INNOVATIVE PROPERTIES INC.
D.B.A. NABIS HOLDINGS.
Management's Discussion and Analysis
For the Three Months Ended January 31, 2019 and 2018

1. Date of this Report: March 22, 2019

The following Management's Discussion and Analysis ("MD&A") has been prepared by management and is provided to enable readers to assess the results of operations and financial condition of Innovative Properties Inc. ("Innovative") for the three months ended January 31, 2019. This MD&A should be read in conjunction with our condensed interim financial statements and related notes for the three-month period ended January 31, 2019 and the annual audited financial statements at October 31, 2018 and accompanying MD&A dated December 17, 2018 and are based on known risks and uncertainties. The terms "Innovative", the "Company", "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 Company, are available on SEDAR at www.sedar.com, or on the Company's website at www.innovativeproprties.com. The Board of Directors of the Company under the recommendation of its 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 and Going Concern

Description of Business

Innovative Properties Inc. (the "Company") 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 Company invests in various projects and actively seeks out viable investments.

In January 2018, the Company executed a binding letter of intent ("LOI") with Modular Block Mining Inc. ("Modular") whereby the Company will acquire 100% of the issued and outstanding securities of Modular in exchange for 68,500,000 common shares of the Company along with the issuance of 15,000,000 Performance Warrants that vest on completion of certain milestones. As a condition of the agreement, the Company agreed to undertake a financing to raise a minimum of $4,000,000 and up to $12,000,000 via the issuance of equity units at a price of $0.40 per unit. Modular is an arms-length private company that designs and develops application software. Prior to the year-ended October 31, 2018, the proposed transaction with Modular did not complete. The Company secured the data servers equipment from Modular to offset the Modular loan and plan to rent the equipment to crytocurrency mining companies to generate some rental revenues.

The Company intends to expand its investments into the US cannabis sector and changed its name to Innovative Properties Inc. DBA Nabis Holdings and CSE ticker symbol to “NAB”.

During the three months ended January 31, 2019, the Company was not able to finance its day-to-day activities with income generated from its management contracts as the former contracts ended in fiscal 2016. The Company disposed some of its marketable securities and used the proceeds in its operations. There is an indication of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Management intends to finance operating costs over the next twelve months with cash and proceeds from private placements. As at January 31, 2019, the Company had over $2,365,000 in its bank accounts and marketable securities; Management believes this amount is adequate to finance the Company’s operations in the next twelve months; in addition, the Company is actively seeking financing in this period.

3. Earnings

Management reports that in the three-month period ended January 31, 2019, the Company had a net comprehensive loss of $3,656,212.

4. Results of Operations

Summary of Quarterly Results

	Jan 31, 2019	Oct 31, 2018	Jul 31, 2018	Apr 30, 2018
Service revenue	-	-	-	-
Expenses	(3,533,417)	(364,213)	(59,306)	(484,571)
Other expenses	(122,795)	149,978	(20)	(58,920)
Net loss	(3,656,212)	(4,034,940)	(59,326)	(543,491)
Weighted-average number of shares outstanding	83,925,034	24,034,822	24,142,033	24,635,536
Loss per share	(0.04)	(0.15)	(0.00)	(0.02)

	Jan 31, 2018	Oct 31, 2017	Jul 31, 2017	Apr 30, 2017
Service revenue	-	-	-	-
Expenses	(351,580)	(401,450)	(68,318)	(8,100)
Other expenses	(164,353)	(425,656)	(333,960)	343,050
Net loss	(515,933)	(277,741)	(265,643)	(351,050)
Weighted-average number of shares outstanding	16,414,966	16,414,966	13,048,957	13,048,957
Loss per share	(0.03)	(0.00)	(0.02)	(0.03)

Results for the Three-Month Period ended January 31, 2019

Service revenue for the three-month period was $nil (2018 - $nil).

