CSE FORM 2A
LISTING STATEMENT

Ortho Regenerative Technologies Inc.
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1. GENERAL INFORMATION AND GLOSSARY OF TECHNICAL TERMS

1.1 INTERPRETATION

Unless the context otherwise requires, all references in this Listing Statement to "we", "Ortho RTI", or the "Issuer" refer to Ortho Regenerative Technologies Inc.

1.2 TECHNICAL INFORMATION

For the meanings of certain technical terms used in this Listing Statement, see "Glossary of Terms".

1.3 FORWARD-LOOKING INFORMATION

This Listing Statement contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Wherever possible, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information in this Listing Statement may include, but is not limited to,

- information with respect to our future financial and operating performance,
- future development activities, and the costs and timing of those activities,
- timing and receipt of approvals, consents and permits under applicable legislation,
- 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 and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: our ability to carry on development activities, the timely receipt of required approvals and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with: our limited operating history, the absence of a public market for the Issuer's securities, our reliance on third-party suppliers and manufacturers, our dependence on our affiliates, the availability of additional funding, common risks for medical devices, including product liability claims, insurance and recalls, registration risks in certain jurisdictions, our inability to implement the Issuer's strategy to grow the business, dependence on key management personnel and executives, competition, currency fluctuations. See "Risk Factors".

Our forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Listing Statement. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

1.4 INDUSTRY DATA

Market data and industry forecasts used in this Listing Statement were obtained from various publications. Although management believes that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

1.5 GLOSSARY OF TECHNICAL TERMS

"**angiogenesis**" means formation of new blood vessels.

"**arthroscopy**" means a minimally invasive knee surgery requiring small openings where instruments can be inserted.

"**arthrotomy**" means knee surgery that involve large traditional surgical incisions.

"**autologous**" means from the patient.

"**bioabsorbable**" means a matrix that is naturally degraded and eliminated after implantation in the human body.

"**biopolymer**" means a polymer made from a biological molecule (versus a man-made synthetic).

"**chitosan**" means a biopolymer of glucosamine and N-acetyl-glucosamine.

"**lyoprotectant**" means a molecule that protects from ice damage during freezing.

"**meniscus**" means the C-shaped tissues in the knee that allow the cartilage surfaces to make uniform contact.

"**osteoarthritis**" means joint degeneration that often leads to joint replacement.

"**osteoporosis**" means loss of bone mass leading to high fracture risk.

"**platelet Rich Plasma (PRP)**" means a preparation of concentrated platelets from the patient's blood.

"**platelet**" means a small blood cell with no nucleus that forms blood clots and stimulates repair of injured tissues.

"**polymer**" means a long molecule based on a repeating unit called the monomer (for example glucosamine in the case of chitosan).

"**polysaccharide**" means a polymer composed of sugar units.

"**rotator**" means cuff a group of muscles and tendons that surround the shoulder joint.

"**trephination**" means channels small holes created by a needle-like surgical device.

"**viscosupplementation**" means the procedure of injecting a viscous solution into the knee to alleviate joint pain.

2. CORPORATE STRUCTURE

2.1 NAME AND ADDRESS

Ortho Regenerative Technologies Inc has its registered office and principal place of business of the Issuer are located at 16667, Hymus Boulevard, Kirkland, Québec, Canada, H9H 4R9.

2.2 INCORPORATION

Ortho Regenerative Technologies Inc. was incorporated on February 5, 2015 pursuant to the *Canada Business Corporations Act*. On September 16, 2015, pursuant to a Certificate of Amendment, the Issuer changed its share capital by amending the rights, privileges, restrictions and conditions attached to class "B" shares and by the cancellation of the class "C", "D", "E", "F", "G", "H", "I", "J", "K", "L", "M", "N", "O" and "P" shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Issuer (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders meetings.

2.3 INTERCORPORATE RELATIONSHIPS

The Issuer has no subsidiaries.

2.4 FUNDAMENTAL CHANGE OR PROPOSED TRANSACTION

This item does not apply to the Issuer.

2.5 NON-CORPORATE ISSUERS AND ISSUERS INCORPORATED OUTSIDE OF CANADA

This item does not apply to the Issuer.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 GENERAL DEVELOPMENT

Ortho RTI is a research and development biotechnology company specializing in regenerative medical products that repair and regenerate damaged joints thereby helping to prevent or delay the onset of Osteoarthritis.

On June 19, 2015 (the "**Closing Date**") the Issuer entered into an Intellectual Property Assignment and Technology Transfer Agreement (the "**Technology Assignment Agreement**") with Polyvalor, Limited Partnership ("**Polyvalor**") acting through its general partner Univalor Inc. and *Polytechnique Montréal* ("***Polytechnique***") whereby Ortho RTI has acquired certain technologies related to polymer devices for orthopedic tissue repair and intra-articular injections of platelet rich plasma chitosan formulations (the "**Technologies**").

In addition, on the Closing Date, Ortho RTI issued 5,500,000 Class A common shares ("**Shares**") to Manitex Capital Inc. ("**Manitex**") for consideration of $500,000 and 833,334 Class A shares to Polyvalor for consideration of $75,757. Manitex also provided Ortho RTI with a credit facility of $240,000.

Technology Assignment Agreement

Ortho RTI and Polyvalor entered into the Technology Assignment Agreement on the Closing Date.

Pursuant to the Technology Assignment Agreement, Polyvalor assigned and transferred to Ortho RTI all of its rights, title and interest in and on the current patents as well as new patents, including patent applications, technical data and "know how" relating to the Technologies.

The assignment and transfer was made in consideration of the payment of (i) a non-refundable fee of one hundred fifty thousand dollars ($150,000) on the Closing Date, as well as the payment of (ii) a non-refundable fee of thirty-five thousand dollars ($35,000) due on February 28, 2016 and (iii) a non-refundable fee of thirty-six thousand four hundred ten dollars ($36,410) due on October 31, 2016. Furthermore, Ortho RTI has paid one hundred eighteen thousand three hundred sixty seven dollars ($118,367) to *Polytechnique*, on the Closing Date, relating to a pilot meniscus repair sheep model study. Ortho RTI is required to make a further payment of one hundred thousand ($100,000) to *Polytechnique* on or before May 31, 2016. Ortho RTI was also required to issue to Polyvalor eight hundred thirty-three thousand hundred three hundred thirty-four (833,334) fully paid and non-assessable Shares on the Closing Date for a total consideration of $75,757. Ortho RTI has also granted Polyvalor a royalty on net sales equal to one and a half percent (1.5%).

The table below summarizes the payment schedule for the consideration payable by Ortho RTI under the Technology Assignment Agreement.

Payment Date	Consideration	Paid to	Description
Closing Date	$150,000	Polyvalor	Non-refundable fee
Closing Date	$118,367	Polytechnique	Non-refundable fee for pilot meniscus repair sheep model study
February 28, 2016	$ 35,000	Polyvalor	Non-refundable fee
May 31, 2016	$100,000	Polytechnique	Non-refundable fee
October 31, 2016	$36,410	Polyvalor	Non-refundable fee

Ortho RTI agreed to secure a first round of financing of seven hundred and forty thousand dollars ($740,000) on the Closing date, consisting of five hundred thousand dollars ($500,000) in equity (44% share) and a two hundred forty thousand dollars ($240,000) credit line, which can be drawn on an "as needed basis". Ortho RTI must obtain and conclude cumulative rounds of financing for a minimum of one million four hundred seventy thousand dollars ($1,470,000) no later than February 28, 2016 and a minimum of $2,600,000 (which includes the previous financing of one million four hundred seventy thousand dollars ($1,470,000), no later than May 31, 2016. Ortho RTI has completed its minimum first round financing of $1,470,000 by the due date of February 28, 2016. The amounts will be used to meet the obligations regarding the assignment and to further develop the Technologies. In the event that the financing is not obtained, Ortho RTI will have three (3) months from each date of round to find alternative financing solutions. If such approval is not obtained nor the financing secured, the Agreement can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of $1.

On April 25, 2016, Manitex signed an Undertaking to Provide Financing pursuant to which Manitex undertakes and agrees to lend to Ortho RTI an amount of up to $1,130,000 to cover any shortfall on the minimum financing required on May 31, 2016.

The table below sets forth the amounts and related deadlines of Ortho RTI's commitments to secure financing pursuant to the Technology Assignment Agreement:

Deadline	Cumulative Amounts	Status
Closing Date	$740,000	Completed
February 28, 2016	$ 1,470,000 (including the $740,000 above)	Completed
May 31, 2016	$2,600,000 (including the $1,470,000 above)	In progress

Research and Development Contracts

As additional consideration for the Technology Assignment Agreement, Ortho RTI and *Polytechnique*, with the intervention of Polyvalor, entered into three Research Project Agreements ("**R&D Contracts**") on June 19, 2015.

Ortho-C Contract

Pursuant to the first R&D contract ("**Ortho-C Contract**"), Ortho RTI will pay to *Polytechnique* a total of six hundred thirty thousand dollars ($630,000) in equal payments over thirty-six months.

The Ortho-C contract, is under the supervision of Professor Caroline D. Hoemann and is devoted to the development of technologies relating to articular cartilage repair.

Ortho-M&V Contract

Pursuant to the second R&D contract ("**Ortho-M&V Contract**"), Ortho RTI will pay to *Polytechnique* a total of eight hundred forty thousand dollars ($840,000) in equal payments over thirty-six months.

The Ortho-M&V Contract contract, is devoted to the project entitled "Development of freeze-dried chitosan products for injectable knee treatments" and will be under the general direction of Professor Michael D. Buschmann.

Ortho-R Contract

Pursuant to the third R&D contract ("**Ortho-R Contract**"), Ortho RTI will pay to *Polytechnique* a total of six hundred thirty thousand dollars ($630,000) in equal payments over thirty-six months.

The Ortho-R Contract, is devoted to the project "Development of freeze-dried chitosan products for shoulder treatments" and will be under the general direction of Professor Michael D. Buschmann.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

Overview of the Industry

The global orthopaedic device market was valued at $35.5 billion in 2014 and is expected to reach $38.0 billion in 2015, at a compound annual growth rate of 3.5 percent over the next five years ("Orthopedic Industry Overview", Harris, Williams & Co, May 2014). The dollar growth rate experienced by the industry in the preceding years was significantly higher than current figures at approximately 4.5% due to increasing price pressure on all device manufacturers.

The industry is dominated by total joint replacements (particularly hip and knee), as well as spine and orthopaedic trauma procedures; together these procedures account for two thirds of all orthopaedic surgeries conducted worldwide (Harris, Williams & Co, May 2014).

The global reconstructive implant market is one of the most established orthopaedic markets and includes large-joint replacement implants for the hip and knee, along with upper and lower extremity implants for the shoulder, digit, elbow, ankle, and wrist. Though joint replacement procedures are typically performed in members of the elderly population or in those suffering from degenerative joint diseases such as osteoarthritis ("OA"), innovations catering to younger more active patients are contributing to the expansion of overall procedure volumes.

An increasingly important segment of the market is now represented by Sports Medicine procedures, which repair and treat injuries (often to soft tissues), associated with exercise and sports. Examples include repair of ligaments and cartilage tissues. This segment of the market alone has been predicted to rise to $8.3 billion by 2020 (Sports Medicine Market by Product Type (Implants, Arthroscopy, Prosthetics, Orthobiologics, Braces, Topical Pain Relief, Thermal Therapy, Compression Clothing, Bandages & Tapes), by Application (Knee, Shoulder) - Analysis & Global Forecast to 2020, Markets and Markets, 2014). Currently, the global market for sports medicine has been estimated at $5.6 billion, and the rise to $8.3 billion represents a cumulative average growth rate of 8.0%.

North America has dominated the global orthopaedic device market in terms of revenue generation in the past and is expected to maintain this position over the next five years. Factors such as the growing elderly population are continuing to drive the increase in both procedure numbers and dollar value of the broad orthopaedic surgery segment: the US population over 65 years of age has increased by 8 million in the preceding 5 years alone, and is projected to reach over 65 million individuals by 2025, representing approximately 20% of the total population (Global Healthcare Outlook, Deloitte, 2015). Deloitte also project that healthcare spending will continue to grow at an average of 4.4 percent, driven in part by the health insurance exchanges, and that healthcare reform will likely create more consolidation and pressure to control costs.

There has been significant consolidation in the major players in the global hip and knee orthopedic devices market in the last 5-10 years, and the vast majority of the market is served by a small number of companies namely Zimmer Biomet Inc. (US), DePuy Synthes/ J&J (US), Stryker Corporation (US) and Smith & Nephew (UK). The specific market share that each company owns is extremely difficult to estimate given that each has distinct business operations in other healthcare categories. Other significant companies in the category include Medtronic (US) specializing in spine products (as well as many other healthcare related categories), Arthrex specializing predominantly in Sports Medicine products and Tornier/ Wright Medical (US) who is a leader in the extremities field. The majority of these multinational corporations are US based, but there are a large number of small regionally based companies, many of which are specific to individual countries; a typical example is China Kanghui based in Jiangsu, China, that was bought by Medtronic in a deal worth $816 million in 2012.

The largest of the companies are dominant for a number of reasons, some of which are peculiar to the orthopaedic industry. As with any business segment, it is vital for any corporation to provide suitable products at a suitable price. Other critical success factors for the orthopaedics industry include:

a) There is often a clear distinction between the decision maker (eg. surgeon) and the payer (eg. surgical center/ insurance company)

b) Access to the operating room is essential: most orthopaedic surgical procedures are attended by the company sales representative of the product(s) being implanted. This is frequently the only access point for the customer (surgeon) and clearly is a highly restricted area.

c) Full range of products: many hospitals and surgery centers are limiting their number of suppliers and as such, many stand-alone products do not get used in the majority of accounts.

It is therefore clear that company size is extremely important and is the single largest reason that consolidation in the industry continues.

Strategy of the Issuer

Osteoarthritis is a devastating type of joint disease that results from breakdown of joint cartilage and underlying bone. Among those over 60 years old about 10% of males and 18% of females are affected. The Issuer is developing three distinct medical device products designed to repair or prevent various types of joint damage. The medical devices are based on a natural bio polymer that has shown an ability to aid in the repair of joint damage thereby helping to prevent or delay the development of osteoarthritis. The Issuer has selected its lead product and will complete preclinical development in animal studies before initiating human clinical trials with the goal of creating enough data to support multiple international regulatory filings for marketing approval, specifically for the US, Europe, and other regulated markets. The other device products, for the repair of articular cartilage and for viscosupplementation, are at earlier stages of development.

BUSINESS OF THE ISSUER

Overview

Ortho RTI is a research and development biotechnology company specializing in regenerative medical products that repair and regenerate damaged joints thereby helping to prevent or delay the onset of Osteoarthritis. The technology platform consists of freeze-dried proprietary polymer formulations specially designed to solubilize when combined with autologous blood preparations enriched for cells that stimulate wound healing or to transform from a freeze dried porous solid into therapeutic microparticles when implanted to stimulate tissue repair.

Product Pipeline and Development

The Issuer possesses a large expertise as well as proprietary technology and know-how relating to the repair and regeneration of soft tissue tears in the joint. Its lead products, Ortho-R for rotator cuff tears and Ortho-M for meniscus tears, are based on the same technology. The Issuer has identified a natural biopolymer that it has tailored to ensure optimal properties to stimulate joint tissue repair when combined with autologous blood preparations. The product comes as a sterile powder in a vial, which is then combined with autologous Platelet Rich Plasma (PRP) taken from the joint repair candidate. In a surgical suit, generally using arthroscopy, the biopolymer PRP mixture is delivered to the tear or injury where the repair is desired. A pilot study on large animals has recently been completed using Ortho-M which gave encouraging results.

Product Portfolio

Product	Indication	Stage	Technology Assignment Agreement costs to January 2016	Costs remaining under the Technology Assignment Agreement and the R&D Contracts
Ortho-R	Treat small and large rotator cuff tears	Large animal studies	**$140,000**	**$175,000**
Ortho-M	Treat complex meniscal tears and prevent osteoarthritis	Large animal studies	**$186,664**	**$233,330**
Ortho-V	Viscosupplementation to treat knee joint pain and prevent osteoarthritis	Feasibility		
Ortho-C	Articular cartilage repair	Discovery	**$140,000**	**$175,000**

Scientific Background

Tears of the rotator cuff tendons are among the most common injuries occurring in the shoulder. Current surgical treatments utilize sutures or anchors to reattach the tendons to the shoulder, but failure rates range between 20 and 95%. Untreated meniscal damage leads to radiographic signs of Osteoarthritis. Orthopaedic surgeons currently use sutures and darts to mechanically stabilize meniscal tears, but failure rates remain high. In addition, only a small portion of all meniscal tears are considered repairable so that surgeons often remove parts of torn menisci, which increases the risk for developing Osteoarthritis. Articular cartilage has poor intrinsic repair potential. One approach that is currently used to treat cartilage defects is to create access channels to the underlying bone with microfracture or microdrilling, in order to draw bone-derived cells in the defect and stimulate repair. Microfracture has had a certain measure of success, but only in young patients and results are not long-lasting. Tissue engineering strategies involving scaffolds and cells have been tested in pre-clinical models for all of the above mentioned conditions, but none have gained widespread clinical acceptance so far. Injections of autologous platelet-rich plasma ("PRP") are currently being used to augment soft tissue repair in sports and orthopaedic surgery, but results have been inconsistent and remain unproven, in part due to poor residence and stability of PRP in the body. The Biopolymer Chitosan, is a family of linear polysaccharides composed of glucosamine and N-acetyl glucosamine units that has been used for several biomedical and pharmaceutical applications. The number of glucosamine vs N-acetyl glucosamine units, as well as the ratio of each type of units in the chain, controls the properties of chitosan. We have identified specific formulations of chitosan that can be freeze-dried and either solubilized in PRP prior to injection or implanted directly.

Ortho-M and Ortho-R are the same product (freeze-dried chitosan for combination with PRP) for two different clinical indications, meniscus repair (Ortho-M) and rotator cuff repair (Ortho-R).

Ortho-R and Ortho-M are freeze-dried formulations that contain a chitosan, a lyoprotectant and a clot activator. These freeze-dried formulations can be solubilized in PRP to form injectable implants that coagulate after implantation. Extensive in vitro testing has allowed us to identify specific formulations that meet the following criteria: 1) Rapid and complete solubilization in PRP, 2) Chitosan-PRP mixtures have paste-like handling properties upon solubilization that are desired by surgeons, 3) Chitosan-PRP mixtures coagulate rapidly to form solid chitosan-PRP hybrid implants, 4) Chitosan-PRP implants are mechanically stable and resist platelet-mediated clot retraction and 5) Dispersion of chitosan in chitosan-PRP implants is homogenous for optimal biodegradability. Chitosan-PRP implants have been tested in vivo using a subcutaneous injection model in rabbits. Chitosan-PRP implants were resident for several weeks while PRP-only controls were degraded in one day. Chitosan-PRP implants induced cell recruitment and angiogenesis, both of which were not seen with PRP-only controls. Chitosan-PRP implants were biodegradable as the chitosan was internalized and degraded by host cells. Chitosan-PRP implants were also biocompatible as they did not induce any deleterious effects in this model. Ortho-M was tested in a bilateral meniscus repair model in the sheep. Longitudinal tears of the medial meniscus were treated with suturing as per clinical practice and Ortho-M implants were injected into the tears via trephination channels. Ortho-M was found to be partly resident in the tears and in the trephination channels at 1 day, where they induced cell recruitment from the outer vascular portion of the meniscus. At 3 weeks and at 3 months, a highly cellular and integrated repair tissue was observed in some Ortho-M treated tears, while there was no evidence of tissue repair in any of the PRP-only controls. This bilateral model was challenging since it did not permit the animals to protect their knees from weight-bearing post-operatively and could contain only a limited amount of Ortho-M. Even with these limitations, Ortho-M showed significant biological activity and potential to improve meniscus repair while PRP-only controls did not. We are currently working to improve the model and implant residency in order to yet improve the healing response. In the next study, Ortho-M performance will be assessed in a unilateral complex tear model in the sheep, and combined with a meniscus wrapping technique to improve implant residency. Ortho-R for rotator cuff repair is also solubilized in PRP prior to injection and will be tested in a small rabbit model first and then in a larger sheep model. The surgical approach that will be used for the first study has been identified using rabbit shoulder joints ex vivo. The supraspinatus tendon will be sectioned close to its insertion site and then sutured to the greater tuberosity through a bony trough. Ortho-R will be injected in the bony trough and in the tendon proper. Ortho-R is expected to improve repair of the tendon and also its integration to the greater tuberosity.

