MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JULY 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's Discussion and Analysis for Ortho Regenerative Technologies Inc. (the "Corporation" or "Ortho RTI") is the responsibility of management and has been reviewed and approved by its Board of Directors. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A. The Board of Directors carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board of Directors and is comprised entirely of independent and financially literate directors.

This report was reviewed by the Corporation's Audit Committee on September 22, 2016 and approved by OrthoRTI's Board of Directors on September 22, 2016 and should be read in conjunction with the unaudited interim condensed financial statements for the six-month period ended July 31, 2016. Unless otherwise noted, all amounts are presented in Canadian dollars.

Additional information relating to Ortho Regenerative Technologies Inc. can be found on SEDAR at www.sedar.com. The Corporation has 13,968,000 common shares that are issued and fully paid as of July 31, 2016.

The information contained in this management discussion and analysis may contain some forward-looking statements. Forward-looking information may include, but is not limited to information with respect to our future financial and operating performance, future development activities and adequacy of financial resources. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience. Our forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this management analysis. Although we have attempted to identify important factors that could cause actual results to differ from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information.

Ortho Regenerative Technologies Inc. (the "Corporation") is incorporated under the Canada Business Corporations Act. The Company's head office and principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

This management's discussion and analysis provides an overview of the Corporation's operations, performance and financial condition for the six-month period ended July 31, 2016, and compares the 2016 results to those of the same period in 2015.

OVERVIEW OF THE BUSINESS

The Corporation is a research and development biotechnology company, specializing in regenerative medical products that are designed to repair and regenerate damaged joints thereby helping to prevent or delay the onset of osteoarthritis. The current financial statements reflect operating costs which are mainly based on the funding of three Research Agreements that continue to develop the regenerative medicine products. Development of regenerative medicine products is inherently expensive and raising sufficient capital to continue research and development is a major focus of the management team.

The Corporation's activities consist of research and development in the area of tissue repair and regeneration for damaged joints. The Corporation does not have any products approved for sale and consequently has no revenue nor does it foresee revenue in the near term. All amounts paid for the

acquisition of technologies or know how, as well as all costs related to ongoing research and development activities have been presented as Intangible Assets on the Statement of Financial Position or as Research expenses in the Statement of Loss and Comprehensive Loss.

Product	Indication	Stage
Ortho-R	Rotator cuff tears	Large animal studies (development)
Ortho-M	Meniscus tears	Large animal studies (development)
Ortho-V	Osteoarthritis pain	Feasibility (research)
Ortho-C	Articular cartilage	Discovery (research)

The Corporation intends to generate revenue based on the execution of either:

i) (non) exclusive distribution agreements with strategic partners who have the infrastructure required to ensure commercial success for the future products, or
ii) Acquisition of the company

For the first option, a variety of approaches are possible owing to the potential separation of different indications and geographies, ranging from single indications in a single geography to a full acquisition. The Corporation has no specific preference at this point in time. The Corporation is therefore focused on building brand value for each of its product lines and those potential products that have not yet entered the pipeline. As with any product in development phases, value will be created by proving a) functional efficacy of the product principally through clinical trials, and; b) commercial viability of such products in specific market places through regulatory approvals, generation of health economic data and ensuring manufacturing capability that can give appropriate gross and net margins.

The Corporation currently has sufficient expertise to manage the research and development process for each of the products. The value ascribed to each product will increase significantly as it moves through the development phase and will reach maximal value at the point where it has proven clinical efficacy and obtained regulatory approvals.

During the current quarter, the corporation received a Notice of Allowance and subsequent issue of its first patent, the application entitled “SOLUBLE PHYSIOLOGICAL CHITOSAN FORMULATIONS COMBINED WITH PLATELET-RICH PLASMA (PRP) FOR TISSUE REPAIR” has now issued as US patent number 9,427,469. The patent covers the use of the corporation’s biopolymer technology with PRP for tissue repair broadly, and is not limited to any of our specific indications such as the rotator cuff or meniscus. The patent will remain in force until November 2032.