During the three-month period ended January 31, 2019, the Company paid $1,472,975 (2018 - $169,625) in consulting fees, $1,176,437 (2018 - $nil) in stock-based compensation expense, $119,960 (2018 - $nil) in salaries, $92,903 (2018 - $169,235) in professional fees, and $22,248 (2018 - $7,140) in filing fees.

Total expenses increased by $3,181,837 as compared to the same period in 2018. This is because in 2019, the Company increased its business activities.

5. Liquidity

At January 31, 2019, the Company had $157,437 in liabilities (October 31, 2018 - $264,033). In addition, the Company had a working capital surplus of $3,182,842 (October 31, 2018 - $650,501).

		January 31, 2019		October 31, 2018
Current assets	$	3,340,279	$	914,534
Current liabilities		(157,437)		(264,033)
Working capital	$	3,182,842	$	650,501

The Company had a net loss of $3,656,212 (2018 - $515,933) for the three months ended January 31, 2019. In addition, it had an accumulated deficit of $10,333,647 (October 31, 2018 - $6,677,435). The Company'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

No capital expenditure incurred for the three months ended January 31, 2019 and 2018.

The Company has signed several letters of intents to acquire assets and properties since November 2018. The Company anticipates that any acquisitions will be financed by a combination of issuance of common shares and some form of subordinated debt.

7. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

8. Transactions with Related Parties

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

		January 31, 2019		January 31, 2018
Consulting and management fees	$	47,250	$	-
Data mining preparation fees		14,048		-
Professional fees		4,667		-
Rent		-		4,500
	$	65,965	$	4,500

Related Party Balances

At January 31, 2019, the Company had balances receivable in the amount of $3,486 (October 31, 2018 - $nil) from companies with directors in common.

As at January 31, 2019, an outstanding balance of $19,888 (October 31, 2018 - $nil) and $16,507 (October 31, 2018 - $nil) of expense reimbursements to the CEO and an officer respectively, and an outstanding balance of $1,282 (October 31, 2018 - $1,820) of professional fees to a company related to the CFO are included in trade payables and accrued liabilities.

9. Subsequent Events

On January 30, 2019, the Company announced it will conduct a private placement to raise up to $30,000,000 of debenture units. On March 7, 2019, the Company announced it has increased the size of the private placement from $30,000,000 to $35,000,000.

Each debenture unit comprises of one $1,000 principal amount unsecured convertible debentures and 1,111 common share purchase warrants of the Company. Each warrant will be exercisable to acquire one common share at $1.10 per share for a period of 36 months from the date of closing, regardless of whether the convertible debentures are converted. In addition, the expiry date of the warrants is subject to acceleration if the daily volume weighted average trading price of the Company’s shares is greater than $2.50 for the preceding 10 consecutive trading days during the term of the warrants, in which case the warrants will expire on the date that is 30 days following the date that note of the acceleration is provided to the holders of the warrants.

The convertible debentures will mature 36 months from the closing date, will bear interest at 8% per annum, payable on the last day of each calendar quarter, and will be convertible at the option of the holder into the Company’s shares at a price of $0.90 per share.

The convertible debentures will be subject to early redemption, in whole or in part, by the Company at any time after the first anniversary of the closing date at a price equal to the then outstanding principal amount of the convertible debentures plus all accrued and unpaid interest thereon up to and including the redemption date.

Commencing on the date that is four months and one day following the closing date, the Company may give notice of mandatory conversion of the convertible debentures at the conversion price if the daily volume weighted average trading price of the Company’s shares is greater than $1.65 for the 10 consecutive trading days preceding such notice. Holders having their convertible debentures converted will receive accrued and unpaid interest thereon in cash.

On February 1, 2019, the Company announced it has entered into a binding Letter of Intent to purchase assets from PDT Technologies LLC ("PDT"), including extraction and production equipment and rights to lease the current production facility in Port Townsend, Washington. The letter of intent also includes licensing rights to produce Chong's Choice Brand CO2 Vape Cartridges.