In parallel to these efficacy studies, safety of Ortho-M and Ortho-R will be assessed following ISO10993 guidelines.

Ortho-C is a freeze-dried matrix with ultra-high porosity designed to augment bone marrow stimulation procedures for articular cartilage repair including microfracture and drilling. At the point-of-care surgical intervention, the surgeon currently has control over the pattern of bone plate channels created but methods are lacking to control the activity of the blood clot that forms in the subchondral bone. Ortho-C is specifically designed for delivery to bleeding subchondral blood channels, where it interfaces with blood to create bioactive particles that actively promote a more rapid hemostasis and subsequently guide revascularization of the bone marrow channel, subchondral bone plate remodeling, and articular cartilage regeneration. The scaffold contains a biodegradable naturally-derived polymer, chitosan, with a high safety profile. After packaging, sterility testing and quality assurance, the surgeon will have the option of shaping the scaffold and inserting into the bone marrow channels by open arthrotomy for maximal control, or of using a specific delivery device to insert the scaffold under a drained arthroscopy field. Compared to other augmentation devices, Ortho-C treatment has the advantage of adding only minutes to the marrow stimulation procedure.

Ortho-V is a freeze-dried chitosan formulation tailored for intra-articular injections and viscosupplementation applications. Most viscosupplementation products use hyaluronic acid, but orthopaedic surgeons are also injecting PRP intra-articularly. Ortho-V consists of freeze-dried chitosan that will be solubilized in PRP for intra-articular injections. Chitosan is expected to cross-link endogenous hyaluronic acid present in the joint and provide viscosupplementation while PRP will provide platelet-derived growth factors and biological activity. A rabbit model of chemically-induced joint degeneration will be used to test intra-articular injections of Ortho-V.

Strategy

Damage to the soft tissues of a joint (such as the ligaments, tendons and cartilage structures) are debilitating for patients, involving significant pain and reduction in joint function. Such damage is generally caused in one of two ways: either a traumatic event leads to an immediate injury, or damage results over a period of time due to degeneration of the tissue of a joint. The two mechanisms are, however, closely related in that traumatic injury to a joint will lead to a disruption in function of that joint, and the onset of degenerative changes leading to chronic conditions such as osteoarthritis. Osteoarthritis is a devastating type of joint disease that results from breakdown of joint cartilage and underlying bone. Among those over 60 years old about 10% of males and 18% of females are affected.

The Issuer is developing three distinct medical device products designed to repair or prevent various types of joint damage, specifically damage to the rotator cuff in the shoulder, tears to the meniscus in the knee and damage to the articulating surfaces of the knee joint. The medical devices are based on a natural biopolymer that has shown an ability to aid in the repair of joint damage thereby helping to prevent or delay the development of osteoarthritis. The Issuer has selected its lead product and will complete preclinical development in animal studies before initiating human clinical trials with the goal of creating enough data to support multiple international regulatory filings for marketing approval, specifically for the US, Canada, Europe, and other regulated markets.

A fourth device, based on the same chitosan platform technology is entering a feasibility stage for the relief of symptomatic pain in osteoarthritic joints.

The Issuer is prioritizing early commercialization in US market, and the clinical research program described below is being planned to specifically address the US FDA, while ensuring that data generated will be applicable to support regulatory filings in Canada, EU and other jurisdictions.

Development Activities

In addition to the clinical program and manufacturing scale up and validation activities described below, it will be necessary for the Issuer to complete safety and toxicology program according to ISO 10993 prior to commercialization of the product(s).

Given the history of use of chitosan-based materials in medical devices and other products, the Issuer is confident that the lead formulation will pass all required safety and toxicology testing. The Issuer's strategy in this area is to use historic and literature based information on the components of our formulation wherever possible. Where specific safety tests need to be undertaken, a suitable GLP certified contract organization will be contracted to provide all testing and reporting requirements. Recent meetings with regulatory consultants and representatives from the FDA have also indicated that our documentation and data are supportive of this view.

Clinical Programs and Market

1**. Ortho-R for Rotator Cuff**: There are over half a million surgical procedures to repair rotator cuff injuries each year in the US alone (BioMed GPS data). Typically, an initial tear is caused in one of the four ligaments that comprise the rotator cuff by repetitive strain injuries such as weight lifting. Such an injury will not spontaneously heal, and surgical intervention is indicated. Different surgical approaches and fixation methods have been attempted but there is still a high failure rate; the actual rate depends on patient age, thickness and size of the injury and a variety of other factors. Nevertheless, the predominant surgical technique involves the physical fixation of the injury, and no approaches have been successfully described to truly heal the underlying injury. As a result non-healing or re-tears are a major cause for surgical failure.

The Issuer is currently in an active development program of a product that it believes will enhance the biological repair of the injury to the rotator cuff. The intention is to combine a freeze-dried specific formulation of chitosan with an autologous (i.e. patient derived) blood component (platelet rich plasma or PRP) and to apply the resulting material to the injury at the time of surgery. As such, the product represents an adjunct to an existing procedure.

The development program is currently in the pre-clinical phase with a rabbit study in the final analysis and reporting stage. A pilot ovine study has been initiated, to be followed by a pivotal GLP compliant study at a suitable contract research organization. The study is expected to start in Q2 2016 and to be completed in Q3 2016.

In this rabbit study, gaps were present between the stump of the tendon and the humeral head surface in the suturing only group at 2 months. In contrast, there were no gaps in the Ortho-R treated shoulders. In the sheep model, unilateral full-thickness tears were created in the infraspinatus (ISP) tendons of the rotator cuff and the tears were immediately repaired with suture anchors in a suture bridge configuration. In the treated shoulders, Ortho-R was additionally injected at the bone-ISP tendon interface and on top of the repaired site. Ortho-R improved ISP tendon structural organization and induced remodeling at the bone-ISP tendon interface at 3 months compared to suture anchors.

The clinical development plan calls for a regulated clinical trial to study the non-healing or re-tear rate of patients between the ages of 18 and 55 who have full thickness tears (of approximately 5cm) in either the supraspinatus or infraspinatus tendons in the shoulder joint. An algorithm for the prediction of re-tear rate has recently been published (Le et al, Am J Sports Med, Nov 2015) allowing for an initial calculation of the clinical trial size to be conducted: As with all clinical trials, it will be necessary to carefully define the precise patient population which will benefit most from the therapy in question, an area in which the Issuer's Clinical Advisory Board are acknowledged experts.

We currently anticipate that the clinical study will involve 200 patients to be enrolled with clinical outcomes (including, pain, function and MRI) being measured at 3, 6 and 12 months post-operatively. It is

unknown at this point in time whether a pilot clinical study will be required: this question will be answered by a combination of the preclinical results and discussion with FDA.

In the summer of 2016 as part of discussions with regulatory consultants and as discussed with the FDA, conducting a smaller pilot study was agreed to. This study is anticipated to consist of approximately 50 patients followed for 3-6 months.

2. **Ortho-M for Meniscus Tears**: There are 1.2 million surgical procedures for meniscal injuries each year in the US. The meniscus is comprised of 3 main regions, the red, red-white and white zones. Blood supply to the red zone is prevalent allowing for significant repair of any small injury without surgical intervention. However, moving towards the white zone (so named because there is no blood supply giving the tissue a white color) the ability of the body to heal injuries is severely compromised and further intervention is necessary. Of the 1.2 million US procedures, approximately 880,000 in 2015 (BioMed GPS data) involved a partial or complete meniscectomy whereby either a small portion (partial) or the complete meniscus is surgically removed. Other options used include the transplant of an allograft (tissue banked) meniscus, of which there are only about 15,000 per annum due to supply constraints, the remainder being treated with a variety of sutures and tacks to physically fix the tear.

These surgical procedures are reasonably effective and successful in the short and medium term. In the long term however, meniscectomy is known to lead to an early onset of osteoarthritis, probably because of changing the load direction through the joint and causing excessive wear to the articulating surface.

The Issuer is developing a chitosan-based product, which can be applied to a tissue injury in the meniscus at the time of surgery to heal the tear and reduce the need for meniscectomy. This will be especially important for complex tears in the white zone of the meniscus, for which there is no alternative except for removal of the tissue.

The clinical development strategy for this indication is currently being assessed: It is not as yet clear what the primary outcome measures will be for this indication. It is expected that the initial trial will focus on horizontal tears in the meniscus in a population which would normally have a meniscectomy. By comparing the pain and function of these two groups of patients (meniscectomy vs treatment with Ortho-M), we intend to use MRI results to demonstrate that the healing of the meniscus has occurred. By inference, then, the long term outcomes will be improved over a patient who receives a meniscectomy.

3. **Ortho-C for Cartilage Repair:** There are approximately 600,000 surgical procedures in US each year, of which over 95% involve techniques known as debridement (removal of any loose cartilage tissue) or microfracture, which involves making small fractures in the bone tissue underlying cartilage to allow a scar tissue to form in the cartilage defect. It has long been an intention of the orthopaedic community to improve the efficacy of the microfracture technique, which is well recognize to work only on small cartilage lesions (those of around 2cm2) and only for a limited period of time (about 18 months to 2 years).

Ortho-C (the Issuer's approach to articular cartilage repair) stimulates bone plate remodeling and articular cartilage regeneration in challenging aged animal models and is expected to show efficacy in middle-aged patients between 40 and 60 years old. The indication for use is focal cartilage lesions with defined borders in patients from 18 to 60 years old, intact meniscus and ligaments, and varus or valgus not exceeding 5 degrees.

The project is currently in a research phase with a number of formulations showing significant early promise. Based on other clinical studies in this area, we would expect that a clinical study will require upwards of 300 patients, whose symptoms will be followed at 5 years in order to demonstrate a clinical improvement over microfracture techniques. The protocols for such studies are well known in literature and can be readily adapted to the requirements for the Ortho-C program.

4. **Ortho-V for Osteoarthritis pain**: A feasibility study will be conducted examining the ability of chitosan to modify pain associated with osteoarthritis and other degenerative changes in the knee joint. The preclinical models for such studies are well established, and the Issuer's intention will be to undertake a preliminary feasibility study using the anterior cruciate ligament ("ACL") transection technique, in which the removal of an ACL can lead to OA like symptoms. The ability of intra-articular injections of chitosan formulations to reduce the degenerative changes on the articular surfaces can be easily assessed (eg by staining with india ink).

In 2016, the feasabilty study was put on hold in order to focus on Ortho-R's studies.

Success in such a feasibility model would subsequently be followed by a further series of preclinical studies, eventually moving to a clinical trial. The regulatory route for such products as Class III devices in US is well established. A typical regulated clinical study for obtaining a claim of pain relief in the knee joint will involve several hundred patients, whose OA pain would be measured and analysis for 6 months following the initial injection. It would also be necessary to undertake a further study (possibly on the same population) to ensure the safety of retreatment of such a product, Intra-articular injections for OA pain relief are an established therapy, and the US market alone currently stands at approximately $900million. Each of these products are labeled for pain relief in OA knees: there is no product to date that is indicated for the treatment of OA: such a claim would involve a significantly more burdensome path to market, but may be considered by the company if early results are positive.

Intellectual Property

Ortho RTI is the owner of 4 patent applications filed since 2009. Improvements to the technology discovered through work funded at Polytechnique by Ortho RTI are also owned by Ortho RTI. The current patent portfolio includes the following:

- Patent Family No.1

  Clot-activated polymer composition for repairing tissue of subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprises platelet-rich plasma (PRP), a chitosan, a salt and a clot activator

- Patent Family No.2

  Novel formulation of physiological chitosan-inorganic salt solution/blood mixtures for tissue repair

- Patent Family No.3

  Freeze-dried polymer compositions for mixing with platelet rich plasma to form implants for tissue repair or compositions for therapeutic intra-articular injections

- Patent Family No.4

  Freeze-dried chitosan scaffolds that form a hydrated microparticle dispersion after contact with blood or blood-derived fluids and stimulate anabolic wound repair processes including angiogenesis, cell chemotaxis, tissue remodeling, and extracellular matrix deposition

The application related to Patent Family 2 has received a Notice of Allowance in the United States from the US Patent and Trademark Office and was issued in the United States in August of 2016.

Manufacturing

The Issuer is supported by a world class scientific team with long-established expertise in chitosan science. The manufacturing of the biopolymer and the associated final freeze-dried products has been established at the preclinical scale in a GMP amenable format. Medical grade chitosans are precisely tailored for specific products/applications though fully documented production processes that comprise extensive washing, purification and characterization procedures. The final products are sterilely manufactured by combining a dissolved medical grade chitosan with excipients followed by freeze-drying into single use vials.

Ortho RTI is currently transferring production to CMOs for commercial scales of both medical grade chitosans and final products in a cGMP compliant facility. Pilot batch production of medical grade chitosans and Ortho-M/Ortho-R products will be initiated within the next few months and it is expected that cGMP manufacturing in the near future. Clinical trials will be initiated once cGMP manufacturing will have been established. We have chosen a manufacturer of choice for the development stage of Ortho-R and Ortho-M. Two lots of Ortho-R have been manufactured in May 2016 according to our Standard Operating Procedures (engineering runs). These batches will be used for two purposes: firstly a stability program to test the shelf life for the Ortho-R, and also biocompatibility testing according to ISO 10993 to assess the safety of the formulation. Later, there will be cGMP compliant batches of Ortho-R manufactured to be used for clinical trials in 2017.

Facilities

Ortho RTI's administrative offices are located at 16667 Hymus Blvd., Kirkland, Quebec and are located within the premises of Valeo Pharma Inc., an affiliated company. Ortho RTI's use of these facilities is currently on a rent free basis and the Issuer expects that the current location will be sufficient for the foreseeable future.

Environment

The Issuer does not own or operate any manufacturing facilities. Further to consultations with the Ministre de l'environnement et de la faune du Québec and with its legal counsel, the Issuer is of the view that it does not require a certificate of authorization.

Potential Liability and Insurance

As the Issuer is currently in the development stage, product liability insurance has not been secured.

Personnel and Employees

Ortho RTI currently has two (2) employees who work on a full-time basis, one (1) consultant who works on a full-time basis and nine (9) consultants who work on a part-time basis. Of the full-time employees, one is the Chief Financial Officer and one is directly involved in and leads product development activities. The Acting Chief Executive Officer is a part-time consultant. See "Directors and Executive Officers-Management of the Issuer". The Issuer has entered into R&D Contracts with Polytechnique, which provide the services of a number of PhD candidates and post-doctoral scientists who are under the Issuer's supervision. The Issuer also maintains a Scientific Advisory Board which currently consists of three physicians who are specialized in orthopaedics. See "Scientific Advisory Board". To encourage a focus on achieving long term performance, employees, directors and consultants of the Issuer have the ability to acquire an ownership interest in the Issuer through the Issuer's share option plan. See "Share Options".

Scientific Advisory Board

The Issuer has established a Scientific Advisory Board comprised of medical doctors specialized in orthopaedics. They provide direction, ideas and contacts for the Issuer and collaborate with the Issuer in their respective areas of expertise. They are an important source of new product ideas and innovations. Members of the Scientific Advisory Board exercise no specific authority over any aspect of the Issuer's operations. They are compensated on a per diem basis for attendance at meetings and have been awarded stock options to purchase Shares.

The current members of the Scientific Advisory Board are:

1. Dr. Jack Farr, Indiana, USA
2. Dr. Scott Rodeo, New York, USA
3. Dr. Martyn Snow, Birmingham, UK

Competition

The commercialization of medical devices is highly competitive. Many of Ortho RTI's competitors are large well-known global medical device or pharmaceutical companies which have considerably greater financial, sales, marketing and technical resources than those of the Issuer. In addition, many of the Issuer's present and potential competitors have research and development capabilities that may allow such competitors to develop new or improved products that may compete with the Issuer's product lines.

The medical device industry is characterized by rapid product development and technological change. The Issuer's products could be rendered obsolete or uneconomical by the development of new medical devices to treat the conditions addressed by the Issuer's products, as a result of technological advances affecting the cost of production, or as a result of marketing or pricing action by one or more of the Issuer's competitors.

The Issuer competes with various other companies inside and outside of Canada to commercialize medical devices. These companies are seeking to develop distinct specialty niches and from time to time may compete with the Issuer in negotiating products rights in the targeted markets.

Use of Proceeds

As at July 31, 2017, the Issuer has cash on hand of $415,459. In order to fulfill its obligations under the Technology Assignment Agreement, the R&D Contracts and to execute the Issuer's business plan for the next twelve (12) months, the Issuer intends to raise additional funds from third parties through private placements of Shares.

The principal use of available funds over the next twelve (12) months is estimated as follows:

- $583,000 to make payments required under the R&D Contracts;
- $90,000 to continue prosecuting the patent portfolio;
- $2,000,000 to commence and pursue pre-clinical trials;
- $322,000 to pay outstanding liabilities; and
- $995,000 for administration expenses and salaries.

Based on the disbursements itemized above and their anticipated payout timeline, the monthly burn rate is in the range of $250,000 to $280,000. Basic administrative spending runs at an average of $83,000 per month.

As of July 31, 2017, the Issuer has a working capital of $352,505 and an estimated cash shortfall of $3,638,000 based on the use of available funds indicated above.

The Issuer's estimated cash shortfall 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 cash shortfall. It is important to distinguish between R&D and production/clinical development. The Issuer will continue to fund the Polytechnique contracts on a monthly basis, however development activities focused on manufacture of 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 Issuer. The Issuer can also delay the prosecution of its patents. In doing so the Issuer 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.

We have negative cash flow from operating activities. We anticipate that we will continue to have negative cash flow until such time that commercial production is achieved with a product candidate.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Summary of Selected Audited and Unaudited Financial Information of the Issuer

The selected financial information set out below is based on and derived from the audited annual financial statements and unaudited quarterly financial statements of the Issuer for the periods indicated below and should be read in conjunction with "Management's Discussion and Analysis" and the financial statements and the accompanying notes which are included in the Appendices at the end of this Listing Statement.