The corporation continues to extend and defend its intellectual property. Two other patent families that cover specific freeze dried formulations have now entered National Phase in several territories. In order to use our resources most efficiently, the management has limited the territories in which we are seeking protection to the following: EU (via a European Patent), Canada, USA, Japan and Australia. During this phase, we have also completed the official assignment to the corporation from Polyvalor.

The current focus of the company remains on Ortho-R for the surgical treatment of rotator cuff injuries in the shoulder. Additionally, the principal geographic focus remains US, and therefore US FDA remains the principal regulatory body for our initial indication(s).

In June 2016 a teleconference was held with the Center for Biologics Evaluation and Research (“CBER”) and the Corporation (represented by the Corporation’s regulatory consultants, the CEO and Prof. Buschmann). Discussions with FDA were cordial, and it has been determined that Ortho-R will be regulated as a single entity biologic through CBER. The specific implications of this determination remains to be quantified, but it is likely that an increased investment in the Chemistry, Manufacturing and

Controls (“CMC”) may be required. It has, however, been clarified with CBER that the earlier anticipated ISO10993 package of biocompatibility studies will not be required to progress development. In addition, CBER have broadly suggested that the proposed preclinical package should be sufficient to move towards first in human clinical trials, and that the draft clinical development plan appears appropriate at this stage.

There are now two major work components that must be completed before any clinical evaluation can take place:

Manufacturing of Ortho-R to current Good Manufacturing Practice (“cGMP”) must be established so that clinical trial supplies may be manufactured which are appropriate for regulated clinical studies. It has always been the intention of the company to undertake an agreement with a suitable contract manufacturing organization (“CMO”), but not to invest in the development of its own facilities. A number of potential CMOs have been evaluated for their ability to conduct the necessary manufacturing steps and we have selected a CMO in the Montréal area, with whom we are currently negotiating the specifics of required work (and associated costs) prior to implementing a manufacturing agreement. The selected CMO has all the necessary facilities for processing our raw material into final product and undertaking the quality control necessary and the required stability studies. In addition, the CMO appears to have all the necessary quality systems that are required for our purposes.

Secondly, all preclinical studies must be complete, involving both the evaluation of the safety and efficacy of Ortho-R in a large animal efficacy model. We are currently nearing completion of a pilot study which we anticipate will demonstrate the suitability of the preclinical model. A CRO has been selected to undertake the pivotal preclinical study, and contract negotiations will be completed following the necessary quality audit.

The Corporation has received samples of a number of batches of the raw material from our preferred supplier. These material are currently undergoing a chemical and functional evaluation to determine the suitability for manufacture of final product. The received material will be sufficient (if suitable) to manufacture final product through pilot clinical trials.

All activities described above have been planned and can be executed as soon as sufficient financial resources have been secured.

Owing to the limited resources available to the corporation in the short term, a number of decisions have been recently made by the management to ensure that value continues to be created: Focus on the rotator cuff indication will continue as before, but development work for the meniscus indication (and others) will not be undertaken until further financing has been sought and obtained, likely involving significant delays to the anticipated program for other indications. It should be noted that this focusing does not affect the ongoing research programs at Ecole Polytechnique. The continued focus on the rotator cuff remains the highest priority owing to it being the less complicated and quickest to approval, but is still a large enough indication to merit development on its oen: it can therefore act as the quickest path to the “proof of concept” for the corporation’s technology overall, and increasing the perceived value of the entire portfolio.

The corporation has therefore continued to manage its resources in the most careful and prudent way possible while continuing the development of its lead candidate for rotator cuff repair.

SELECTED QUARTERLY FINANCIAL DATA

The following table sets forth financial information relating to the Corporation for the periods indicated and should be read in conjunction with the interim condensed financial statements for the three and six month period ending July 31 , 2016 and from February 5, 2015 to July 31, 2015 and the three month period ending July 31, 2015.