On February 6, 2019, the Company announced it has entered into a binding term sheet with Momentum Ideas Co. ("Momentum"), an unrelated third party, to acquire certain assets used and marketed under the brand Bloombox, a leading intelligent retail cannabis software platform.

Under the term sheet, the Company will issued Momentum 2,000,000 common shares at a deemed value of $1.00 per share for an aggregate purchase price of $2,000,000 for Bloombox. The Company's shares will be issuable upon closing of the investment and is subject to a statutory 4-month hold period. If, after the date that is 4-month and one day following closing, the 10-day volume weighted average price of the Company's shares on the CSE does not equal or exceed $1.65, the Company will issue an additional 500,000 shares to Momentum, at a deemed price equal to the closing price of the Company's shares on the CSE prior to the date of issuance. The additional shares shall be restricted from resale for an additional 4-month hold period from the date of issuance.

On February 26, 2019, the Company announced that it has entered into a binding Letter of Intent to acquire a property located in the City of Bangor, Michigan that has municipal approvals for 10 cultivation licenses and one processing license for a total consideration of US$775,000.

10. Critical Accounting Estimates

Not applicable to a venture issuer.

11. New Accounting Standards and Interpretations

See Note 3 of the Company's financial statements for the year ended October 31, 2018 for a detailed summary of accounting standards issued but not yet effective.

12. Financial Instruments and Other Instruments

The Company's financial instruments are cash, receivables, and accounts payable and accrued liabilities.

The Company's carrying value of cash and cash equivalents, receivables, and accounts payable and accrued liabilities 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 Company manages exposure through its normal operating and financing activities. The Company 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.

13. Share Capital

Common Shares

Authorized: unlimited common voting shares without nominal or par value

Issued: 95,425,716 common shares as at the report date.

Warrants

As at the report date, the Company has 7,441,745 common share purchase warrants outstanding.

Stock Options

As at the report date, the Company had 5,987,500 common share purchase stock option outstanding.

14. Financing

In January 2019, 5,000 warrants were exercised at $0.75 per share and 620,000 brokers' warrants were exercised at $0.05 for total gross proceeds of $34,750.

In late November 2018, 630,000 brokers' warrants were exercised at $0.05 for gross proceeds of $31,500.

In late November 2018, the Company closed 2 tranches of a private placement financing. For the first tranche of financing, the Company issued 14,591,497 shares at a price of $0.15 per share for gross proceeds of $2,188,725. For the second tranche of financing, the Company issued 7,341,838 shares at a price of $0.15 per share for gross proceeds of $1,101,275, of which $45,000 were receivable from subscribers as at January 31, 2019.

In early November 2018, the Company closed a private placement financing consisting of $40,000,000 shares at a price of $0.05 per share for gross proceeds of $2,000,000.

In February 2018, the Company closed its first tranche of financing via the issuance of 6,746,118 units at a price of $0.40 per unit for gross proceeds of $4,698,447. Each unit consists of one common share and one-half share-purchase warrant. Each whole warrant entitles the holder to acquire an additional share at a price of $0.75 until August 14, 2019.

In March 2018, the Company closed its second and third tranches of financing via the issuance of 4,437,781 units at a price of $0.40 per unit for gross proceeds of $1,775,112. Each unit consists of one common share and one-half share-purchase warrant. Each whole warrant entitles the holder to acquire an additional share at a price of $0.75 for 19 months following date of issuance.

In addition, the Company paid an aggregate of $211,519 in cash commission to eligible finders; furthermore, 528,796 broker's warrants were issued to eligible finders to purchase up to 528,796 common shares for 18 months following the date of issuance.

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 to 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 currency 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 internally imposed capital requirements.

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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 Company 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 Company 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 to 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 and 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 Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

Officers and Directors

Shay Shnet, CEO and Director
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