5.1 ANNUAL INFORMATION

	As at January 31, 2017 (audited)	As at January 31, 2016 (audited)
Total Revenues	-	-
Net and comprehensive loss	1,126, 451	927,880
Basic and diluted loss per share	(0.08)	(0.01)
Total Assets	$1,673,310	$1,786,270
Short-Term Liabilities	$1,680,161	$1,098,139
Long-Term Liabilities	$ 333,334	$333,334
Share Capital	$1,200,031	$1,006,617
Warrants	$ 238,000	$130,000
Contributed surplus	$ 276,115	$146,060
Deficit	($2,054,331)	($927,880)

5.2 QUARTERLY INFORMATION

	As at July 31, 2017 (unaudited)	As at April 31, 2017 (unaudited and restated)[1]	As at January 31, 2017 (unaudited and restated)[1]	As at October 31, 2016 (unaudited and restated)[1]	As at July 31, 2016 (unaudited and restated)[1]	As at April 31, 2016 (unaudited and restated)[1]	As at January 31, 2016 (unaudited and restated)[1]	As at October 31, 2015 (unaudited and restated)[1]
Total Revenues	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	$ 361,945	$ 261,049	$ 240,646	$ 473,552	$ 550,551	$ 396,299	$ 657,959	$299,778
Basic and diluted loss per share	$ 0.01	$ 0.01	$ 0.01	$ 0.03	$ 0.04	$ 0.03	$ 0.06	$0.02
Total Assets	$1,405,621	$1,192,987	$ 746,671	$ 691,180	$ 711,783	$ 869,926	$1,394,228	$536,038
Short-Term Liabilities	$ 321,883	$ 662,871	$1,680,161	$1,365,021	$1,393,295	$ 853,673	$1,098,139	$613,732
Long-Term Liabilities	$1,201,037	$ 962,020	$ 333,334	$ 333,334	$ 333,334	$ 333,334	$ 333,334	$75,757
Share Capital	$2,435,611	$2,001,331	$1,200,031	$1,200,031	$ 851,281	$1,066,617	$1,006,617	$500,617
Warrants	$ 598,545	$ 455,700	$ 238,000	$ 238,000	$ 146,000	$ 146,000	$ 130,000	-
Contributed surplus	$ 448,257	$ 348,832	$ 276,115	$ 295,118	$ 254,645	$ 186,523	$ 146,060	$ 7,895
Deficit	($3,599,512)	($3,237,767)	($2,980,970)	($2,740,324)	($2,266,772)	($1,716,221)	($1,319,922)	($661,963)

(1) The quarterly financial information above has been restated following the accounting policy change of the Issuer described in the July 31 2017 Management's Discussion & Analysis (see section 6 hereafter)

5.3 DIVIDENDS

There are no restrictions on the Issuer for the payment of dividends. The Issuer does not have a dividend policy, and due to the early stage of development of the Issuer, it is unlikely that dividends will be paid in the foreseeable future.

5.4 FOREIGN GAAP

This item does not apply to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 ANNUAL MD&A

The Issuer's MD&A for the financial years ended January 31, 2017 and 2016 are attached to this Listing Statement as Appendix 2 and Appendix 10, respectively. The MD&A should be read in conjunction with the Issuer's audited financial statements for the financial years ended January 2017 and 2016, together with the notes thereto, which are incorporated by reference and attached to this Listing Statement as Appendix 1 and Appendix 9 respectively.

6.2 INTERIM MD&A

The Issuer's MD&A for the three months ended As at July 31, 2017, April 31, 2017, January 31, 2017, October 31, 2016, July 31, 2016, April 31, 2016 and January 31, 2016 are attached to this Listing Statement as Appendices, respectively. The MD&A should be read in conjunction with the Issuer's audited financial statements for the financial years ended January 2017 and 2016, together with the notes thereto, which are incorporated by reference and attached to this Listing Statement as Appendix 9 and Appendix 1 respectively.

7. MARKET FOR SECURITIES

As of the date of this Listing Statement, the Issuer does not have any of its securities listed or quoted and has not applied to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a market place outside Canada and the United States. See "Risk Factors". The Issuer has applied to list its shares on the CSE. Listing will be subject to the Issuer fulfilling all of the listing requirements of the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Issuer as at January 31, 2017 based on the audited financial statements of the Issuer for the year ended as at that date, and the capitalization of the Issuer as at September 27, 2017.

Designation of Security	Authorized Amount	Outstanding as at January 31, 2017 (audited)	Outstanding as at the date of this Listing Statement
Shares	Unlimited	14,926,500[(1)]	18,461,500[(1)]
Warrants	Unlimited	1,190,000	2,913,250
Share Options	10% of issued and outstanding Common Shares	800,000	1,500,000

(1) A total of 11,508,858 Shares are held in escrow under the Escrow Agreement dated July 21, 2016. Escrowed shares are released gradually over a three-year period after listing on the Exchange in accordance with the terms of *National Policy 46-201 Escrow for Initial Public Offerings*

9. OPTIONS TO PURCHASE SECURITIES

Share Option Plan

On November 20, 2015, the Board of the Issuer adopted the Issuer's Share Option Plan, which is effective immediately.

The Share Option Plan provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance under the Share Option Plan may not exceed 10% of the number of issued Shares at the time the options are granted.

The maximum number of options which may be granted to any one beneficiary in a 12 month period shall not exceed 5% of the issued Shares, calculated at the date the option was granted.

The Share Option Plan is administered by the Board of Directors of the Issuer and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Share Option Plan to such directors, officers, employees or consultants of the Issuer and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Share Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Share Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Share Option Plan may not exceed five years.

Options granted under the Share Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Share Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Share Option

Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate.

As of the date of this Listing Statement, the following table provides information about options to purchase Shares of the Issuer that are held by (i) executive officers and directors as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies; and (ii) all members of the Scientific Advisory Board as a group.

Name	Designation and Number of Securities under Option as of the date hereof	Exercise Price ($)	Expiry Date
One director of the Issuer	**100,000**	**$0.10**	**June 30, 2020**
One officer of the Issuer[(1)]	**625,000**	**$0.20**	**November 25, 2020**
All three (3) members of the Scientific Advisory Board, as a group	**300,000**	**$0.10**	**July 31, 2020**
One officer of the Issuer and three consultants[(2)]	**400,000**	**$0.50**	**June 23, 2021**
One officer of the Issuer	**600,000**	**$0.50**	**May 16, 2022**
One employee of the Issuer	**100,000**	**$0.50**	**July 17, 2017**
One director of the Issuer	**100,000**	**$0.50**	**September 26, 2017**

(1) These options were cancelled on October 15, 2016 following the resignation of Mr. Ed Margerrison.
(2) 100,000 of these options were cancelled following the termination of the agreement between the Issuer and one of the consultants.

10. DESCRIPTION OF THE SECURITIES

10.1 GENERAL

The Issuer is authorized to issue an unlimited number of Class A common shares (the "**Shares**") without par value which shall be issued for an unlimited consideration and which shall carry and be subject to the following rights, privileges, restrictions and conditions:

Dividends

Subject to the provisions of the *Canada Business Corporations Act* (the "**Act**"), the holders of the Shares shall be entitled to receive, equally and without preference to the holders of class "AA" shares, when and as declared by resolution of the Board of Directors and in its discretion, dividends payable at such time and in such amounts and at such place or places in Canada as the Board of Directors may from time to time determine.

Return of Capital

In the event of the liquidation, dissolution or bankruptcy of the Issuer, whether voluntary or otherwise, or on any distribution of assets among the shareholders in order to liquidate the affairs of the Issuer, the holders of the Shares shall be entitled, on a share-for-share basis, to share in the remaining assets of the Issuer after prior payment to the holders of the Class B Preferred and equally and without preference to the holders of class "AA" shares.

Voting

The holders of the Shares shall be entitled to receive notice of and to attend and to vote at any meeting of shareholders of the Issuer, except meetings where only the holders of one class of shares of the Issuer shall have the right to vote as a class. They shall have one vote per Share held by them.

The rights, privileges and restrictions ascribed to the Shares cannot be modified, repealed, and new classes of shares taking rank concurrently or in preference to such Shares cannot be created unless a special resolution of the shareholders is accepted to that end, by at least two-thirds (2/3) of the votes expressed by the holders of the Shares, present or represented at a special meeting duly called for to consider this special resolution and that the articles of amendment be, where applicable, filed with the Director in accordance with the *Canada Business Corporations Act.*

10.2 DEBT SECURITIES

This item does not apply to the Issuer.

10.4 OTHER SECURITIES

This item does not apply to the Issuer.

10.5 MODIFICATION OF TERMS

This item does not apply to the Issuer.

10.6 OTHER ATTRIBUTES

This item does not apply to the Issuer.

10.7 PRIOR SALES

The following table summarizes the issuance of the Shares by the Issuer within the 12 months before the date of the Listing Statement. We refer you to the Issuer's Listing Statement for details on earlier Prior Sales.

Date of Issue	Price per Security	Number and Type of Security
March 31, 2017	$0.50	960,000 Units[(1)] + 240,000 Shares
April 27, 2017	$0.50	1,140,000 Units[(1)]
June 28, 2017	$0.50	415,000 Units[(1)]
July 27, 2017	$0.50	780,000 Units[(1)]

(1) each Unit consisting of one Share of the Issuer and one-half (½) of one non-transferable Share purchase warrant (each whole Share purchase warrant, a "Warrant") of the Issuer. Each whole Warrant shall entitle the holder thereof to acquire one Share of the Issuer at an exercise price of $0.70 per Share at any time on or before the close of business on a date that is eighteen (18) months from the closing date of the Issuance of Shares ("Closing Date"). If, during the eighteen (18) months after the Closing Date, the Issuer's weighted average share price for 30 consecutive trading days equals or exceeds $1.00, the Issuer may give notice to the Warrant holders that they must exercise their remaining Warrants within a period of 30-days from the date of receipt of the notice.

10.8 STOCK EXCHANGE PRICE

This item does not apply to the Issuer.

11. ESCROWED SECURITIES

The Issuer is classified as an "emerging issuer" for the purposes of NP 46-201. Under NP 46-201, securities held by principals of the Issuer ("**Principals**") are held in escrow subject to the terms of an escrow agreement for a period of time as an incentive for the principals to devote their time and attention to the Issuer's business while they are securityholders.

The following is a summary of the securities that are currently held in escrow and the percentage of the Issuer's outstanding securities represented by such escrowed securities.

Designation of class/type of security held in escrow	Number of securities held in escrow	Percentage of class
Class "A" Shares	11,508,858	62.3%
Share Purchase Options	400,000	26.6% (400,000/1,500,000 total options)

The Shares listed above (the "**Escrowed Securities**") will be held in escrow pursuant to an escrow agreement among the Issuer, Computershare Investor Services Inc. and each of the Principals. The Escrowed Securities will be released according to the following schedule:

Release Date Portion of Escrowed Securities Released

Release Date	Portion of Escrowed Securities Released
On the date the Issuer's securities are listed on a Canadian exchange (the "listing date")	1/10 of the Escrowed Securities
Six months after the listing date	1/6 of the remaining Escrowed Securities
12 months after the listing date	1/5 of the remaining Escrowed Securities
18 months after the listing date	1/4 of the remaining Escrowed Securities
24 months after the listing date	1/3 of the remaining Escrowed Securities
30 months after the listing date	1/2 of the remaining Escrowed Securities
36 months after the listing date	The remaining Escrowed Securities

12. PRINCIPAL SHAREHOLDERS

At the date of this Listing Statement, no person beneficially owns, directly or indirectly, or exercises control or direction over, the Common Shares carrying more than 10% of the outstanding voting rights attached to the Common Shares, other than the following:

Name	Number of Securities Held	Percentage of Total Issued and Outstanding Common Shares
Manitex Capital Inc.	4,808,858	26%
Michael Buschmann	2,222,222	12%

13. DIRECTORS AND OFFICERS

13.1 DIRECTORS AND OFFICERS

The name, municipality of residence, position with the Issuer and date of the appointment of each director and executive officer of the Issuer, and their respective principal occupations within the last five years, is set out in the table below:

Name, Province and Country of Residence	Position with the Issuer	Director and/or Officer since	Principal Occupation During the Past Five Years	Shares Beneficially Owned or Controlled
Steven Saviuk [1] Beaconsfield, Qc, Canada (Non-Independent)	Director	February 5, 2015	President and Chief Executive Officer of Manitex Capital Inc. President and Chief Executive Officer of Valeo Pharma Inc.	5,413,336 [2]
Prof. Michael Buschmann Montreal, Qc, Canada (Non-Independent)	Director, Chief Scientific Officer	February 5, 2015	Chair, Dept. of Bioengineering at George Mason University Professor at *Polytechnique Montréal*	2,222,222
Prof. Caroline Hoemann Montreal, Qc, Canada (Non-Independent)	Director	April 30, 2015	Professor at George Mason University Professor at *Polytechnique Montréal*	1,666,667
Laurence Terrisse-Rulleau [1] Laval, Qc, Canada (Independent)	Director	July 1, 2015	Principal at CTI Life Science Fund II VP Business Development at *Gestion Univalor*	Nil [3]
Tom E.S. Wright [1] Toronto, Ont., Canada (Independent)	Director	September 26, 2017	Executive VP and General Manager at Ultimate Fighting Championship (UFC) for Canada, Australia and New Zealand.	100,000 [4]
Dr. Brent Norton Toronto, Ont., Canada (Non-Independent)	Executive Chairman and Acting Chief Executive Officer (full time basis)	July 26, 2016	Prior to nomination as officer of the Issuer: President and CEO at MedCurrent Inc. President and CEO at Eyecarrot Innovations Corp.	270,000 [5]
Jo-Anne Mainguy-Piché, CPA, CGA Pierrefonds, Qc, Canada	Vice-President Finance and Chief Financial Officer (full time basis)	June 23, 2016	Prior to nomination as officer of the Issuer: Senior Manager, assurance at MNP LLP Partner, assurance at Roll Harris & Associates Senior Manager, assurance at Raymond Chabot Grant Thornton	1,000

(1) Member of the Audit Committee
(2) Mr. Saviuk personally owns 87,265 Class "A" shares and Simcor Canada Inc., a company controlled by Mr. Saviuk holds 517,213 Class "A" shares. Mr. Saviuk indirectly controls Manitex Capital Inc. which holds 4,808,858 Class "A" shares
(3) Ms. Terrisse-Rulleau holds options to purchase 100,000 Class "A" shares
(4) Mr. Wright also owns or controls 50,000 share purchase warrants and holds options to purchase 100,000 Class "A" shares
(5) Mr. Norton also beneficially owns or controls 135,000 share purchase warrants and options to purchase 700,000 Class "A" shares

13.2 TERM OF DIRECTORSHIP

All of the directors of the Issuer have been appointed to hold office until the next general meeting of shareholders or until their successors are duly elected or appointed, unless their office is earlier vacated.

13.3 SECURITY HOLDINGS

As a group, the directors and officers of the Issuer hold an aggregate of 9,673,225 Common Shares, representing 52.3% of the issued and outstanding shares.

13.4 BOARD COMMITTEES

The Board has one committee: the Audit Committee. The members of the audit committee are Steven Saviuk, Laurence Rulleau and Tom Wright. Ms. Rulleau and Mr. Wright are considered to be “independent” within the meaning of NI 52-110. Each member of the committee is financially literate within the meaning of NI 52-110 - *Audit Committees*.

The role and responsibilities of the Audit Committee are set out in a formal written Charter.

13.5 PRINCIPAL OCCUPATION

Refer to the table above in item 13.1 for information on the principal occupations of the officers and directors.

13.6 CEASE TRADE ORDERS AND BANKRUPTCIES

To the knowledge of the Issuer, none of the foregoing nominees for election as a director:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

13.7 PENALTIES AND SANCTIONS

To the knowledge of the Issuer, except as disclosed below, no director or officer of the Issuer:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Steven Saviuk was a Director and the Chief Financial Officer of Cabia Goldhills Inc. (CGH.V) ("Cabia") until October 28, 2015. On April 5, 2013 a cease trade order, which is still in effect, was issued by the Autorité des marchés financiers against Cabia for failing to file its annual financial statements within the required time period.

Brent Norton, the Executive Chairman and acting Chief Executive Officer of the Issuer, was a director and officer of PreMD (TSX, AMEX) in April 2008 when PreMD voluntarily delisted from the TSX. Later in April 2008, a general cease trade order was issued against PreMD for failure to file financials. These financials were not filed due to cost reasons and this remains so to date.

In addition, none of the foregoing nominees for election as director of the Issuer has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

13.8 PERSONAL BANKRUPTCIES

To the knowledge of the Issuer, no director, officer or principal shareholder of the Issuer or any personal holding company of any such person has, within the ten years prior to the date of this Listing

Statement, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency , or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

13.9 CONFLICTS OF INTEREST

The directors and officers of the Issuer also serve as directors and/or officers of other companies and may be presented, from time to time, with situations or opportunities which give rise to actual or apparent conflicts of interest. All conflicts of interest will be resolved in accordance with the CBCA and the law regarding fiduciary duties of the Issuer's directors and officers.

13.10 MANAGEMENT

Refer to the table above in item 13.1 for information on members of management of the Issuer.

14. CAPITALIZATION

14.1 ISSUED CAPITAL

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	18,461,500	22,774,750	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	10,199,225	11,934,225	55.25%	52.40%
Total Public Float (A-B)	8,262,275	10,840,525	44.75%	47.60%

Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	12,703,858	13,301,358	68.81%	58.40%
Total Tradeable Float (A-C)	5,757,642	9,473,392	31.2%	41.6%

Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	273	6,044
100 – 499 securities	4	1,251
500 – 999 securities	**24**	12,234
1,000 – 4,999 securities	**29**	37,070
5,000 -9,999 securities	**4**	23,000
10,000 or more securities	**61**	5,169,513
TOTAL	**395**	**5,249,112**

Public Securityholders (Beneficial)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	21	1,012
100 – 499 securities	30	6,316
500 – 999 securities	**19**	11,160
1,000 – 1,999 securities	**13**	15,350
2,000 – 2,999 securities	**9**	22,003
3,000 – 3,999 securities	**1**	3,000
4,000 – 4,999 securities	**1**	4,000
5,000 or more securities	**30**	2,752,292
Unable to confirm	nil	nil
TOTAL	**124**	**2,815,133**

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	nil	nil
100 – 499 securities	nil	nil
500 – 999 securities	nil	nil
1,000 – 4,999 securities	nil	nil
5,000 or more securities	8	10,199,225
TOTAL	**8**	**10,199,225**

14.2 CONVERTIBLE OR EXCHANGEABLE SECURITIES

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of outstanding convertible / exchangeable securities	Number of listed securities issuable upon conversion / exercise
Warrants *1,190,000 which expire 2 years after their issuance AND 1,647,000 which expire after 18 months. All warrants have an exercise price of $0.70 and acceleration clause if stock trades over $1.00 for 30 days.*	2,913,250	2,913,250
Brokers Warrants *Expire 18 months after their issuance and have an exercise price of $0.50 per share. Acceleration clause if stock trades over $1.00 for 30 days.*	75,750	75,750
Options *Expire after 5 years from date of grant. Exercise price and vesting period may vary.*	1,500,000	1,500,000

14.3 OTHER RESERVED SECURITIES

There are no listed securities reserved for issuance which are not included in section 14.2.

15. EXECUTIVE COMPENSATION

The Issuer's statement of executive compensation is below. Additional information on the compensation of the Issuer's directors and named executive officers is contained in its information circular dated June 13, 2017, a copy of which is available on SEDAR under the Issuer's profile. The Issuer does not currently have any intention to make any material changes to the compensation disclosed below.