	Three-month period ending July 31,		Six-month period ending July 31,	
	2016	2015	**2016**	2015
			$	$
Professional fees	**79,185**	15,282	**97,502**	37,811
Research costs	**28,893**	22,281	**107,393**	35,000
Office and administrative	**121,264**	11,991	**237,076**	11,991
Travel and promotion	**14,565**	4,030	**26,585**	5,313
Filing fees	**36,848**	-	**41,976**	-
Share based compensation	**68,122**	-	**108,585**	-
Interest and bank charges	**11,499**	860	**13,961**	870
Net loss for the period	**360,376**	54,444	**633,078**	90,985
Loss per share				
Basic and diluted	**0.03**	0.01	**0.05**	0.03

The weighted average number of shares outstanding used in the calculation of loss per share at July 31, 2016 is 13,134,666 (July 31, 2015 – 3,298,954).

Balance Sheet Highlights	**July 31, 2016**	January 31, 2016
	$	$
Cash	**24,047**	646,246
Investment tax credit	**187,005**	225,915
Sales tax receivable and other assets	**49,581**	35,043
Current assets	**260,633**	907,204
Deferred issue costs	**-**	153,874
Investment tax credit non-current	**83,000**	-
Intangible assets	**1,073,964**	725,192
Non-current asset	**1,156,964**	879,066
Total assets	**1,417,597**	1,786,270
Liabilities-current	**1,393,295**	1,098,139
Liabilities-non current	**333,334**	333,334
Common shares	**851,281**	1,006,617
Warrants	**146,000**	130,000
Contributed Surplus	**254,645**	146,060
Deficit	**(1,560,958)**	(927,880)

2nd QUARTER 2016 FINANCIAL OVERVIEW

- On April 29, 2016 the Corporation filed a final prospectus with specific security regulatory authorities in connection with an initial public offering of its shares by way of Manitex Capital Inc. ("Manitex") distributing a dividend-in-kind of Ortho Class A Common Shares to the holders of Manitex shares. On June 3, 2016, the Corporation and Manitex completed its transaction as described in the final prospectus by the payment of a dividend-in-kind to Canadian resident of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex and $77,926 was paid in cash to non-resident. The cost related to this transaction amounted to $215,336 and was charged to share capital in the period.
- Net loss from operations for the six month period is $633,078, which includes research costs of $107,393, office and administrative expenses of $ 237,076 professional fees of $97,502 and share-based compensation of $108,585.
- Cash used by operating activities is $580,115 and cash provided by financing activities is $306,668. Cash used to fund development and acquire intangibles is $348,772.

OPERATING EXPENSES

The comparative general and administrative expenses for the three and six months period ended July 31, 2016 and from February 5, 2015 to July 31, 2015, by nature of expenditure, are summarized below:

	Three-month period ending July 31,		Six-month period ending July 31,	
	2016	2015	**2016**	2015
			$	$
Professional fees	**79,185**	15,282	**97,502**	37,811
Research costs	**28,893**	22,281	**107,393**	35,000
Office and administrative	**121,264**	11,991	**237,076**	11,991
Travel and promotion	**14,565**	4,030	**26,585**	5,313
Filing fees	**36,848**	-	**41,976**	-
Share based compensation	**68,122**	-	**108,585**	-
Interest and bank charges	**11,499**	860	**13,961**	870
Net loss for the period	**360,376**	54,444	**633,078**	90,985

For the second quarter of 2016 compared to the same period in 2015, overall expenses increased by approximately $542,000. The primary reasons for the overall increase in expenses were:

- Professional fees increased by approximately by $60,000
- Office and administrative expenses increased by approximately $232,000
- Share based compensation increased by approximately $ 109,000 compared with the previous period when no options were granted.
- Research costs increased by approximately $72,000 which are mainly due to the costs associated with one Research Service agreement signed in June 2015 with Polytechnique.
- Other costs such as travel and promotion, filing fees and financial increased by approximately $76,000.

Included in the $237,076 of office and administrative expenses recorded in the fiscal period, $212,000 relate to the salary and benefits paid to the President/Chief Executive Officer and Vice-President finance and Chief Financial Officer. Other expenses incurred were mainly office expenses.

