada. Chimata will earn its interest by:

(i) Cash payment of $5,000 upon execution of the agreement. The Company has recognized as revenue when receiving on December 1, 2016;

(ii) Cash payment of $50,000 on or before April 30, 2017;

(iii) Incurring work costs of $50,000 on or before the end of December 31, 2016; and

(iv) Incurring further work costs of $50,000 before April 30, 2017

As at January 31, 2017, the agreement was in good standing.

16. 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.

17. 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 as it has written off its financial instruments held in a foreign currency during the year ended October 31, 2016.

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:

	January 31, 2017	**October 31, 2016**
	$	$
Loans and receivables:		
Cash and cash equivalents	387,392	453,463
Other receivables	9,620	8,849
Loan receivable	50,000	50,000
Loans receivable from related parties	4,425	4,478
Trade receivables due from related parties	134,167	132,449
FVTPL:		
Marketable securities	1,453,338	857,048
	2,038,942	1,506,287

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

	January 31, 2017	**October 31, 2016**
	$	$
Trade payables	103,987	157,627
Accrued liabilities	15,000	15,000
	118,987	172,627

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 January 31, 2017		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	387,392	-	-
Trade receivables	-	-	134,167
Marketable securities	131,480	585,385	736,473

	As at October 31, 2016		
	Level 1	Level 2	Level 3
	$	$	$
Cash and cash equivalents	453,463	-	-
Trade receivables	-	-	132,449
Marketable securities	110,402	525,540	221,106

18. Commitments

The Company has fully terminated the lease rental agreement, with a company which has parties in common that have significant influence over the Company in January 31, 2017. On March 8, 2017, the Company entered into a settlement agreement to make a one-time,full and final payments of $10,000 to settle of the trade receivables and trade payable.
On March 8, 2017, the Company entered into other settlement agreements with related parties for settling one-time, full and final payments of $10,000 of the trade receivables.

As of the reporting date, the Company has received $20,000 from related parties, therefore, there is no receivables nor payables owing between the related companies and not other consideration will be paid.

The Company also has started to end providing management services to existing clients.

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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

Jared Scharf, CEO and Director
Yong Hong Hu, CFO
Parmjeet Johal, Director
Santokh Sahota, Director

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