Summary Compensation

During the fiscal year ended January 31, 2017, compensation and benefits of $414,154 were paid to or earned by the individuals who served respectively as President and Chief Executive Officer, Executive Chairman and acting Chief Executive Officer and Vice-President Finance and Chief Financial Officer. During this period, no other compensation was paid to the individuals who served as Chief Scientific Officer. The Issuer did not have any other executive officers during the fiscal period.

For the purpose of this section:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Issuer or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Issuer or any of its subsidiaries (if any);

"**NEO**" or "**named executive officer**" means:

(a) each individual who served as chief executive officer ("**CEO**") of the Issuer, or who performed functions similar to a CEO, during any part of the most recently completed financial year,

(b) each individual who served as chief financial officer ("**CFO**") of the Issuer, or who performed functions similar to a CFO, during any part of the most recently completed financial year,

(c) the most highly compensated executive officer of the Issuer or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year, and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Issuer thereof to each NEO and each director of the Issuer, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable,

awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Issuer:

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Edward Margerrison, President and Chief Executive Officer	Fiscal year ended January 31,2017	$225,925	nil	nil	nil	nil	$225,925[(1)]
Dr. Brent Norton Director, Executive Chairman of the Board and acting Chief Executive Officer	Fiscal year ended January 31,2017	$92,625	nil	nil	nil	nil	$92,625[(2)]
Jo-Anne Mainguy-Piché, CPA, CGA Vice-President Finance and Chief Financial Officer	Fiscal year ended January 31,2017	$95,604	nil	nil	nil	nil	$95,604[(3)]

(1) Mr. Margerrison became President and Chief Executive Officer of the Issuer on November 26, 2015 and resigned on October 15, 2016

(2) Dr. Norton became Executive Chairman and acting Chief Executive Officer of the Issuer on October 15, 2016.

(3) Ms. Mainguy-Piché became Vice-President Finance and Chief Financial Officer of the Issuer on June 23, 2016.

Share Option Grants

As of the date hereof there are 1,500,000 share options outstanding under the Share Option Plan. We expect to grant share options to employees, officers and directors in the normal course after the Record Date once the number of issued and outstanding Shares. See “Options to Purchase Securities - Outstanding Options”. The following table sets out the directors and officers of the Issuer who were granted share options of the Issuer:

Compensation Securities					
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities and percentage of class**	**Date of grant**	**Exercise price ($)**	**Expiry date**
Dr. Brent Norton Executive Chairman and acting Chief Executive Officer	Share options	100,000 (100,000 Class A Shares) (0.5% on a fully diluted basis)	June 23, 2016	$0.50	June 23, 2021
		600,000 (600,000 Class A Shares) (2.8% on a fully diluted basis)	May 17, 2017	$0.50	May 17, 2022
Jo-Anne Mainguy-Piché Vice-President Finance and Chief Financial Officer	Share options	100,000 (100,000 Class A Shares (0.5% on a fully diluted basis)	June 23, 2016	$0.50	June 23, 2021

Compensation Discussion and Analysis

The Issuer's compensation policies and programs are designed to recognize and reward executive performance consistent with the success of the Issuer's business. These policies and programs are intended to attract and retain capable and experienced people. The Board's role and philosophy will be to ensure that the Issuer's compensation goals and objectives, as applied to the actual compensation paid to the Issuer's CEO and other executive officers, are aligned with the Issuer's overall business objectives and with shareholder interests.

The Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Issuer and its shareholders, overall financial and operating performance of the Issuer and the Board's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Issuer. The Board will determine the type and amount of compensation for the executive officers. The Board also reviews the compensation of the Issuer's senior executives and reviews the strategic objectives of the Issuer's share option plan and sets stock based compensation, and considers any other matters which in its judgment should be taken into account in reaching conclusions concerning the compensation levels of the Issuer's executive officers.

The compensation program for the Issuer's senior management will be designed to ensure that the level and form of compensation achieves certain objectives, including:

a) attracting and retaining talented, qualified and effective executives;

b) motivating the short and long-term performance of these executives; and

c) better aligning their interests with those of the Issuer's shareholders.

Elements of Executive Compensation

The compensation paid to Named Executive Officers is comprised of three main components: base salary, annual incentives (bonuses) and long-term incentives, in the form of stock options granted pursuant to the Stock Option Plan. The following discussion describes the components of compensation and discusses how each component relates to the Issuer's overall executive compensation objective. The Issuer believes that:

- base salaries provide an immediate cash incentive for the Issuer's Named Executive Officers and should be at levels competitive with peer companies that compete with the Issuer for business opportunities and executive talent; and
- stock options ensure that the Named Executive Officers are motivated to achieve long-term growth of the Issuer and increases in shareholder value, and provide capital accumulation linked directly to the Issuer's performance.

The Issuer places equal emphasis on base salary and stock options as short-term and long-term incentives, respectively.

Base Salaries

The Named Executive Officers receive a base salary which is based primarily on the level of responsibility of the position, the qualifications and experience of the officer and market conditions.

The base salaries of the Named Executive Officers are reviewed annually to ensure that they take into account the following factors: market and economic conditions, levels of responsibility and accountability of each Named Executive Officer, skill and competencies of each individual, retention considerations, and level of demonstrated performance.

Base salaries, including that of the Chief Executive Officer and of the Chief Financial Officer, are reviewed by the Compensation Committee on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution of the Chief Executive Officer to the Issuer's long-term growth and the knowledge of the members of the Compensation Committee with respect to remuneration practices in Canada.

Option-Based Awards

The Issuer has a Share Option Plan in place which was established to provide incentive to qualified parties to increase their proprietary interest in the Issuer and thereby encourage their continuing association with the Issuer. The Board expects that management will propose share option grants based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan will be administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Issuer or a subsidiary of the Issuer. See "Options to Purchase Securities" for further information on the Issuer's Share Option Plan.

Compensation of Directors

No compensation is currently being paid to our directors. Each director is entitled to participate in any security-based compensation arrangement or other plan adopted by us from time to time with the approval of our Board. The directors will be reimbursed for expenses incurred on our behalf. See "Options to Purchase Securities – Share Option Plan" for further details on the Share Option Plan. No additional fees, including meeting fees, will be paid to directors. Director compensation will be subject to review by the Board and possible change on an annual basis. The Board will consider the Issuer's financial situation, industry standards and practices of comparable issuers.

Employment Contracts and Termination of Employment, Changes in Responsibility

There are currently no employment contracts or arrangements with any of our directors, in connection with their position as directors, pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that director's resignation, retirement or other termination of office. There are currently no other employment contracts.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 AGGREGATE INDEBTEDNESS

No person who is, or who was since the incorporation of the Issuer, a director, executive officer, employee or any former director, executive officer or employee of the Issuer, and no associate of such persons is, or was as of the date of this Listing Statement, indebted to the Issuer or indebted to any other entity where such indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

16.2 INDEBTEDNESS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

No person who is, or who was since the incorporation of the Issuer, a director, executive officer, employee or any former director, executive officer or employee of the Issuer, and no associate of such persons is, or was as of the date of this Listing Statement, indebted to the Issuer or indebted to any other entity under any securities purchase or other programs.

17. RISK FACTORS

17.1 SUMMARY OF RISK FACTORS

The Shares must be considered speculative, generally because of the nature of the Issuer's business and development stage. A summary of the relevant risk factors is as follows:

Limited Operating History

The Issuer is a clinical-stage regenerative medicine company, formed in 2015, with a limited operating history. Since inception we have devoted substantially all of our resources to the development of our regenerative medicine platform, the clinical and preclinical advancement of our product candidates, the creation, licensing and protection of related intellectual property rights and the provision of general and administrative support for these operations. We have not yet obtained regulatory approval for any product candidates in any jurisdiction or generated any revenues from product sales. If any of our future product candidates fails in clinical trials or preclinical development, or does not gain regulatory approval, or if our product candidates following regulatory approval, if any, do not achieve market acceptance, we may never become profitable or sustain profitability.

No History of Earnings

We have incurred net losses since our inception and we expect to continue to incur substantial losses for the next several years, and we expect these losses to increase as we continue our development of and seek regulatory approval for our future product candidates. In addition, if we receive regulatory approval to market any of our future product candidates, we will incur additional losses as we scale our manufacturing operations and build an internal sales and marketing organization to commercialize any approved products. In addition, we expect our expenditures to increase as we add infrastructure and personnel to support our operations as a public company. We anticipate that our net losses and accumulated deficit for the next several years will be significant as we conduct our planned operations.

Because of the numerous risks and uncertainties associated with regenerative medicine product development, we are unable to accurately predict the timing or amount of the development and clinical expenses or when, or if we will be able to achieve, or maintain, profitability. In addition, our expenses could increase if we are required by the FDA or comparable foreign regulatory authorities to perform preclinical or clinical studies or trials in addition to those currently expected, or if there are any delays in completing the technology transfer and manufacturing location transition of our raw material manufacturing process or completing our clinical trials or the development of our future product candidates. The amount of our future net losses will depend, in part, on the amount and timing of our expenses, our ability to generate revenue and our ability to raise additional capital. These net losses have had, and will continue to have, an adverse effect on our stockholders' equity and working capital.

Negative Cash Flow

We have negative cash flow from operating activities. We anticipate that we will continue to have negative cash flow until such time that commercial production is achieved with a product candidate. To the extent that the Issuer has negative operating cash flows in future periods in excess of the amounts disclosed above in the use of proceeds, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Ability to Raise Additional Funds

Developing regenerative medicine products, including conducting preclinical studies and clinical trials, is expensive. We will require substantial additional capital in order to complete the clinical development of, create additional manufacturing capacity and to commercialize and to conduct the research and development and clinical and regulatory activities necessary to bring our product candidates to market. If the FDA or comparable foreign regulatory authorities require that we perform additional preclinical studies or clinical trials at any point or expand or extend our current trials, our expenses would further increase beyond what we currently expect, and the anticipated timing of any future clinical development activities and potential regulatory approvals will likely be delayed. Raising funds in the then-current economic environment may be difficult and additional funding may not be available on acceptable terms, or at all.

Development Risks

The clinical development, commercialization and marketing of regenerative medicine products are at an early-stage, substantially research-oriented, and financially speculative. To date, very few companies have been successful in their efforts to develop and commercialize regenerative medicine products. In general, regenerative medicine products may be susceptible to various risks, including undesirable and unintended side effects, unintended immune system responses, inadequate therapeutic efficacy, potentially prohibitive costs or other characteristics that may prevent or limit their approval or commercial use. Furthermore, the number of people who may use cell- or tissue-based regenerative medicine therapies is difficult to forecast with accuracy. Our future success is dependent on the establishment of a large global market for regenerative medicine products and our ability to capture a share of this market with our product candidates.

Our development efforts with our regenerative medicine platform are susceptible to the same risks of failure inherent in the development and commercialization of product candidates based on new technologies. The novel nature of regenerative medicine products creates significant challenges in the areas of product development and optimization, manufacturing, government regulation, third-party reimbursement and market acceptance.

Results of Early Clinical Trials

Regenerative medicine product development has inherent risk. We or any of our future development partners will be required to demonstrate through adequate and well-controlled clinical trials that our product candidates are effective, with a favorable benefit-risk profile, for use in their target indications before we can seek regulatory approvals for their commercial sale. Regenerative medicine product development is a long, expensive and uncertain process, and delay or failure can occur at any stage of development, including after commencement of any of our clinical trials. In addition, success in early clinical trials does not mean that later clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate sufficient safety or efficacy despite having progressed through initial clinical testing. Furthermore, our future trials will need to demonstrate sufficient safety and efficacy for approval by regulatory authorities in larger patient populations. Companies frequently suffer significant setbacks in advanced clinical trials, even after earlier clinical trials have shown

Product Liability

The use of our future product candidates in clinical trials and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. Product liability claims might be brought against us by participants in clinical trials, consumers, healthcare providers, pharmaceutical companies or others selling or otherwise coming into contact with our product candidates and any products for which we obtain marketing approval. There is a risk that our product candidates may induce adverse events, and that such adverse events may not be detected for a long period of time. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation;
- withdrawal of clinical trial participants;
- termination of clinical trial sites or entire trial programs;
- increased costs due to related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- the inability to commercialize our product candidates; and
- decreased demand for our product candidates, if approved for commercial sale. We carry product liability insurance that we believe is sufficient in light of our current clinical programs; however, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in class action lawsuits based on regenerative medicine products or medical treatments that had unanticipated adverse effects. In addition, under some of our agreements with clinical trial sites, we are required to indemnify the sites and their personnel against product liability and other claims. A successful product liability claim or series of claims brought against us or any third parties whom we are required to indemnify could cause our

stock price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business.

Dependence on key personnel

Our success is dependent on certain key management personnel, primarily its executives, which is key to the existence and continuity of the Issuer. Furthermore, competition for qualified employees among biotechnology industry companies is intense, particularly with regard to sales staff, and the loss of key personnel or inability to attract and retain the additional highly skilled employees required for the expansion of activities could adversely affect the Issuer's business.

Competitive market for the Issuer's products and services

The medical device and biotechnology industries are highly competitive. Overall, most of our competitors in these industries are larger than the Issuer and might have greater financial and other resources, which could enable them to invest significant amounts of capital and other resources in their businesses, including expenditures for research and development. If one of our current or future competitors develops innovative proprietary products, some of the Issuer's products could be rendered obsolete.

Protection of intellectual property

Our commercial success depends in part on our ability to obtain and maintain patent protection and trade secret protection for our product candidates, proprietary technologies and their uses as well as our ability to operate without infringing upon the proprietary rights of others. There can be no assurance that our patent applications or those of our licensors will result in additional patents being issued or that issued patents will afford sufficient protection against competitors with similar technology, nor can there be any assurance that the patents issued will not be infringed, designed around, or invalidated by third parties. Even issued patents may later be found unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. This failure to properly protect the intellectual property rights relating to these product candidates could have a material adverse effect on our financial condition and results of operations.

Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside Canada can be less extensive than those in Canada. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as laws in Canada. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside Canada, or from selling or importing products made using our inventions in and into Canada or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in Canada. These products may compete with our product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Regulation

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, handling, distribution, import, export, licensing, sale and storage of the Issuer's products are affected by a body of laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that the Issuer is in compliance with all of these laws, regulations and other constraints. Failure by the Issuer to comply

with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the Issuer's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead the Issuer to discontinue product sales and could have an adverse effect, resulting in significant loss of sales.

Requirements associated with being a Public Company

We will be subject to the reporting requirements of the Securities Laws and the other rules and regulations upon consummation of this offering. We are working with our legal, independent accounting and financial advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public reporting company. These areas include corporate governance, corporate control, disclosure controls and procedures, and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas. Compliance with the various reporting and other requirements applicable to public reporting companies will require considerable time, attention of management and financial resources. In addition, the changes we make may not be sufficient to allow us to satisfy our obligations as a public reporting company on a timely basis.

Dilution

We will need to raise additional funding in order to complete the clinical development of, create additional manufacturing capacity and to commercialize products and to conduct the research and development and clinical and regulatory activities necessary to bring other product candidates to market. To the extent that we raise additional capital by issuing equity securities, the share ownership of existing stockholders will be diluted. Any future debt financing may involve covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, redeem our stock, make certain investments, and engage in certain merger, consolidation, or asset sale transactions. In addition, if we seek funds through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us.

No Dividends

We have never paid cash dividends on any of our share capital, and we currently intend to retain future earnings, if any, to fund the development and growth of our business. Therefore, you are not likely to receive any dividends on our Shares for the foreseeable future or at all. Since we do not intend to pay dividends, your ability to receive a return on your investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our Shares will appreciate or even maintain the current price.

Effective Control

As of April 29, 2016, our executive officers, directors, holders of more than five percent of our Shares and their respective affiliates beneficially owned 73.89% of our outstanding share capital. Therefore, these shareholders will have the ability to influence us through their ownership position after this offering. These shareholders may be able to determine all matters requiring shareholder approval. For example, these shareholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our Shares that you may feel are in your best interest as one of our shareholders.

Conflicts of interest

There exists the possibility for certain of our directors and officers to be in a position of conflict since most of them also work for affiliates of the Issuer.

Risks of foreign exchange rate fluctuation

The Issuer is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its liabilities, revenues and costs could be denominated in other currencies. Exchange rates for currencies of the countries in which the Issuer operates may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse effect on our future earnings or assets when translating foreign currency into Canadian dollars. In general, the Issuer does not execute hedging transactions to reduce its exposure to foreign currency exchange rate risks. Accordingly, the Issuer may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar. The Issuer does not typically carry currency convertibility risk insurance.

No Market

There is currently no market through which the Shares may be sold and Shareholders may not be able to resell Shares received under this Listing Statement. There can be no assurance that an active public market will develop in the future. The Issuer intends to apply to list or quote its Shares on a Canadian stock exchange. The acceptance by a stock exchange of any potential listing application for securities of the Issuer will be subject to the Issuer satisfying the applicable listing requirements of the exchange, including with respect to the capital structure, potential revenues, financial resources and assets of the Issuer.

Eligibility for investment

Considering that the Shares of the Issuer are not currently listed on a designated stock exchange, within the meaning of the Tax Act, the Shares may not be qualified investment under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax free savings accounts. Any trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax free savings accounts shall consult with their own tax advisors for specific advice with respect to the receipt and holding of the Shares.

17.2 RISK TO SECURITYHOLDERS OF THE ISSUER

The Issuer is not aware of any risk that the shareholders of the Issuer may become liable to make an additional contribution beyond the price of the Shares.

17.3 OTHER MATERIAL RISK FACTORS

The Issuer is not aware of any additional risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the Shares and that are not otherwise described under item 17.1 or 17.2.

18. PROMOTERS

Manitex Capital Inc. has taken the initiative in founding and organizing the business of the Issuer and, accordingly, may be considered to be a promoter of the Issuer within the meaning of applicable

securities legislation. In regards to the securities of the Issuer held by Manitex Capital Inc., refer to the information provided under “Principal Shareholders”.

19. LEGAL PROCEEDINGS

19.1 LEGAL PROCEEDINGS

The Issuer is not aware of any legal proceedings to which the Issuer is a party or to which its properties are subject, nor is the Issuer aware that any such proceedings are contemplated.

19.2 REGULATORY ACTIONS

The Issuer is not aware of any regulatory actions to which the Issuer is a party, nor is the Issuer aware that any such regulatory actions are contemplated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Board of Directors, as of the date of this Listing Statement, except as described under “Principal Shareholders” no person or Issuer beneficially owns, controls or directs, directly or indirectly, Shares carrying more than 10% of the voting rights attached to the Shares.

21. AUDITORS, TRANSFER AGENT AND REGISTRARS

21.1 NAME AND ADDRESS OF AUDITORS

The auditors of the Issuer are MNP LLP, Chartered Professional Accountants, 1155 Boulevard René-Lévesque O, Montréal, QC H3B 2J8.

21.2 NAME AND ADDRESS OF TRANSFER AGENT

At the date of the final Listing Statement, the registrar and transfer agent of the Issuer will be Computershare Investor Services Inc., at its office in Montréal.