Of the $107,000 of research costs recorded, the costs relate to the Ortho-C project that is in a discovery stage. Ortho-C incurs a monthly cost of $17,500, based on the Polytechnique agreement. The monthly

charge from the Polytechnique covers all expenses that they incur relating to the project (i.e. salaries of researchers, materials used, lab fees, overhead costs). Netted against the current period's total cost of $131,496 on this agreement is an investment tax credit of $24,103.

Financial expenses were approximately $14,000 of which approximately $12,500 relates to interest incurred on the operating loan from Manitex Capital Inc.

DEVELOPMENT COSTS

The development costs capitalized of $589,739 net of Investment tax credit in the amount of $193,834, are based on the two projects that the Corporation has determined are in the development stage. Ortho-M is for the treatment of complex meniscal tears and Ortho-R focuses on treatment of rotator cuff tears. Both projects are being worked on by the Polytechnique Montreal lab facility, which has been contracted by the Corporation to carry on the development work. In the current period $140,000 has been spent on Ortho-M and $163,051 has been spent on Ortho-R for a total amount of $368,655 and $221,084 respectively. The majority of the costs incurred are based on the funding of the development agreements that have been signed with the Polytechnique, with a minimal amount spent on an outside contractor that is conducting large animal studies. The monthly charge form the Polytechnique covers all expenses that the incur relating to the projects (i.e. salaries of researchers, materials used, lab fees, overhead costs).

SHARE ISSUE COSTS

The Corporation has incurred share issue costs in the period of $61,462 amounting to $215,336 compared to $153,874 as at January 31, 2016. These costs are composed of legal, other professional and filing fees regarding the preparation and filing of a final Prospectus with Canadian security authorities. The Prospectus qualifies the distribution of a certain number of Ortho shares held by Manitex Capital Inc. as a Dividend-in-Kind to the current Manitex Capital Inc. shareholders. The transaction was completed on June 3, 2016 and these cost are charged to share capital in the second quarter.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES
CASH FLOWS:
Sources and Uses of Cash

For the six-month period ended July 31 :	**2016** $	2015 $
Operating activities:		
Cash used in operations prior to changes in working capital	**(524,493)**	(90,985)
Changes in non-cash working capital	**(55,622)**	(173,615)
Cash (used in) provided by operations	**(580,115)**	82,630
Investing activities:		
Cash used in for acquisition of intangible assets	**(348,772)**	(729,665)
Financing activities:		
Cash received from equity financing	**80,000**	500,617
Cash received for share capital as a debt	**-**	75,757
Cash used for deferred share issue costs	**(65,462)**	-
Cash used in operations	**292,150**	71,237
	306,668	647,611
(Decrease) increase in cash	**(622,199)**	576
Cash, beginning of year	**646,246**	-
Cash, end of period	**24,047**	576

(a) Operating activities

Cash used in operations represents the cash flow from loss, excluding expenses not affecting cash and the net change in non-cash operating working capital. During the current period non-cash items are comprised of the $108,585 (Nil in 2016) recorded for share based compensation. The net change in non-cash working capital was affected by the slight increase in accounts payable and accrued liabilities of $3,006, the increase in sales tax receivable and prepaid expenses of $18,298 and the increase in the investment tax credit of $44,090 compared to the related period, increase in sales tax receivable and prepaid expenses and accounts payable and accrued liabilities in the amount of $75,121 and $248,736 respectively.

(b) Investing activities

The Corporation incurred costs of $348,772 ($729,665 in 2016) to fund on-going development activities, acquire technology and submit patent applications. Netted against the cost of development activities are investment tax credits from federal and provincial tax authorities in the amount of $19,987 (Nil in 2016).

Funds of $35,000 (Nil in 2016) were used to acquire intellectual property, as required by the Intellectual Property Assignment agreement.