22. MATERIAL CONTRACTS

22.1 MATERIAL CONTRACTS

Except as disclosed below, the Issuer has not entered into material contracts, other than contracts entered into the ordinary course of business, within the preceding two years:

(i) Finder’s Fee Agreement dated March 29, 2016 between Ortho RTI and Canaccord Genuity Corp. in connection with respect to the private placement of up to 10,000,000 units of the Issuer. The finder’s fee will be in the amount of 5% of the amount placed with subscribers introduced to the Company by Canaccord. In addition, the Issuer agrees to issue finder’s warrants to Canaccord equal to 5% of the units subscribed (the Finder’s Warrants”), each Finder’s Warrant will be exercisable to purchase one additional common share (an “Finder Warrant Share”) at a purchase price of $0.50 for a period of eighteen months from the date of issuance of the Units.

(ii) Amendment No.3 to the Technology Assignment Agreement (see item 3, “General Description of the Business”), entered into as of June 17, 2016 to extend certain payment dates to October 31, 2016.

(iii) Escrow Agreement between the Issuer, Manitex Capital Inc., Computershare Investor Services Inc. and certain securityholders, entered into as of July 21, 2016. (see item 11, "Escrowed Securities").

(iv) Amendment No.4 to the Technology Assignment Agreement, entered into as of October 24, 2016, to extend certain payment dates to January 31, 2017.

(v) Amendment No.5 to the Technology Assignment Agreement, entered into as of January 31, 2017, to extend certain payment dates to March 31, 2017.

22.2 CO-TENANCY, UNITHOLDERS OR LIMITED PARTNERSHIP AGREEMENTS

This item does not apply to the Issuer.

23. INTEREST OF EXPERTS

The financial statements of the Issuer for the period from February 5, 2015 to January 31, 2016 and for the year ended January 31, 2017 included in this Listing Statement are prepared in accordance with International Financial Reporting Standards and have been audited by MNP LLP, Chartered Professional Accountants, Montréal, Québec. The auditors' report with respect to these financial statements is also included in this Listing Statement. MNP, LLP is independent of the Issuer within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

24. OTHER MATERIAL FACTS

There are no material facts relating to the securities qualified for distribution that have not been disclosed in this Listing Statement.

25. FINANCIAL STATEMENTS

The following financial statements of the Issuer are attached to this Listing Statement:

(a) Audited financial statements of the Issuer for the financial years ended January 31, 2016 and 2017, attached as Appendix 13 and Appendix 5, respectively; and

(b) Unaudited condensed interim financial statements of the Issuer for the six-month period ended July 31, 2017, the three-month period ended April 30, 2017, the nine-month period ended October 31, 2016, the six-month period ended July 31, 2016, and the three-month period ended April 30, 2016.

Copies of the foregoing financial statements are also available on SEDAR under the Issuer's profile.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ORTHO REGENERATIVE TECHNOLOGIES INC., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to ORTHO REGENERATIVE TECHNOLOGIES INC. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Kirkland, Quebec, Canada.
This 27th day of September, 2017.

(s) Brent Norton
Dr. Brent Norton,
Chief Executive Officer

(s) Jo-Anne Mainguy-Piché
Jo-Anne Mainguy-Piché,
Chief Financial Officer

(s) Steve Saviuk
Promoter
Manitex Capital Inc.
Per: Steve Saviuk

(s) Michael Buschmann
Michael Buschmann
Director

(s) Steve Saviuk
Steve Saviuk
Director

Appendix 1

Interim Condensed Financial Statements for the six-month period ended July 31, 2017

Ortho Regenerative Technologies Inc.

Interim Condensed Financial Statements

Three-month and six-month periods ended July 31, 2017 and 2016

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Ortho Regenerative Technologies Inc.
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Ortho Regenerative Technologies Inc.
Statements of Financial Position
As at

	July 31, 2017 $	January 31, 2017 $ (Restated, Note 4)
Assets		
Cash	**415,459**	7,366
Sales tax receivable	**4,118**	14,928
Prepaid expenses	**9,811**	11,222
Investment tax credits	**245,000**	345,005
Total current assets	**674,388**	378,521
Investment tax credits	**235,083**	-
Intangible asset *(Note 5)*	**496,150**	368,150
Total non-current assets	**731,233**	368,150
Total assets	**1,405,621**	746,671
Liabilities		
Accounts payable and accrued liabilities	**321,883**	800,311
Operating loan *(Note 6)*	**-**	879,850
Total current liabilities	**321,883**	1,680,161
Note payable *(Note 7)*	**224,737**	-
Convertible loan *(Note 8)*	**557,700**	-
Class A shares liability *(Note 9)*	**418,600**	333,334
Total non-current liabilities	**1,201,037**	333,334
Total liabilities	**1,522,920**	2,013,495
Shareholders' deficiency		
Common shares *(Note 10)*	**2,435,611**	1,200,031
Warrants *(Note 10)*	**598,545**	238,000
Contributed surplus *(Note 10)*	**448,257**	276,115
Deficit	**(3,599,712)**	(2,980,970)
Total shareholders' deficiency	**(117,299)**	(1,266,824)
Total liabilities and shareholders' deficiency	**1,405,621**	746,671

Going Concern *(Note 1)*; Related Party Transactions *(Note 15)*; Commitments *(Note 16);*

"/s/ Brent Norton" , Director

"/s/ *Laurence Terrisse-Rulleau "* , Director

Ortho Regenerative Technologies Inc.
Statements of Loss and Comprehensive Loss
For the three-month and six-month periods ended July 31

	Three-months ended		Six-months ended	
	2017	**2016**	**2017**	2016
	$	**$** (Restated, Note 4)	**$**	$ (Restated, Note 4)
General and Administrative Expenses				
Professional fees	**18,500**	58,750	**32,802**	61,067
Consulting fees *(Note 15)*	**111,945**	38,410	**203,527**	59,538
Research and development costs *(Note 11 and 15)*	**72,963**	219,068	**138,571**	421,165
Office and administrative *(Note 12 and 15)*	**55,138**	121,264	**101,655**	237,076
Travel and promotion	**5,664**	14,565	**11,938**	26,585
Transfer agent and filing fees	**10,800**	18,873	**13,698**	18,873
Share-based compensation *(Note 10, 12 and 15)*	**99,425**	68,122	**105,081**	108,585
Amortization – intangible asset *(Note 5)*	**8,410**	-	**8,410**	-
	382,845	539,052	**615,682**	932,889
Financial Expenses (Income)				
Interest and bank charges *(Note 15)*	**(35,179)**	11,499	**(8,466)**	13,961
Interest paid with shares *(Note 9)*	**-**	-	**20,000**	-
Interest and accretion on convertible loan *(Note 8 and 15)*	**25,013**	-	**26,260**	-
Gain on settlement of debt *(Note 9)*	**-**	-	**(24,000)**	-
Change in fair value on Class A shares *(Note 9)*	**(10,734)**	-	**(10,734)**	-
	(20,900)	-	**3,060**	13,961
Net loss and comprehensive loss	**361,945**	550,551	**618,742**	946,850

Ortho Regenerative Technologies Inc.
Statement of Changes in Shareholders' Deficiency
For the six-month period ended July 31,

	Number of shares	Share capital	Warrants	Contributed surplus	Accumulated Deficit	Total equity
Balance, as at January 31, 2016, *(Restated, Note 4)*	12,966,666	1,006,617	130,000	146,060	(1,319,922)	(37,245)
Issuance of shares as equity *(Note 10)*	160,000	68,000	-	-	-	68,000
Share issue costs *(Note 10)*	8,000	(223,336)	-	-	-	(223,336)
Issuance of warrants *(Note 10)*	-	-	16,000	-	-	16,000
Share based compensation *(Note 10)*	-	-	-	108,585	-	108,585
Net loss for the period	-	-	-	-	(946,850)	(946,850)
Balance, as at July 31, 2016, *(Restated, Note 4)*	13,134,666	851,281	146,000	254,645	(2,266,772)	(1,014,846)
Balance, as at January 31, 2017, *(Restated, Note 4)*	**14,093,166**	**1,200,031**	**238,000**	**276,115**	**(2,980,970)**	**(1,266,824)**
Issuance of shares as equity *(Note 10)*	**2,495,000**	**977,750**	**269,750**	**-**	**-**	**1,247,500**
Conversion of debt into shares as equity *(Note 10)*	**800,000**	**320,000**	**80,000**	**-**	**-**	**400,000**
Share issue costs *(Note 10)*	**-**	**(51,375)**	**-**	**-**	**-**	**(51,375)**
Issuance of warrants *(Note 10)*	**-**	**(10,795)**	**10,795**	**-**	**-**	**-**
Share based compensation *(Note 10)*	**-**	**-**	**-**	**105,081**	**-**	**105,081**
Conversion feature on convertible loan *(Note 8)*	**-**	**-**	**-**	**67,061**	**-**	**67,061**
Net loss for the period	**-**	**-**	**-**	**-**	**(618,742)**	**(618,742)**
Balance, as at July 31, 2017	**17,388,166**	**2,435,611**	**598,545**	**448,257**	**(3,599,712)**	**(117,299)**

The number of shares held in escrow as at July 31, 2017 and 2016 is 11,508,858

Ortho Regenerative Technologies Inc.
Statements of Cash Flows
For the six-month period ended July 31

	2017 $	2016 $ *(Restated, Note 4)*
Operating activities:		
Net loss from operations	**(618,742)**	(946,850)
Add items not affecting cash:		
Share based compensation *(Note 10)*	**105,081**	108,585
Consulting fees paid by issuance of shares *(Note 10)*	**15,000**	-
Amortization – intangible asset *(Note 5)*	**8,410**	-
Amortization – finance costs	**375**	-
Gain on settlement of debt *(Note 9)*	**(24,000)**	-
Change in fair value on Class A shares *(Note 9)*	**(10,734)**	-
Interest paid on issuance of shares *(Note 9)*	**20,000**	-
Interest and accretion on convertible loan *(Note 8)*	**25,886**	-
	(478,724)	(838,265)
Net change in non-cash operating working capital:		
Investment tax credits	**(135,078)**	(44,090)
Sales tax receivable and prepaid expenses	**12,221**	(14,538)
Accounts payable and accrued liabilities	**(214,641)**	3,006
	(337,498)	(55,622)
Cash used in operating activities	**(816,222)**	(893,887)
Investing activities:		
Acquisition of intangible asset	**(36,410)**	(35,000)
Financing activities:		
Increase in operating loan	**81,100**	292,150
Issuance of share capital as equity *(Note 10)*	**1,232,500**	80,000
Payment of debt issue costs *(Note 8)*	**(1,500)**	-
Payment of share issue costs *(Note 8)*	**(51,375)**	(4,000)
Payment of deferred share issue costs *(Note 10)*	**-**	(61,462)
Cash provided by financing activities	**1,260,725**	306,668
Increase (decrease) in cash	**408,093**	(622,199)
Cash, beginning of year	**7,366**	646,246
Cash, end of year	**415,459**	24,047
Supplementary cash flow information		
Acquired intangible assets by issuance of shares *(Note 9)*	**100,000**	-
Settlement of accounts payable by issuance of a note payable *(Note 7)*	**224,737**	-
Settlement of accrued interest by issuance of convertible loan *(Note 6)*	**39,050**	-
Settlement of operating loan by issuance of convertible loan *(Note 6)*	**560,950**	-
Settlement of operating loan by issuance of shares *(Note 6)*	**400,000**	-

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation" or "Ortho") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

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. Manitex is an existing shareholder of the Corporation and held 5,109,000 shares of Ortho. On June 3, 2016, the dividend-in-kind of Class A Common Shares of Ortho was paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date set by Manitex's Board of Directors. On June 3, 2016 Manitex has 12,561,276 shares that are issued and outstanding and caused the distribution of 1,100,142 Ortho shares to Canadians residents holders of Manitex shares and $77,926 was paid in cash to non-residents, pursuant to the prospectus, at a deemed value of $0.50 per share. Manitex is listed on the TSX Venture Exchange under the symbol MNX.

The Corporation specializes in research on innovative medical products which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at July 31, 2017, the Corporation has a deficit of $ 3,599,712 ($2,980,970 as at January 31, 2017) and working capital of $ 352,505 (negative working capital $1,301,640 as at January 31, 2017). During the current period, the Corporation closed several private placements for an amount of $1,247,500 describe in Note 10. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the continuous support of its creditors. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

These financial statements were approved and authorized for issuance by the Board of Directors on August 25, 2017.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	July 31, 2017	January 31, 2017
End of period exchange rate	**1.2485**	1.3012
	July 31, 2017	July 31, 2016
Three-month period average exchange rate	**1.2987**	1.3272

c) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements for the year ended January 31, 2017 as they follow the same accounting policies and methods of application except for the accounting change described in note 4 of these financial statements.

d) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

e) **Future accounting pronouncements** *(Continued from previous page)*

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The amendment shall be applied by way of prospective application for annual reporting periods beginning on January 1, 2017 or thereafter. The Corporation is currently evaluating the impact of adopting this standard.

IAS 12 Income Taxes

IAS 12 - Income Taxes was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2017. The Corporation is currently evaluating the impact of adopting this standard.

3. Use of Estimates and Judgements

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2017 annual financial statements and are still applicable for the period ended July 31, 2017, except the judgment relating to intangible assets since Management changed its accounting policy as describe in note 4.

4. Change in Accounting Policy

During the second quarter, the Corporation changed its accounting policy with respect to its intangible assets, specifically to its developments costs and patent prosecution costs. Previously the Corporation capitalized these costs, when the Corporation could demonstrate that all the specific criteria related to technical, market and financial feasibility were met.

Under the new policy, research and development expenditures are charged to operations as incurred. Management considers this new accounting policy to provide more reliable and relevant information to investors and financial organizations in assessing the financial position of the Corporation and comparing its performance to other biotech companies

4. Change in Accounting Policy *(Continued from previous page)*

As required by IAS 8, Accounting policies, changes in Accounting estimates and errors, the Corporation has restated the comparative periods presented in these financial statements to reflect the new policy. Consequently, development costs and patent prosecution costs in the amount of $926,639 and $392,042 were charged to operations for the years ended January 31, 2017 and 2016 respectively, and $61,239 for the quarter ended April 30, 2017.

The restated line items on the statement financial position as at January 31, 2017, have been reconciled to the previously reported amounts as follows:

January 31, 2017	Previously reported $	Adjustments $	Restated $
Assets			
Intangible assets	1,294,789	(926,639)	368,150
Total Assets	1,683,310	(926,639)	756,671
Shareholders' deficiency			
Deficit	2,054,331	926,639	2,980,970
Total shareholders' deficiency	340,185	926,639	1,266,824
Total liabilities and shareholders' deficiency	1,683,310	(926,639)	756,671

The restated line items on the statement of loss and comprehensive loss for the three-month and six-month period ended July 31, 2016, have been reconciled to the previously reported amounts as follows:

July 31, 2016	Previously reported $	Adjustments $	Restated $
Three-month period			
General and administrative expenses			
Research and development costs	28,893	190,175	219,068
Total general and administrative expenses	348,877	190,175	539,052
Net loss and comprehensive loss for the period	360,376	190,175	550,551
Basic and diluted loss per common share	0.03	0.01	0.04
Six-month period			
General and administrative expenses			
Research and development costs	107,393	313,772	421,165
Total general and administrative expenses	619,117	313,772	932,889
Net loss and comprehensive loss for the period	633,078	313,772	946,850
Basic and diluted loss per common share	0.05	0.02	0.07

Following the accounting change, we have change the caption Research costs to Research and development costs.

The restated line items on the statement of cash flows for the six-month period ended July 31, 2016, have been reconciled to the previously reported amounts as follows:

July 31, 2016	Previously reported $	Adjustments $	Restated $
Six-month period			
Operating activities			
Net loss for the period	633,078	313,772	946,850
Cash used in operating activities	580,115	313,772	893,887
Investing activities			
Acquisition of intangible assets	348,772	(313,772)	35,000
Cash used in investing activities	348,772	(313,772)	35,000

4. Change in Accounting Policy *(Continued from previous page)*

The restated line items on the statement of changes in Shareholder's Deficiency for the year ended January 31, 2016, have been reconciled to the previously reported amounts as follows:

January 31, 2016	**Previously reported $**	**Adjustments $**	**Restated $**
Shareholders' equity (deficiency)			
Deficit	(927,880)	(392,042)	(1,319,922)
Total shareholders' equity (deficiency)	354,797	(392,042)	(37,245)

The restated line items on the statement of changes in Shareholder's Deficiency for the year ended July 31, 2016, have been reconciled to the previously reported amounts as follows:

July 31, 2016	**Previously reported $**	**Adjustments $**	**Restated $**
Shareholders' deficiency			
Deficit	1,560,958	705,814	2,266,772
Total shareholders' deficiency	309,032	705,814	1,014,846

5. Intangible Asset

On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor Limited Partnership. During this quarter, transfer of knowledge and manufacturing process has begun, therefore the Corporation commenced amortization of the IP on a straight-line basis over the estimated remaining life of the IP of 15 years. The annual amortization will be $33,640 until 2032.

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	Cost $	**Accumulated amortization $**	**Carrying Value $**
Balance as at January 31, 2017, *(Restated Note 4)*	368,150	-	368,150
Additions	136,410	-	136,410
Amortization	-	(8,410)	(8,410)
Balance as at July 31, 2017	504,560	(8,410)	496,150

6. Operating Loan

The Corporation had a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation. Borrowing under this unsecured loan agreement bore interest at 8% per annum and was due on demand. On April 27, 2017, the Corporation entered into a debt conversion and convertible loan agreement with Manitex, which settle amount due on the operating loan and a partial amount from interest accrued. On April 27, 2017, the Corporation is indebted to Manitex in an aggregate amount of $1,219,050 and was settled as follow:

	$
Unsecured operating loan	**960,950**
Accrued interest	**57,411**
Various accounts payable	**200,689**
Total indebtedness	**1,219,050**
Settlement by issuance of Convertible loan *(Note 8)*	**(600,000)**
Settlement by issuance of 800,000 units *(Note 10)*	**(400,000)**
Amount included in accounts payable, until July 28, 2017	**219,050**

7. Note payable

On July 28th, 2017, the Corporation and Manitex signed an unsecure note payable in the amount of $224,737 bearing interest at 12% and maturing October 31, 2018. Both parties agreed to convert the amount owed in its accounts payable as at July 28, 2017 into a note payable.

8. Convertible Loan

Convertible loan consists of the following:

	July 31, 2017 $	January 31, 2017 $
Face value of the convertible loan upon conversion *(Note 6)*	**600,000**	**-**
Less: discount	**(67,061)**	**-**
Book value of convertible loan on initial recognition	**532,939**	**-**
Accretion expense during the period	**25,886**	**-**
Deferred financing charges	**(1,125)**	
Convertible loan, long term	**557,700**	**-**

On April 27, 2017, the Corporation converted $600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into shares of the Corporation at a deemed price of $1.00 per shares. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed $1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of $1.00 per share of the Corporation.

At the time of issue, the convertible loan was separated into liability and equity components using the residual method. The fair value of the liability component was calculated using discounted cash flows for the convertible loan assuming an effective interest rate of 18%. The effective interest rate was based on the estimated rate for a debenture with similar terms but without a conversion feature from comparable companies. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible loan and the fair value of the liability component. The liability component was subsequently measured at amortized cost using the effective interest rate method and was accreted up to the principal balance at maturity. The accretion is presented as a financial expense.

Transaction costs of $1,500 were incurred on the issuance of the convertible loan and were netted against the liability. The transaction costs allocated to the liability component will be amortized at the effective interest rate over the term of the convertible debentures and will be presented as a financial expense.

9. Class A shares liability

As per the shareholders' agreement all shares held by Polyvalor have a put right associated to them allowing Polyvalor to require that the Corporation redeem the shares if the Corporation has not listed its shares on a recognized stock exchange by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability.

Class A shares consists of the following:

	July 31, 2017 **$**	January 31, 2017 $
833,334 shares issued on June 19, 2015, held in escrow	**333,334**	333,334
240,000 shares issued on March 31, 2017	**96,000**	-
	429,334	333,334
Change in fair value of the shares	**(10,734)**	-
Fair value of 1,073,334 Class A common shares	**418,600**	333,334

On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the commitment of a non-refundable fee of $100,000 as per the Assignment and Transfer Agreement, an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 was charged to the statement of loss as a gain on settlement of debt. Details of the assumptions used are as follows:

As at July 31, 2017, management reviewed the fair value and determined that the value of the common shares is $0.39 based on the offered private placement which was closed on July 28, 2017. Details of the assumptions used are as follows:

	July 31, 2017	**April 30, 2017**	**March 31, 2017**	January 31, 2017
Weighted average risk-free interest rate	**1.28%**	**0.74%**	**0.72%**	0.82%
Weighted average volatility factor	**96%**	**87%**	**87%**	125%
Weighted average expected life (in years)	**1.5**	**1.5**	**1.5**	1.5
Weighted of Class A common shares	**$0.39**	**$0.40**	**$0.40**	$0.40

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

10. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid as at July 31 and January 31:	**2017**	2017
17,388,166 (2017 – 14,093,166) Class A common shares	**$ 2,769,767**	$1,472,017

10. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

On July 28, 2017, the Corporation closed a fourth tranche of $390,000 for 780,000 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.39 for the common shares and $0.11 for the half-warrant. An amount of $190,000 was completed by an authorized dealer, with a cash fees of $9,500 of the placement value and 19,000 of broker's warrants. The share issue cost associated with the private placement were $ 16,350

On June 28, 2017, the Corporation closed a third tranche of $192,500 for 385,000 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.37 for the common shares and $0.13 for the half-warrant. An amount of $17,500 was completed by an authorized dealer, with a cash fees of $875 of the placement value and 1,750 of broker's warrants. The share issue cost associated with the private placement were $ 7,120

In addition, on June 28, 2017, the Corporation settled a liability of $15,000 by the issuance of 30,000 units at a deemed price of $0.50 per unit under the same terms and conditions as the private placement described above.

On April 27, 2017, the Corporation closed a second tranche of $120,000 for 240,000 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common shares and $0.10 for the half-warrant. The private placement was completed by an authorized dealer, with a cash fees of $6,000 of the placement value and 12,000 of broker's warrants. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above. The share issue cost associated with the private placement were $ 10,180.

Concomitant with the closing of the second tranche, the Corporation entered into a debt conversion and convertible loan agreement with Manitex. From the outstanding amount of $1,219,050, $400,000 is converted into 800,000 units at deemed price of $0.50 per Unit. 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common shares and $0.10 for the half-warrant.

On March 31, 2017, the Corporation closed a private placement of $430,000 for 860,000 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common shares and $0.10 for the half-warrant. The private placement was completed by an authorized dealer, with fees of $21,500 of the placement value and 43,000 of broker's warrants. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above. The share issue cost associated with the private placement were $ 28,520.

10. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

On August 2, 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 (1/2) 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 full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $34,650. In addition to the private placement, the Corporation received a subscription form 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 full warrants for a total net proceed of $440,750.

On July 29, 2016, the escrow agreement was signed and filed with the Autorité des Marchés Financiers. Based on the escrow agreement, 11,508,858 shares are held in escrow and will be released by the Escrowed Securities as follows:

Release Date	**Portion of Escrowed Securities Released**
On the date of Corporation's securities are listed	1/10 of the Escrowed Securities
Six months after the listing date	1/6 of the Escrowed Securities
12 months after the listing date	1/5 of the Escrowed Securities
18 months after the listing date	1/4 of the Escrowed Securities
24months after the listing date	1/3 of the Escrowed Securities
30 months after the listing date	1/2 of the Escrowed Securities
36 months after the listing date	The remaining of the Escrowed Securities

On June 3, 2016, the Corporation and Manitex completed its transaction as described in the long form prospectus by the payment of a dividend-in-kind of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex. Therefore, the cost related to the transaction amounted to $215,336 and was charged to share capital in the period.

In February 2016, the Corporation closed a private placement of $80,000 for 160,000 units at a subscription price of $0.50 per unit, with each unit consisting of one Class A common share and one-half (1/2) 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 full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $8,000.

10. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

The following schedules the common shares issuable on exercise of the full warrants and share-based payment transactions granted during the current fiscal year:

	Shares issuable on exercise of			
	Full Warrants		Share options	
	Number of shares #	Weighted exercise price $	Number #	Weighted exercise price $
Balance, January 31, 2016	650,000	0.70	1,025,000	0.16
Granted during the period	80,000	0.70	371,800	0.50
Expired during the period	-	-	-	-
Cancelled during the period	-	-	-	-
Exercised during the period	-	-	-	-
Balance, July 31, 2016	730,000	0.70	1,396,800	0.25
Balance, January 31, 2017	**1,190,000**	**0.70**	**800,000**	**0.25**
Granted during the period	**1,723,250**	**0.69**	**700,000**	**0.50**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**(50,000)**	**0.50**
Forfeited during the period	**-**	**-**	**(50,000)**	**0.50**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, July 31, 2017	**2,913,250**	**0.69**	**1,400,000**	**0.39**

(b) Share option and compensation expense:

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation. The Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate.

On July 17, 2017, the Board granted 100,000 options at an exercise price of $0.50, expiring on July 17, 2022. The options vest as follows: 100,000 options vest January 17, 2018; 100,000 options vest on July 17, 2018, 100,000 options vest on January 17, 2019 and 100,000 options vest on July 17, 2019. The total compensation cost of these stock options is estimated to be $29,960, which will be recognized on a gradual basis over the vesting period of the stock options.

10. Share Capital *(Continued from previous page)*

(b) Share option and compensation expense *(Continued from previous page*):

On May 17, 2017, the Board granted 600,000 options at an exercise price of $0.50, expiring on May 17, 2022. The options vest as follows: 240,000 options vest on the grant date; 120,000 options vest on September 1, 2017, 120,000 options vest on March 1, 2018 and 120,000 options vest on September 1, 2018. The total compensation cost of these stock options is estimated to be $178,446, which will be recognized on a gradual basis over the vesting period of the stock options.

On June 23, 2016, the Board granted 371,800 options at an exercise price of $0.50, expiring on June 23, 2021. The options vest as follows: 100,000 options vest on the grant date; 100,000 options vest on December 24, 2016, 96,800 options vest on June 24, 2017 and 75,000 options vest on December 24, 2017. On August 2, 2016, the board granted the 28,200 options subject to the same terms and conditions as above, these options were reserved by the Board on June 23, 2016. The total compensation cost of these stock options is estimated to be $92,638, which will be recognized on a gradual basis over the vesting period of the stock options.

On April 27, 2017, 50,000 options were cancelled and the recognized compensation related to these options amounted to $ 5,442. On July 27, 2017, 50,000 options were forfeited.

In total, $105,081 ($ 108,585 – July 31, 2016) of employee and directors' remuneration expense has been included in the statement of loss and credited to contributed surplus.

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

The following options to purchase common shares were outstanding as at July 31, 2017:

Number of Options outstanding	Number of Options Exercisable	Exercise price $	Remaining contractual life
400,000 [1]	**200,000**	**0.10**	**2.98 years**
1,000,000	**465,000**	**0.50**	**4.18 years**

[1] As per the escrow agreement these options are held in escrow and are subject to the same release conditions as described in a).

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

	July 2017	**May 2017**	August 2016	June 2016
Weighted average risk-free interest rate	**1.52%**	**0.62%**	0.62%	0.62%
Weighted average volatility factor	**106.58%**	**78.15%**	78.15%	78.15%
Weighted average expected life (in years)	**5**	**5**	5	5
Weighted fair value of options	**$0.2996**	**$0.2322**	$0.2322	$0.2322
Forfeiture rate	**12%**	**3.33%**	3.33%	3.33%

Volatility is determined based on the historical share price of comparable companies.

10. Share Capital *(Continued from previous page)*

(c) Warrants

In July 2017, the Corporation issued 780,000 share purchase half-warrants as part of the second tranche of the private placements (note 10a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on January 28, 2018. The half-warrants were valued at $0.11 using the Black-Scholes option valuation model with the following assumptions:

In connection with these private placements, the Corporation issued to the broker 19,000 share purchase warrants as part of its compensation. Each full broker's-warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.50 per common share and expires 18 months after the grant date. The warrants were valued at $0.15 using the Black-Scholes option valuation model with the same assumptions as the above.

In June 2017, the Corporation issued 415,000 share purchase half-warrants as part of the second tranche of the private placements (note 10a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on December 28, 2018. The half-warrants were valued at $0.13 using the Black-Scholes option valuation model with the following assumptions:

In April 2017, the Corporation issued 1,140,000 share purchase half-warrants as part of the second tranche of the private placements (note 10a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on October 29, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In March 2017, the Corporation issued 960,000 share purchase half-warrants as part of the first tranche of the private placements (note 10a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on October 1, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In connection with these private placements, the Corporation issued to the broker 56,750 share purchase warrants as part of its compensation. Each full broker's-warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.50 per common share and expires 18 months after the grant date. The warrants were valued at $0.14 using the Black-Scholes option valuation model with the same assumptions as the above.

In August 2016, the Corporation issued 920,000 share purchase half-warrants as part of the private placements (note 10a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on August 2, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In February 2016, the Corporation issued 160,000 share purchase half-warrants as part of the private placements (note 10a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on February 26, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Under the Black-Scholes option-pricing model, the following assumptions were used when the half-warrants were granted:

	July 2017	**June 2017**	**April 2017**	**March 2017**	August 2016	February 2016
Weighted average risk-free interest rate	**1.28%**	**1.04%**	**0.74%**	**0.72%**	0.56%	0.49%
Weighted average volatility factor	**95.82%**	**107%**	**87%**	**87%**	125%	125%
Weighted average expected life (in years)	**1.5**	**1.5**	**1.5**	**1.5**	2	2
Weighted fair value of half-warrants	**$0.11**	**$0.13**	**$0.10**	**$0.10**	$0.10	$0.10
Weighted fair value of broker's-warrants	**$0.15**	**$0.14**	**$0.14**	**$0.14**	-	-

Volatility is determined based on the historical shares price of comparable companies

10. Share Capital *(Continued from previous page)*

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

	3 months ended July 31,		**6 months ended July 31,**	
	2017	2016 (Restated, Note 4)	2017	2016 (Restated, Note 4)
Weighted average number of common share outstanding	**16,556,503**	13,124,109	**16,380,449**	13,113,435
Basic and diluted loss per common share	**0.02**	0.04	**0.04**	0.07

The number of options and full warrants outstanding as at January 31, 2017 and 2016 is not included in the calculation because the effect is anti-dilutive.

11. Research and Development costs

Research and development costs consist of:

	July 31, 2017		July 31, 2016	
	Three-month Period $	Six-month period $	Three-month Period $ Restated (Note 4)	Six-month period $ Restated (Note 4)
Research expenses	**52,500**	**78,504**	43,996	131,496
Development cost	**163,463**	**295,145**	190,175	313,772
	215,963	**373,679**	234,171	445,268
Investment tax credit	**(143,000)**	**(235,078)**	(15,103)	(24,103)
	72,963	**138,571**	219,068	421,165

12. Personnel costs

Office and administrative expenses includes personnel costs, which consist of:

	July 31, 2017		July 31, 2016	
	Three-month Period $	Six-month period $	Three-month Period $	Six-month period $
Salaries and expenses for employees	**46,919**	**88,373**	43,996	102,132
Share-based compensation for employees	**11,977**	**17,633**	10,452	14,014
	58,896	**106,006**	54,458	116,146

13. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

	July 31, 2017		January 31, 2017	
	Carrying Value FVTPL $	**Fair Value $**	**Carrying Value FVTPL $**	**Fair Value $**
Financial Assets				
Cash	**415,459**	**415,459**	7,366	7,366

	July 31, 2017			January 31, 2017		
	Carrying Value FVTPL $	**Carrying Value Other financial liabilities $**	**Fair Value $**	**Carrying Value FVTPL $**	**Carrying Value Other financial liabilities $**	**Fair Value $**
Financial Liabilities						
Accounts payable and accrued liabilities	**-**	**321,883**	**321,883**	-	800,311	800,311
Operating loan	**-**	**-**	**-**	-	879,850	879,850
Note payable	**-**	**224,737**	**224,737**	-	-	-
Convertible loan	**-**	**557,700**	**557,700**	-	-	-
Class A shares liability	**418,600**	**-**	**418,600**	333,334	-	333,334
	418,600	**1,104,320**	**1,522,920**	333,334	1,680,161	2,013,495

The Corporation's has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities fair value of these financial instruments approximated their fair values due to their relatively short periods to maturity.

IFRS 13 Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at July 31, 2017 is as follows:

	Level 1 $	**Level 2 $**	**Level 3 $**
Financial Assets			
Cash	**415,459**	**-**	-
Financial Liabilities			
Class A shares liability	**-**	**-**	**418,600**

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at January 31, 2017 is as follows:

	Level 1 $	**Level 2 $**	**Level 3 $**
Financial Assets			
Cash	7,366	-	-
Financial Liabilities			
Class A shares liability	-	-	333,334

The fair value of financial assets and liabilities not traded in active markets that are based on unobservable inputs are classified as Level 3. A fair value measurement developed using a present value technique might be categorized within Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorized. If an observable input requires an adjustment using an unobservable input and

13. Financial Instruments *(Continued from previous page)*

that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy. The Corporation's Level 3 investments consist of Class A shares presented as a liability as describe in Note 9. As at July 31, 2017, the fair value of this liability was determined to be at $418,600 based on a value of $0.39 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded on July 28, 2017.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Corporation determines whether transfers have occurred between levels in the hierarchy by assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of reporting period. During the periods ended July 31, 2017 and January 31, 2017, there were no transfer between Levels 1, 2 and 3 of the fair value hierarchy.

14. Financial Risk Factors

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.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the unpaid amount on the research contract at the end of each month at a fixed rate and its operating loan negotiated at a fixed rate.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at:

July 31, 2017	**Carrying Value $**	**Less than 30 days $**	**30 days to 3 months $**	**3 months to 12 months $**	**More than 12 months $**
Financial Liabilities					
Accounts payable and accrued liabilities	**321,883**	**265,068**	**29,149**	**27,666**	**-**
Note payable	**224,737**	**-**	**-**	**-**	**224,737**
Convertible debenture	**558,825**	**-**	**-**	**-**	**558,825**
Class A shares liability	**418,600**	**-**	**-**	**-**	**418,600**
	1,524,045	**489,805**	**29,149**	**27,666**	**1,199,162**

January 31, 2017	**Carrying Value $**	**Less than 30 days $**	**30 days to 3 months $**	**3 months to 12 months $**	**More than 12 months $**
Financial Liabilities					
Accounts payable and accrued liabilities	800,311	18,992	109,460	671,859	-
Operating loan	879,850	-	-	879,850	-
Class A shares liability	333,334	-	-	-	333,334
	2,013,495	18,992	109,460	1,551,709	333,334

(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, warrants and contributed surplus, in the definition of capital. 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. To secure the additional capital necessary to pursue these plans, the Corporation will attempt 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.

15. Related Party Transactions

The following table presents the related parties transactions presented in the statement of Loss for the year ended:

	July 31, 2017 $	July 31, 2016 $
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**83,216**	212,336
Share-based compensation to employees and directors	**105,081**	108,585
Consulting fees charged by a director and acting CEO	**105,000**	8,300
Consulting fees accrued for a director and acting CEO	**24,650**	**-**
Transactions with a family member of a director and acting CEO		
Consulting fees charged by	**15,000**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**43,475**	13,103
Consulting fees charge by	**8,100**	-
Transaction with Polytechnique, a partner of Polyvalor :		
Reversal of interest accrued for	**(6,215)**	-
Research and development costs	**350,000**	577,500

The remuneration of key management, which include the Vice-President Finance and Chief Financial Officer and for the comparative period the former President and CEO only.

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

	July 31, 2017 $	January 31, 2017 $
Accounts payable and accrued liabilities due to a director and acting CEO	**34,650**	10,000
Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation	**-**	191,371
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**211,662**	385,882
Transaction with Polyvalor, holder of 1,073,333 common shares:		
Amounts included in Intellectual Property	**136,410**	35,000

16. Commitments

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The remaining amount of the minimum obligations due over the next twelve months under the Research agreements is $583,334

In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

Appendix 2

Management Discussion & Analysis for the six-month period ended July 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JULY 31, 2017

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 of financially literate directors.

This report was reviewed by the Corporation's Audit Committee on August 25, 2017 and approved by Ortho RTI's Board of Directors on August 25, 2017 and should be read in conjunction with the unaudited interim condensed financial statements for the three-month and six-month periods ended July 31, 2017. 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 18,461,500 common shares that are issued and fully paid as of August 25, 2017, of which 11,508,858 shares are held in escrow.

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 for the three-month and six-month periods ended July 31, 2017, and compares the 2017 results to those of the same period in 2016.

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 joint tissues thereby helping to restore function and 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 joint tissues. 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-C	Articular cartilage	Feasibility (research)
Ortho-V	Osteoarthritis pain	Feasibility (research)

Ortho-R and Ortho-M are freeze-dried formulations that contain a biopolymer, a lyoprotectant and a clot activator. These freeze-dried formulations can be solubilized in Platelet-Rich Plasma, “PRP”, to form injectable implants that coagulate after implantation. Extensive in vitro testing has allowed us to identify specific formulations that meet the following criteria: 1) Rapid and complete solubilization in PRP, 2) Biopolymer-PRP mixtures which have the paste-like handling properties upon solubilization that are desired by surgeons, 3) Biopolymer-PRP mixtures coagulate rapidly to form solid biopolymer-PRP hybrid implants, 4) Biopolymer-PRP implants are mechanically stable and resist platelet-mediated clot retraction and 5) Dispersion of the Biopolymer in the implants is homogenous for optimal biodegradability. Biopolymer-PRP implants have been tested in vivo using a subcutaneous injection model in rabbits. Biopolymer-PRP implants were resident for several weeks while PRP-only controls were degraded in one day. Biopolymer-PRP implants induced cell recruitment and angiogenesis, both of which were not seen with PRP-only controls. Biopolymer-PRP implants were biodegradable as the Biopolymer was internalized and degraded by host cells. Biopolymer-PRP implants were also biocompatible as they did not induce any deleterious effects in this model.

Ortho-M was tested in a bilateral meniscus repair model in the sheep. Longitudinal tears of the medial meniscus were treated with suturing as per clinical practice and Ortho-M implants were injected into the tears via induced channels. Ortho-M was found to be partly resident in the tears and in the channels at 1 day, where they induced cell recruitment from the outer vascular portion of the meniscus. At 3 weeks and at 3 months, a highly cellular and integrated repair tissue was observed in some Ortho-M treated tears, while there was no evidence of tissue repair in any of the PRP-only controls. This bilateral model was challenging since it did not permit the animals to protect their knees from weight-bearing post-operatively and could contain only a limited amount of Ortho-M. Even with these limitations, Ortho-M showed significant biological activity and potential to improve meniscus repair while PRP-only controls did not.