(c) Financing activities

During the current period the Corporation received $80,000 ($576,374 in 2016) from the issuance of common shares and $292,150 ($71,237 in 2016) from its operating loan capacity. In the prior period the amount of $75,757 raised as share capital is considered as a debt and has been presented as a liability. $64,462 (Nil in 2016) of share issuance costs were netted against these cash in-flows to give net cash of $306,668 ($647,611 in Q2 2016) being provided by financing activities.

LIQUIDITY AND CAPITAL RESOURCES:

	July 31, 2016 $	January 31, 2016 $
Cash	**24,047**	646,246
Working Capital [(i)]	**(1,132,662)**	(190,935)
Total assets	**1,417,597**	1,786,270

(i) Working capital is a measure of current assets less current liabilities

At July 31, 2016 the Corporation has used its operating loan to $532,150 ($240,00 – 2016). On April 25, 2016, Manitex signed a letter of intent to provide $1,130,000 of additional financing to the Corporation. The exact amount of the additional financing will be equal to the difference between $2,600,000 and the total amount of financing secured by the Corporation, through cumulative rounds of financing, prior to October 31, 2016. As at July 31, 2016, the unused amount of its operating loan is $837,850.

The Corporation's primary objective with respect to its capital management is to ensure that is has sufficient financial resources to meet its financial obligations.

The Corporation has commitments under the three Polytechnique Research Agreements to fund $58,333 on a monthly basis for the next 22 months. As at July 31, 2016, the amount owed to Polytechnique under the Research Agreements is $291,667. In addition, the Corporation has a commitment to fund $136,410

in October 2016 under the Intellectual Property Assignment and Technology Transfer Agreement. During the month of June 2016, the Corporation and Polyvalor signed an amendment to the Intellectual Property Assignment and Technology Transfer Agreement. The changes are to extend the payment date of the non-refundable fee in the amount of $100,000 from May 31, 2016 to October 31, 2016 During the month of June 2016, the Corporation and Polyvalor signed an amendment to the Intellectual Property Assignment and Technology Transfer Agreement. The changes are to extend the payment date of the non-refundable fee in the amount of $100,000 from May 31, 2016 to October 31, 2016, and to extend Round 2 of financing described in the liquidity section, to October 31, 2016.

The current working capital deficiency is a situation that is being addressed by the Corporation and its Board of Directors.

To secure the additional capital necessary to fund the negative working capital and the development projects, the Corporation is actively attempting to raise funds through the issuance of equity or by securing strategic partners. As at July 31, 2016, the Corporation has raised $730,000 through private placements closed in January and February 2016. On August 2, 2016, the Corporation closed a private placement in the amount of $460,000 by the issuance of equity. Included, to the private placement, the Corporation received a subscription from a director in the amount of $75,000

The Corporation's use of available funds over the upcoming year is of upmost concern to the Board and revised spending budgets have been prepared to postpone development activities and reduce some administrative expenses should the private financing through share purchase or debt be insufficient to cover the business plan. It is important to distinguish between R&D and product/clinical development. The Corporation will continue to fund the Polytechnique contracts on a monthly basis, however development activities focused on manufacture of raw material and animal and human trials can be postponed and we do not believe that these delays would materially impact the potential for the product or the Corporation. The Corporation can also delay the prosecution of its patents. In doing so the Corporation is not giving up any of its rights or protection of its intellectual property as the patent authorities have built in such delays in the patent regulations and companies are afforded the opportunity to delay the prosecution of patents for confidentiality and strategic reasons.

Discussion of operation cash requirements:

All four products in our current portfolio will require significant investment to increase their value (through, for example, clinical trials) to a strategic partner. We currently estimate that an investment of at least $20 million will be required over time to complete the research and development, including regulatory approvals and manufacturing validation.

There are a number of areas where duplication between product lines can be avoided, for example in the manufacture of our chitosan material, which is common across our product platform. We do not therefore need to replicate manufacturing capability, or the associated costs, for each of the four products.

Ortho-R is in a pure development phase and represents our lead product for commercialization. We anticipate that pilot clinical trials may start as early as first half of 2017, and the current stage of the program is concentrated on ensuring that all preclinical activities are complete: these preclinical activities include formal biocompatibility testing, large animal preclinical efficacy study(ies), and the transfer of the manufacturing process to a contract manufacturing organization. All of these activities have commenced and we anticipate that all can be accomplished with the expenditure of a further $1M, as well as the on-going commitment to funding the Polytechnique agreement of $17,500 per month for the next 22 months.

Ortho-M is our second candidate and is also in a development phase. Large animal preclinical models have started. We anticipate a similar pathway and plan to Ortho-R, but lagging behind by approximately 6 to 9 months. We are therefore assuming that pilot studies will start until at least in second half of 2017, and will require an investment of approximately $0.5M, as well as the on-going commitment to funding the Polytechnique agreement of $23,333 per month for the next 22 months.

Ortho-C is in a research and discovery phase. The Corporation (through its ongoing funding) will continue to investigate possible formulations and conduct small and large animal research studies to investigate possible efficacy in articular cartilage repair. As such, the associated costs are covered by the ongoing commitment under the third research agreement with Polytechnique, the terms of which require a monthly investment of $17,500 for the next 22 months.

Ortho-V is a discovery and feasibility project, funding for which will come from the same research agreement with Polytechnique that covers the development of Ortho-M. To date minimal funding has been applied to this project. During fiscal 2017, we will conduct a preclinical feasibility study which will demonstrate whether the proposed formulation has the ability to affect osteoarthritis or the pain associated with osteoarthritis. If successful, the technology can then enter a more active phase.

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

Please refer to Note 3 of the 2016 audited financial statements for an extended description of the information concerning the Corporation's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in accounting policies for the interim period ended July 31, 2016.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The information is provided in Note 2 of the interim condensed financial statements.

TRANSACTIONS WITH RELATED PARTIES

The following table presents the related parties transactions for the three-month period ended July 31, 2016 and from February 5, 2015 to July 31, 2015:

	July 31, 2016 ***$***	***July 31, 2015*** ***$***
Transactions with key management and members of the Board of Directors		
Salaries and expense for employee benefits	**212,336**	-
Share-based compensation	**108,585**	**-**
Consulting fees to a director, Dr Brent Norton	**8,300**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**13,103**	**-**
Transaction with Polytechique, a partner of Polyvalor :		
Research expenses	**105,000**	**-**

The following table presents the related parties transactions presented in the statement of financial position as at :

	July 31, 2016 *$*	*January 31, 2016* *$*
Accounts payable and accrued liabilities due to Manitex, a shareholder of the Corporation:	**182,409**	140,566
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**291,667**	175,000
Accounts payable and accrued liabilities due to a director, Dr Brent Norton	**8,300**	-
Operating loan, Manitex	**532,150**	240,000
Amounts included in Development costs, paid to Polytechnique	**244,998**	326,664
Amounts included in Intellectual Property, with Polyvalor holder of 833,334 common shares presented as a liability:	**35,000**	225,758

COMMITMENTS

Please refer to Note 10 of the interim condensed financial statements for a summary of the Corporation's commitments.

SUBSEQUENT EVENT

On August 3, 2016, the Corporation closed a private placement of $385,000 for 770,000 units at a subscription price of $0.50 per unit, with each unit consisting of one Class A common share and one-half common share purchase warrant. A full warrant will entitle the holder to acquire one common share at an exercise price of $0.70 per share at any time on or before the close of business on a date that is twenty-four months from the subscription date. If, during the twenty-four months after that date, the Corporation's weighted average share price for 30 consecutive trading days equals or exceeds $1.00, the Corporation may give notice to the warrant holders that they must exercise their warrants within a period of 30-days from the date of receipt of the notice. The private placement was completed by an authorized dealer, with fees of 5% of the placement value and 5% of shares issued. In addition to the private placement, the Corporation received a subscription from a director in the amount of $75,000 for 150,000 units, under the same terms and conditions as describe above. On August 2, 2016, the Corporation issued 958,500 shares and 460,000 warrants for a total net proceed of $440,750.