In 2016, performance of Ortho-M was then assessed in a unilateral complex tear model in the sheep combined with a meniscus wrapping technique. Ortho-M implants showed superior regenerative effect over wrapping the meniscus with a collagen membrane at 6 weeks. Using the wrap in conjunction with Ortho-M did not further improve repair and the additional sutures needed to secure the wrap created significant damage to the meniscus. This suggests that Ortho-M implants by themselves could be effective in overcoming the current limitations of meniscus repair.

Ortho-R for rotator cuff repair is also solubilized in PRP prior to injection and will be tested in a small rabbit model first and then in a larger sheep model. The surgical approach that will be used for the first study has been identified using rabbit shoulder joints ex vivo. The supraspinatus tendon will be sectioned close to its insertion site and then sutured to the greater tuberosity through a bony trough. Ortho-R will be injected in the bony trough and in the tendon proper. Ortho-R is expected to improve repair of the tendon and also its integration to the greater tuberosity.

In 2016, Ortho-R for rotator cuff repair was tested in a small animal rabbit model (pilot study completed and pivotal study ongoing) and then in a larger animal sheep model (pilot study completed and pivotal study planned). In the rabbit model, bilateral full-thickness tears were created in the supraspinatus (SSP)

tendons of the rotator cuff and the tears were immediately repaired with a transosseous suturing technique. On the treated side, Ortho-R was additionally injected at the repair site, in the bone tunnels and SSP tendon. In the pilot study at 2 months, Ortho-R treatment partly restored the structural organization of a normal SSP enthesis, with a calcified interface between the tendon and the bone. In contrast, the SSP tendon insertion site in the sutured-only shoulder showed abnormal integration, with significant bone overgrowth into the tendon itself. In the pivotal rabbit study, gaps were present between the stump of the tendon and the humeral head surface in the suturing only group at 2 months. In contrast, there were no gaps in the Ortho-R treated shoulders. In the sheep model, unilateral full-thickness tears were created in the infraspinatus (ISP) tendons of the rotator cuff and the tears were immediately repaired with suture anchors in a suture bridge configuration. In the treated shoulders, Ortho-R was additionally injected at the bone-ISP tendon interface and on top of the repaired site. Ortho-R improved ISP tendon structural organization and induced remodeling at the bone-ISP tendon interface at 3 months compared to suture anchors.

The use of Ortho-R in conjunction with suturing techniques showed promising histological findings in small and large animal models, which is expected to translate into superior rotator cuff repair. No adverse events were found in any of the above mentioned animal studies, which suggests high safety.

Ortho-C is a freeze-dried matrix with ultra-high porosity designed to augment bone marrow stimulation procedures for articular cartilage repair including microfracture and drilling. At the point-of-care surgical intervention, the surgeon currently has control over the pattern of bone plate channels created but methods are lacking to control the activity of the blood clot that forms in the subchondral bone. Ortho-C is specifically designed for delivery to bleeding subchondral blood channels, where it interfaces with blood to create bioactive particles that actively promote a more rapid hemostasis and subsequently guide revascularization of the bone marrow channel, subchondral bone plate remodeling, and articular cartilage regeneration. The scaffold contains a biodegradable naturally-derived polymer, Biopolymer, with a high safety profile. After packaging, sterility testing and quality assurance, the surgeon will have the option of shaping the scaffold and inserting into the bone marrow channels by open arthrotomy for maximal control, or of using a specific delivery device to insert the scaffold under a drained arthroscopy field. Compared to other augmentation devices, Ortho-C treatment has the advantage of adding only minutes to the marrow stimulation procedure.

Ortho-V is a freeze-dried Biopolymer formulation tailored for intra-articular injections and viscosupplementation applications. Most viscosupplementation products use hyaluronic acid, but orthopaedic surgeons are also injecting PRP intra-articularly. Ortho-V consists of freeze-dried Biopolymer that will be solubilized in PRP for intra-articular injections. Biopolymer is expected to cross-link endogenous hyaluronic acid present in the joint and provide viscosupplementation while PRP will provide platelet-derived growth factors and biological activity. A rabbit model of chemically-induced joint degeneration will be used to test intra-articular injections of Ortho-V.

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

i) Research and development as well as distribution agreements with strategic partners who have the infrastructure required to ensure commercial success for the future products, or
ii) Sale 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 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 development, 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 ensure 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 pre-revenue value at the point where it has proven clinical efficacy and obtained regulatory approvals.

In August 2016, the Corporation received its first US patent, for "SOLUBLE PHYSIOLOGICAL BIOPOLYMER FORMULATIONS COMBINED WITH PLATELET-RICH PLASMA (PRP) FOR TISSUE REPAIR". 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, management has limited the territories in which we are seeking protection to the following: EU (via a European Patent), Canada, USA, Japan and Australia.

On October 18, 2016, Brent Norton, MD has been appointed Executive Chairman of the Board and acting Chief Executive Officer. Dr. Norton succeeds Edward Margerrison who left the Corporation to assume the position Director Office of Science and Engineering at FDA.

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 ensued, and it has been determined that Ortho-R will be regulated as a single entity biologic through CBER. The specific implications of this determination remain to be quantified, but it is possible that an increased investment in the Chemistry, Manufacturing and Controls ("CMC") may be required. That said. it has, 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.

In July 2017, François Xavier Lacasse, PhD, has joined the team as VP Product Development. He will be overseeing the preclinical and clinical activities for all the ongoing projects.

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, 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. In the fall, we completed the pilot study which we believe has demonstrated the suitability of the preclinical model. A local contract research organization ("CRO ") has

been selected to undertake the pivotal preclinical study, and contract negotiations are ongoing along with the necessary quality audit.

The Corporation has received samples of several batches of the raw material from our preferred supplier. The received material will be sufficient to manufacture final product through early clinical trials.

All activities described above have been planned and are being executed 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: The rotator cuff indication will continue as before, but development work for the meniscus indication (and others) are being limited until Ortho-R is further down its developments path and further financing has been obtained. It should be noted that this 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 own: it can therefore act as the quickest path to the "human proof of concept" for the Corporation's technology overall, and increasing the value of the entire portfolio.

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

FINANCIAL OVERVIEW

- In the second quarter, the Corporation closed two tranches of its private placement of $582,500, less a cash fee of $10,375 and brokers warrants of $3,095, for 1,165,000 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.
- During the second quarter, the Board granted 700,000 stock options at an exercise price of $0.50.
- On July 28, 2017, converted its accounts payable to Manitex into a note payable in the amount of $224,737.
- In the first quarter, the Corporation closed two tranches of its private placement of $650,000, less a cash fee of $27,500 and brokers warrants of $7,760, for 1,300,000 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.
- On March 31, 2017, the Corporation entered into a Shares for Debt Agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the commitment of a non-refundable fee of $100,000 as per the Assignment and Transfer Agreement, an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals $120,000. The shares were issued having an aggregate fair value at that date of $96,000. Accordingly, a gain on settlement of debt of $24,000 was recorded in these interim financial statements.
- Concomitant with the closing of the second tranche in April 2017, the Corporation entered into a debt conversion and convertible loan agreement with Manitex. From the outstanding amount of $1,219,050, $400,000 is converted into 800,000 units at deemed price of $0.50 per Unit. Each unit consisting of one Class A common share and one-half common share purchase warrant under the same conditions as above.

- In conjunction with the debt conversion and loan agreement with Manitex, the Corporation converted $600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid in full, principal and interest on February 1, 2019.
- In June 2017, the Corporation settled in shares consulting fees in the amount of $15,000.
- Net loss from operations for the three-month period is approximately $362,000 compared to approximately $550,000 for the comparative period.
- Net loss from operations for the six-month period is approximately $619,000 compared to approximately $947,000 for the comparative period.
- Cash used in operating activities is $816,000, which includes cash used to fund development projects. Cash provided from financing activities is $1,261,000. and cash used to acquire intangible is $36,410.

SELECTED FINANCIAL DATA

The following tables 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-month and six-month periods ending July 31, 2017 and 2016.

	Three-month period ending July 31,		Six-month period ending July 31,	
	2017 $	2016 $ (restated)	2017 $	2016 $ (restated)
Professional and consulting fees	**130,445**	91,160	**236,329**	120,605
Research and development costs	**72,963**	219,068	**138,571**	421,165
Office and administrative	**55,138**	121,264	**101,655**	237,076
Travel and promotion	**5,664**	14,565	**11,938**	26,585
Transfer agent filing fees	**10,800**	18,873	**13,698**	18,873
Share-based compensation	**99,425**	68,122	**105,081**	108,585
Financial expenses (income)	**(10,166)**	11,499	**37,794**	13,961
Amortization – intangible asset	**8,410**	-	**8,410**	-
Gain on settlement of debt	**-**	-	**(24,000)**	-
Change in fair value Class A shares	**(10,734)**	-	**(10,734)**	-
Net loss for the period	**361,945**	550,551	**618,742**	946,850
Loss per share:				
Weighted average number of common share outstanding	**16,556,503**	13,124,109	**16,380,449**	13,113,435
Basic and diluted	**0.02**	0.04	**0.04**	0.07

Balance Sheet Highlights	**July31, 2017 $**	January 31, 2017 $ (Restated)
Cash	**415,459**	7,366
Investment tax credits	**245,000**	345,005
Sales tax receivable and other assets	**13,929**	26,150
Current assets	**674,388**	378,521
Investment tax credits	**235,083**	-
Intangible asset	**496,150**	368,150
Non-current asset	**731,233**	368,150
Total assets	**1,405,621**	746,671
Liabilities-current	**321,883**	1,680,161
Note payable	**224,737**	-
Convertible loan	**557,700**	-
Class A shares liability	**418,600**	333,334
Liabilities-non-current	**1,201,037**	333,334
Common shares	**2,435,611**	1,200,031
Warrants	**598,545**	238,000
Contributed Surplus	**448,257**	276,115
Deficit	**(3,599,712)**	(2,980,970)

OPERATING EXPENSES

For the six-month period ended July 31, 2017 compared to the same period in 2016, overall expenses decreased by approximately $328,000. The primary reasons for the overall decrease in expenses were:

- Professional and consulting fees increased by approximately by $116,000, mainly due to the consulting fees charged by the acting CEO and a new agreement with an investor relation firm. In the previous period the CEO compensation was presented in office and administrative expenses.
- Office and administrative expenses decreased by approximately $135,000, due to less salaries paid because the former CEO was paid as an employee and less cost in conference and stationary supplies.
- Research and development costs decreased by approximately $282,000. The decrease is explained by the accrual of the investment tax credits ("ITC's") in the estimated amount of approximately $235,000. Included in this caption includes the three agreements signed with the Polytechnique for a monthly payment of $58,333 and payments to consultants for services provided on direct relation to the advancement of the projects.
- Other costs such as travel and promotion, transfer agent and filing fees decreased by approximately $20,000. The decrease relates to the expenses in respect of the filing of the escrow agreements and being a new reporting issuer in the comparative period.
- The amortization of the intangible asset, represents the amortization of the intellectual property estimated over 15 years on a straight-line basis for an annual amount of $33,640. In the second quarter, the Corporation commenced the transfer of knowledge and its manufacturing process.
- Financial expenses increased by approximately $24,000. The increase is explained by the interest being charged by Manitex on its convertible debenture using an effective interest rate of 18% compare to an 8% interest in the amount of approximately $26,000 and $17,000 on the operating loan compare to $13,000 in the comparative period. In addition, as per the agreement with Polytechnique a 12% interest was accrued for unpaid research contract in the amount of approximately $35,000, of which $9,000 was charged in the first quarter and none was recorded in the comparative period. Since all payments were made in the current period, management reversed the interest accrual in the second quarter. As per the agreement signed in March 2017, we recorded a $20,000 interest expense charged by Polytechnique.

- During first quarter, as part of the agreement signed with Polytechnique in March 2017, the Corporation recorded a gain on a settlement of debt of $24,000 as describe in note 9 of the interim financial statements.
- Share based compensation slightly decreased by approximately $3,500 compared with the comparative period. During the second quarter, the Board granted 700,000 options for which share based compensation was recorded over the vesting period.
- During the second quarter, the fair value Class A shares was reviewed by management and determined that the value of the common shares is $0.39 based on the offered private placement which was closed on July 28, 2017. Consequently, a gain of $10,734 was charged to operations in the second quarter

Included in expenses for the current year:
Professional and consulting fees of $236,000, are consulting fees paid to the Chairman of the Board and acting CEO of approximately $130,000, to our in-house counsel of approximately $13,000, $36,000 to corporate and regulatory advisory services, investor relations services $37,000 and $20,000 related to audit and tax services.

An approximate amount of $102,000 of office and administrative expenses was recorded of which, $88,000 relates to the salary and benefits paid to employees. Other expenses incurred were mainly office expenses i.e. insurance, stationary and telecommunication.

Financial expenses were approximately $38,000 of which approximately $44,000 relates to interest incurred on the operating loan from Manitex, before settlement of $400,000 in units and a $600,000 convertible loan. As to the debt settlement of the commitment of the non-refundable fees to Polytechnique, a $20,000 interest was paid in shares and a gain of $24,000 was recorded to operations and a reversal of interest accrued on the unpaid contracts for an amount of $35,000.

Research and development costs represents mainly three agreements for Ortho R, Ortho M and Ortho C. These contracts incur a monthly cost of $ 58,333 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. The total amount of $350,000 related to the contracts and are netted against the estimated ITC's of $235,000. In addition, there are amounts paid to consultants to provide services for the development of the preclinical trials of an amount of approximately $24,000.

Other expenses in the amount of $26,000 includes travel and promotion and transfer agent and filing fees are ongoing expenses to meet our reporting requirements and travel for our acting CEO to meet various investors.

INTANGIBLE ASSET

INTELLECTUAL PROPERTY

On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor Limited Partnership ("Polyvalor"), where the Corporation acquired all rights, titles and interest on the technology.

Ortho is the owner of four patent applications filed since 2009. Improvements to the technology discovered through work funded at Polytechnique by Ortho are also owned by Ortho. The current patent portfolio includes the following:

Patent Family No.1: Clot-activated polymer composition for repairing tissue of subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprises platelet-rich plasma (" PRP "), a Biopolymer, a salt and a clot activator;

Patent Family No.2: Novel formulation of physiological Biopolymer-inorganic salt solution/blood mixtures for tissue repair;

Patent Family No.3: Freeze-dried polymer compositions for mixing with platelet rich plasma to form implants for tissue repair or compositions for therapeutic intra-articular injections ;

Patent Family No.4: Freeze-dried Biopolymer scaffolds that form a hydrated microparticle dispersion after contact with blood or blood-derived fluids and stimulate anabolic wound repair processes including angiogenesis, cell chemotaxis, tissue remodeling, and extracellular matrix deposition;

On August 26, 2016, our Patent from family 2 has been issued in the United States and expires in 2032.

INVESTMENT TAX CREDITS

The amounts and the moment of the recognition of the investment tax credits receivable involve a certain degree of estimation and judgement with regards to the eligibility of the research and development expenditures which give rise to the tax credits refunds and to the probability of receiving the amounts. The amounts claimed by the Corporation are subject to the review and the approval of the tax authorities and it is possible that the amounts granted will differ from the amounts claimed.

The Corporation recognized investment tax credits related to expenditures with the three research agreements with the Polytechnique. The FY2017 estimated amount of tax credits is $245,000 which represents federal and provincial tax credits. As at July 31, 2017, the estimated amount for the current period is $235,000 which is presented in non-current assets and netted against the research and development costs.

NOTE PAYABLE

On July 28th, 2017, the Corporation and Manitex signed an unsecure note payable in the amount of $224,737 bearing interest at 12% and maturing October 31, 2018. Both parties agreed to transfer the amount owed in its accounts payable as at July 28, 2017.

CONVERTIBLE LOAN

On April 27, 2017, the Corporation converted $600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into shares of the Corporation at a deemed price of $1.00 per shares. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed $1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of $1.00 per share of the Corporation.

At the time of issue, the convertible loan was separated into liability in the amount of $533,000 and equity components of $67,000 using the residual method. The fair value of the liability component was calculated using discounted cash flows for the convertible loan assuming an effective interest rate of 18%. The effective interest rate was based on the estimated rate for a debenture with similar terms but without a conversion feature from comparable companies. The total amount of accretion expenses charged to operations is $26,000

CLASS A SHARES LIABILITY

As per the shareholders' agreement all shares held by Polyvalor have a put right associated to them allowing Polyvalor to require that the Corporation redeem the shares if the Corporation has not listed its shares on a recognized stock exchange by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not

meet the criteria in IAS 32 Financial Instruments: Presentation for classification as equity and therefore are classified as a FVTPL liability. As at July 31, 2017, Polyvalor holds 1,073,334, management reviewed the fair value and determined that the value of the common shares is $0.39 based on the offered private placement which was closed on July 28, 2017.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Corporation for the eight quarters ended July 31, 2017. 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.

	FY 2018 Q2 $	FY 2018 Q1 $ (Restated)	FY 2017 Q4 $ (Restated)	FY 2017 Q3 $ (Restated)	FY 2017 Q2 $ (Restated)	FY 2017 Q1 $ (Restated)	FY 2016 Q4 $ (Restated)	FY 2016 Q3 $ (Restated)
Professional and consulting fees	130,445	105,884	124,903	83,365	97,160	23,445	121,595	100,124
R&D costs	72,963	65,073	41,608	236,109	219,068	202,097	45,867	183,229
Office and administration	55,138	46,517	39,693	72,737	121,264	115,812	74,877	3,034
Travel and promotion	5,664	6,274	7,557	13,755	14,565	12,020	15,156	3,133
Transfer agent and filing fees	10,800	6,685	5,176	16,386	18,876	-	-	-
Share based compensation	99,425	6,656	(19,003)	40,473	68,122	40,463	138,165	7,895
Amortization – Intangible assets	8,410	-	-	-	-	-	-	-
Financial expenses (income)	(10,166)	23,960	40,712	10,727	11,499	2,462	4,722	2,365
Change in fair value on Class A shares	(10,734)	-	-	-	-	-	257,577	-
Net loss for the quarter	361,945	261,049	240,646	473,552	550,551	396,299	657,959	299,778
Loss per share Basic and diluted:	0.01	0.01	0.01	0.03	0.04	0.03	0.06	0.02

R&D is defined by Research and development

In FY2018-Q2, the main expenses are professional and consulting fees, office and administrative expense, and financial expenses and share based compensation. Professional and consulting fees include corporate legal and audit matter for a total amount of $18,500 and consulting fees paid to new Acting CEO of $72,000 and $40,000 on corporate, regulatory and investor relations. Office and administration are comprised of approximately $48,000 of salaries and benefits for two employees. Research and development costs represents the monthly costs of $58,333 associated to the three Research agreements netted against an estimate of ITC of approximately of $142,000. During the quarter 700,000 options was granted for which $99,000 of share-based compensation was recorded. The financial expenses relate to the accretion of the interest on the convertible loan from Manitex in the amount of approximately $25,000. A reversal of interest accrual of $35,000 from the arrears on the Polytechnique contracts. During the quarter, management reviewed the fair value of the 1,073,334 Polyvalor shares to be at $0.39 from $0.40, which resulted into a change in fair value of $10,734 recorded to the statement of loss for this quarter.