COMPARATIVE QUARTERLY FINANCIAL DATA

The following table sets out selected unaudited quarterly financial information of the Corporation for the six quarters ended July 31, 2016. This information is derived from unaudited quarterly financial statements prepared by management and in accordance with IFRS and are expressed in Canadian dollars. The following quarterly information is presented on the same basis as the audited financial statements and should be read in conjunction with the statements and the accompanying notes.

	2017		2016			
	Q2 $	Q1$	Q4 $	Q3 $	Q2 $	Q1 $
Professional fees	79,585	23,445	32,907	98,558	15,282	22,529
Research costs	28,893	78,500	55,752	52,500	22,281	12,719
Office and administration	121,264	115,812	146,038	3,034	11,991	-
Travel and promotion	14,565	12,020	15,157	3,133	4,030	1,283
Filing fees	36,848	5,128	17,527	1,566	-	-
Share based compensation	68,122	40,463	138,165	7,895	-	-
Financial expenses	11,499	2,462	4,722	2,365	860	10
Fair value adjustment on Class A shares liability	-	-	257,577	-	-	-
Net loss for the period	360,376	270,240	667,845	169,051	54,444	36,541
Loss per share Basic and diluted:	0.03	0.02	0.06	0.01	0.01	3.92

As the Corporation was incorporated on February 5th 2015, six quarters are being presented for comparative purposes.

During the first Q1-2016, the expenses are mainly due to legal cost for incorporation and legal services pertaining to various agreement. During Q2-2016, costs increased due to the amounts disburse to Polytechnique research service agreement and legal services pertaining to various agreements. Office and administrations expenses represents costs relating to office expenses and other related expenses.

In Q3-2016 expenses increased mainly to costs relating to research expenses disbursed to the Polytechique. Professional fees are mainly costs relating to the audit and the preparation of the preliminary prospectus. In addition, options were granted to directors and share-based compensation was recognized.

During Q4-2016, costs increase in office and administrative expenses, due to the hiring of the CEO effective November 26, 2015. Also there are some costs relating to corporate and strategic advisory services. The share-based compensation in Q4-2016 has significantly increased due to new options being granted. In addition, on June 19, 2015, the Corporation issued 833,334 Class A shares at a value of $ 75,757. These shares have a put right associated to them allowing the share to be redeemed at fair value and requires presentation as a liability; refer to note 6 of the interim financial statements. As at Q4, management determined the fair value of these shares is $333,334 and the increased of $257,577 was charged to the statement of loss.

In Q1- 2017, the main expenses are office and administrative expense, research costs and share-based compensation. Office and administrative expenses are comprised of salaries and benefits for employees and other related office expenses. Increase in research costs are in conjunction with Ortho C project and amounts due to the Polytechnique as per the Research Agreements

In Q2-2017, the main expenses are professional fees, office and administrative expense, research costs and share-based compensation. Professional fees increased due mainly to corporate legal matter and audit fees. Office and administrative expenses are comprised of salaries and benefits for employees and other related office expenses. Increase in research costs are in conjunction with Ortho C project and amounts due to the Polytechnique as per the Research Agreements. The financial expenses relate to the interest on the operating loan from Manitex.

RISK MANAGEMENT

The Corporation's activities expose it to financial risks: market risk specifically to cash flow and fair value interest rate risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Corporation's financial performance. The Corporation does not use derivative financial instruments to hedge these risks.

Management determined that the Corporation is not exposed to currency and credit risk arising from these financial instruments.

a) Market risk
Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the operating loan negotiated at a fixed rate.

b) Fair value risk

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities and the operating loan. The fair value of these financial instruments approximated the carrying value due to the short term maturity of the instruments.

c) Capital risk management

The Corporation' objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares and contributed surplus, in the definition of capital. The Corporation' primary objective with respect to its capital management is to ensure that is has sufficient financial resources to meet its financial obligations. To secure the additional capital necessary to pursue these plans, the Corporation is actively attempting to raise additional funds through the issuance of equity or by securing strategic partners. The Corporation is not subject to any externally imposed capital requirements.