In FY2018-Q1, the main expenses are professional and consulting fees, office and administrative expense, and financial expenses. Professional and consulting fees include corporate legal and audit matter for a total amount of $14,000 and consulting fees paid to new Acting CEO of $58,000 and $34,000 on corporate and regulatory. Office and administration are comprised of approximately $40,000 of salaries and benefits for one employee. Research expenses represents the monthly costs associated to

the Research agreements netted against an estimate of approximately of $22,000 of investment tax credit. The financial expenses relate to the interest on the operating loan from Manitex in the amount of approximately $17,000 and $29,000 relates to the interest accrued from the arrears on the Polytechnique contracts and includes a $24,000 gain on settlement of debt signed on March 31, 2017.

In FY2017-Q4, the main expenses are professional and consulting fees, office and administrative expense, and financial expenses. Professional and consulting fees include corporate legal and audit matter for a total amount of $19,000 and consulting fees paid to new Acting CEO of $60,000 and $46,000 corporate and regulatory. Office and administration are comprised of approximately $40,000 of salaries and benefits for employees. Research expenses represents the monthly costs associated to the Research agreements netted against an estimate of approximately of $48,000 of investment tax credit. The financial expenses relate to the interest on the operating loan from Manitex in the amount of approximately $14,000 and $27,000 relates to the interest accrued from the arrears on the Polytechnique contracts which bear interest at the annual rate of 12% for any unpaid balance at the end of each month.

In FY2017-Q3, the main expenses are professional and consulting fees, office and administrative expense, research costs and share-based compensation. Professional and consulting fees include corporate legal and audit matter for a total amount of $33,000 and consulting fees paid to new Acting CEO of approximately $33,000 and $18,000 on corporate and regulatory strategies. The decrease in office and administration is due to the decrease in the salaries and benefits for employees due to the departure of the former CEO. Research expenses represents the monthly costs associated to the Research agreements. The financial expenses relate to the interest on the operating loan from Manitex.

In FY2017-Q2, the main expenses are professional and consulting fees, office and administrative expense, research costs and share-based compensation. Professional and consulting fees increased due mainly to corporate legal matter, audit fees and regulatory and other fees. The approximate total amount for legal and audit was $59,000 and approximate $38,000 relating to corporate and strategic advisory services. Office and administrative expenses are comprised of approximately $104,000 of salaries and benefits for employees and other related office expenses. Research costs are in conjunction with Ortho C project netted against an estimate of the investment tax credits of $15,000. During Q2, the Corporation completed its transactions with respect to its final prospectus which include costs to transfer agent and filing fees of approximately $19,000.

In FY2017-Q1, the main expenses are office and administrative expense, research costs and share-based compensation. Office and administrative expenses are comprised of approximately $102,000 of salaries and benefits paid to the CEO and other related office expenses. Increase in research costs are in conjunction with Ortho-C project as per the research agreements and costs incurred to conduct some studies to third parties.

During FY2016-Q4, 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 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 Polyvalor to redeem the shares at fair value and requires presentation as a liability; 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 for that quarter.

In FY2016-Q3 costs relates to research expenses engaged with the Polytechique. Professional fees are mainly costs relating to the audit and the preparation of the preliminary prospectus filed on April 29, 2016. In addition, options were granted to directors and share-based compensation was recognized.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS:

Sources and Uses of Cash

For the six-month period ended July 31:	**2017** $	2016 $ (Restated)
Operating activities:		
Cash used in operations prior to changes in working capital	**(478,724)**	(838,265)
Changes in non-cash working capital	**(337,498)**	(55,622)
Cash used in operations	**(816,222)**	(893,887)
Investing activities:		
Cash used in for acquisition of intangible assets	**(36,410)**	(35,000)
Financing activities:		
Cash received from operating loan	**81,100**	292,150
Cash received from equity financing	**1,232,500**	80,000
Payment of debt issue costs	**(1,500)**	-
Payment of share issues costs	**(51,375)**	(4,000)
Payment for costs in relation to the long form prospectus	**-**	(61,462)
Cash provided by financing activities	**1,260,725**	306,668
Increase (decrease) in cash	**408,093**	(622,199)
Cash, beginning of period	**7,366**	646,246
Cash, end of period	**415,459**	24,047

(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 approximately $140,015 (2016 - $40,463). These amounts represent for the current period share based compensation of $105,081 (2016 - $40,463), consulting fees paid in shares of $ 15,000 (2016- Nil) financial interest $45,886, amortization of $8,945 (2016 – Nil) and a gain on settlement of debt of $24,000 (2016 – Nil). The net change in non-cash working capital was affected by the decrease in accounts payable and accrued liabilities of $214,641 (2016 – increase of $3,006), a decrease in sales tax receivable and prepaid expenses of $12,221 (2016 – increase of $ 14,538) and a decrease in the investment tax credits of $135,078 (2016 – $44,090) compared to the related period.

(b) Investing activities

The Corporation incurred costs of $36,410 (2016 - $35,000) to make the payments remaining under the Intellectual Property Assignment and Technology Transfer Agreement.

(c) Financing activities

During the current period the Corporation received $1,232,500 (2016 - $80,000) from the issuance of common shares with related share and debt issue costs of $51,375 (2016 - $4,000) and $81,100 (2016 - $20,000) from its operating loan capacity. In the prior period the amount $61,462 relates to costs of the filing of the long from prospectus on April 29, 2016, which the Corporation completed its transaction with Manitex on June 3, 2016. Cash flows provided by financing activities amounted to $1,260,725 (2016 – $306,668).

LIQUIDITY AND CAPITAL RESOURCES:

	July 31, 2017 $	January 31, 2017 $ (Restated)
Cash	**415,459**	**7,366**
Working Capital [(i)]	**352,505**	**(1,301,640)**
Total assets	**1,405,621**	**746,671**

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

The current working capital is a situation that is being addressed by the Corporation and its Board of Directors. 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 of $583,330 under the three Polytechnique Research Agreements to fund $58,333 monthly for the next 10 months. As at July 31, 2017, the amount owed to Polytechnique under the Research Agreements is $211,662.

To secure the additional capital necessary to fund the 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, 2017, the Corporation has raised $3,034,000 through several private placements.

On April 27, 2017, the Corporation converted $600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into shares of the Corporation at a deemed price of $1.00 per shares. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed $1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of $1.00 per share of the Corporation.

On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the non-refundable fee of $100,000 an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 was charged to the statement of loss as a gain on debt settlement.

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 market value (through, for example, clinical trials) to attract a strategic partner. We currently estimate that an investment of at least $25 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 Biopolymer 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 clinical trials may start as early as last quarter of 2018, and the current stage of the program is concentrated on ensuring that all preclinical activities are complete: these preclinical activities include formal toxicology testing, pivotal animal efficacy study(ies), and the transfer of the manufacturing process to a contract manufacturing organization. All of the preclinical activities have commenced and we anticipate that all can be accomplished with the expenditure of a further $2.5M, in addition to the on-going commitment to funding the Polytechnique agreement of $17,500 per month for the next 10 months and administrative expenses.

Ortho-M is our second candidate and is also in a development phase. Large animal preclinical models studies are completed. We anticipate a similar pathway and plan to Ortho-R, management is currently evaluating the estimated commencement of the pivotal animal efficacy study(ies) and will require an investment of approximately $750K, in addition to the on-going commitment to funding the Polytechnique agreement of $23,333 per month for the next 10 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 10 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 2018, 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.

COMMITMENTS

The following represents the commitments that the Corporations has entered into:

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The remaining amount of the minimum obligations due over the next twelve months under the Research agreements is $583,334

b) In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation as no does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following table presents the related parties transactions presented in the statement of Loss for the year ended:

	July 31, 2017 $	July 31, 2016 $
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**83,216**	212,336
Share-based compensation to employees and directors	**105,081**	108,585
Consulting fees charged by a director and acting CEO	**105,000**	8,300
Consulting fees accrued for a director and acting CEO	**24,650**	**-**
Transactions with a family member of a director and acting CEO		
Consulting fees charged by	**15,000**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**43,475**	13,103
Consulting fees charge by	**8,100**	-
Transaction with Polytechnique, a partner of Polyvalor :		
Reversal of interest accrued for	**(6,215)**	-
Research and development costs	**350,000**	577,500

The remuneration of key management, which include the Vice-President Finance and Chief Financial Officer and for the comparative period the former President and CEO only.

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

	July 31, 2017 $	January 31, 2017 $
Accounts payable and accrued liabilities due to a director and acting CEO	**34,650**	10,000
Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation	**-**	191,371
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**211,662**	385,882
Transaction with Polyvalor, holder of 1,073,333 common shares:		
Amounts included in Intellectual Property	**136,410**	35,000

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The application of the Corporation's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive loss, assets and liabilities recognized and disclosures made in the financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information. Management tracks performance as compared to the budget and significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.
Please refer to Note 3 of the annual 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

During the three-month period ended July 31, 2017, the Corporation changed its accounting policy with respect to its intangible assets, specifically to its developments costs and patent prosecution costs. Previously the Corporation capitalized these costs, when the Corporation could demonstrate that all the specific criteria related to technical, market and financial feasibility were met.

Under the new policy, research and development expenditures are charged to operations as incurred. Management considers this new accounting policy to provide more reliable and relevant information to investors and financial organizations in assessing the financial position of the Corporation and comparing its performance to other biotech companies

As required by IAS 8, Accounting policies, changes in Accounting estimates and errors, the Corporation has restated the comparative periods presented in these financial statements to reflect the new policy. Consequently, development costs and patent prosecution costs in the amount of $926,639 and $392,042 were charged to operations for the years ended January 31, 2017 and 2016 respectively, and $61,239 for the quarter ended April 30, 2017.

The restated line items on the statement financial position as at January 31, 2017, have been reconciled to the previously reported amounts as follows:

January 31, 2017	**Previously reported $**	**Adjustments $**	**Restated $**
Assets			
Intangible assets	1,294,789	(926,639)	368,150
Total Assets	1,683,310	(926,639)	756,671
Shareholders' deficiency			
Deficit	2,054,331	926,639	2,980,970
Total shareholders' deficiency	340,185	926,639	1,266,824
Total liabilities and shareholders' deficiency	1,683,310	(926,639)	756,671

The restated line items on the statement of loss and comprehensive loss for the three-month and six-month period ended July 31, 2016, have been reconciled to the previously reported amounts as follows:

July 31, 2016	Previously reported $	Adjustments $	Restated $
Three-month period			
General and administrative expenses			
Research and development costs	28,893	190,175	219,068
Total general and administrative expenses	348,877	190,175	539,052
Net loss and comprehensive loss for the period	360,376	190,175	550,551
Basic and diluted loss per common share	0.03	0.01	0.04
Six-month period			
General and administrative expenses			
Research and development costs	107,393	313,772	421,165
Total general and administrative expenses	619,117	313,772	932,889
Net loss and comprehensive loss for the period	633,078	313,772	946,850
Basic and diluted loss per common share	0.05	0.02	0.07

Following the accounting change, we have change the caption Research costs to Research and development costs.

The restated line items on the statement of cash flows for the six-month period ended July 31, 2016, have been reconciled to the previously reported amounts as follows:

July 31, 2016	Previously reported $	Adjustments $	Restated $
Six-month period			
Operating activities			
Net loss for the period	633,078	313,772	946,850
Cash used in operating activities	580,115	313,772	893,887
Investing activities			
Acquisition of intangible assets	348,772	(313,772)	35,000
Cash used in investing activities	348,772	(313,772)	35,000

The restated line items on the statement of changes in Shareholder's Deficiency for the year ended January 31, 2016, have been reconciled to the previously reported amounts as follows:

January 31, 2016	Previously reported $	Adjustments $	Restated $
Shareholders' equity (deficiency)			
Deficit	(927,880)	(392,042)	(1,319,922)
Total shareholders' equity (deficiency)	354,797	(392,042)	(37,245)

The restated line items on the statement of changes in Shareholder's Deficiency for the year ended July 31, 2016, have been reconciled to the previously reported amounts as follows:

July 31, 2016	Previously reported $	Adjustments $	Restated $
Shareholders' deficiency			
Deficit	1,560,958	705,814	2,266,772
Total shareholders' deficiency	309,032	705,814	1,014,846

STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

FINANCIALS INSTRUMENTS

All financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. An extended description of the Corporation's financial instruments and their fair values is provided in Note 13 of the interim financial statements.

SUBSEQUENT EVENTS
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.

Market risk

Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the unpaid amount on the research contract at the end of each month at a fixed rate and its Convertible loan negotiated at a fixed rate.

a) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at:

July 31, 2017	*Carrying Value $*	*Less than 30 days $*	*30 days to 3 months $*	*3 months to 12 months $*	*More than 12 months $*
Financial Liabilities					
Accounts payable and accrued liabilities	**321,883**	**265,068**	**29,149**	**27,666**	**-**
Note payable	**224,737**				**224,737**
Convertible loan	**558,825**	**-**	**-**	**-**	**558,825**
Class A shares liability	**418,600**	**-**	**-**	**-**	**418,600**
	1,524,045	**265,068**	**29,149**	**27,666**	**1,199,162**

b) 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, warrants 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.

Appendix 3

Interim Condensed Financial Statements for the three-month period ended April 30, 2017

Ortho Regenerative Technologies Inc.

Interim Condensed Financial Statements

For the three-month period ended April 30, 2017

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Ortho Regenerative Technologies Inc.
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	April 30, 2017 $	January 31, 2017 $
Assets		
Cash	**339,259**	7,366
Sales tax receivable	**5,468**	14,928
Prepaid expenses	**7,152**	11,222
Investment tax credits	**245,000**	345,005
Total current assets	**596,879**	378,521
Investment tax credits	**92,083**	-
Intangible assets *(Note 4)*	**1,491,903**	1,294,789
Total non-current assets	**1,583,986**	1,294,789
Total assets	**2,180,865**	1,673,310
Liabilities		
Accounts payable and accrued liabilities	**662,871**	800,311
Operating loan *(Note 5)*	**-**	879,850
Total current liabilities	**662,871**	1,680,161
Convertible loan *(Note 6)*	**532,686**	-
Class A shares liability *(Note 7)*	**429,334**	333,334
Total non-current liabilities	**962,020**	333,334
Total liabilities	**1,624,891**	2,013,495
Shareholders' equity (deficiency)		
Common shares *(Note 8)*	**2,001,331**	1,200,031
Warrants *(Note 8)*	**455,700**	238,000
Contributed surplus *(Note 8)*	**348,832**	276,115
Deficit	**(2,249,889)**	(2,054,331)
Total shareholders' equity (deficiency)	**555,974**	(340,185)
Total liabilities and shareholders' equity (deficiency)	**2,180,865**	1,673,310

Going Concern *(Note 1)*; Related Party Transactions *(Note 11)*; Commitments *(Note 12);*

"*xxxxxxxxxxxxxx*" , Director

"*xxxxxxxxxxxxxxxxxx* " , Director

	2017	2016
	$	$
General and Administrative Expenses		
Professional fees	**14,302**	2,317
Consulting fees *(Note 12)*	**91,582**	21,128
Research costs *(Note 12)*	**3,834**	78,500
Office and administrative *(Note 12)*	**46,517**	115,812
Travel and promotion	**6,274**	12,020
Transfer agent and filing fees	**6,685**	-
Share-based compensation *(Note 8 and 12)*	**5,656**	40,463
Amortization – intangible assets *(Note 4)*	**535**	-
	173,422	270,240
Financial Expenses (Income)		
Interest and bank charges *(Note 12)*	**26,713**	2,462
Interest paid with shares *(Note 7)*	**20,000**	-
Interest and accretion on convertible loan *(Note 6)*	**1,247**	-
Gain on settlement of debt *(Note 7)*	**(24,000)**	-
	23,960	2,462
Net loss and comprehensive loss	**195,558**	272,702

Ortho Regenerative Technologies Inc.
Statement of Changes in Shareholders' (Deficiency) Equity
For the three-month period ended April 30,

	Number of shares	*Share capital*	*Warrants*	*Contributed surplus*	*Accumulated Deficit*	*Total equity*
Balance, as at January 31, 2016	12,966,666	1,006,617	130,000	146,060	(927,880)	354,797
Issuance of shares as equity *(Note 8)*	160,000	68,000	-	-	-	68,000
Share issue costs *(Note 8)*	8,000	(8,000)	-	-	-	-
Issuance of warrants *(Note 8)*	-	-	16,000	-	-	16,000
Share based compensation *(Note 8)*	-	-	-	40,463	-	40,463
Net loss for the period	-	-	-	-	(272,702)	(272,702)
Balance, as at April 30, 2016	13,134,666	1,066,617	146,000	186,523	(1,200,582)	198,558
Balance, as at January 31, 2017	**14,093,166**	**1,200,031**	**238,000**	**276,115**	**(2,054,331)**	**(340,185)**
Issuance of shares as equity *(Note 8)*	**1,300,000**	**520,000**	**130,000**	**-**	**-**	**650,000**
Conversion of debt into shares as equity *(Note 6)*	**800,000**	**320,000**	**80,000**	**-**	**-**	**400,000**
Share issue costs *(Note 8)*	**-**	**(31,000)**	**-**	**-**	**-**	**(31,000)**
Issuance of warrants *(Note 8)*	**-**	**(7,700)**	**7,700**	**-**	**-**	**-**
Share based compensation *(Note 8)*	**-**	**-**	**-**	**5,656**	**-**	**5,656**
Conversion feature on convertible loan *(Note 6)*	**-**	**-**	**-**	**67,061**	**-**	**67,061**
Net loss for the period	**-**	**-**	**-**	**-**	**(195,558)**	**(195,558)**
Balance, as at April 30, 2017	**16,193,166**	**2,001,331**	**455,700**	**348,832**	**(2,249,889)**	**555,974**

The number of shares held in escrow as at April 30, 2017 is 11,508,858 (Nil – April 30, 2016)

Ortho Regenerative Technologies Inc.
Statements of Cash Flows
For the three-month period ended April 30th

	2017	2016
	$	$
Operating activities:		
Net loss from operations	**(195,558)**	(272,702)
Add items not affecting cash:		
Share based compensation *(Note 8)*	**5,656**	40,463
Amortization – intangible assets *(Note 4)*	**535**	-
Gain on settlement of debt *(Note 7)*	**(24,000)**	-
Interest paid on issuance of shares *(Note 7)*	**20,000**	-
Interest and accretion on convertible loan *(Note 6)*	**1,247**	-
	(192,120)	(232,239)
Net change in non-cash operating working capital:		
Investment tax credits	**7,922**	(33,450)
Sales tax receivable and prepaid expenses	**13,530**	(4,622)
Accounts payable and accrued liabilities	**(98,390)**	(264,466)
	(76,938)	(302,538)
Cash used in operating activities	**(269,058)**	(534,777)
Investing activities:		
Acquisition of intangible assets, net of investment tax credit of $69,908 ($24,450 – 2016) *(Note 4)*	**(97,649)**	(158,597)
Financing activities:		
Increase in operating loan	**81,100**	20,000
Issuance of share capital as equity *(Note 8)*	**650,000**	80,000
Payment of debt issue costs *(Note 6)*	**(1,500)**	-
Payment of share issue costs *(Note 8)*	**(31,000)**	(4,000)
Payment of deferred share issue costs *(Note 8)*	**-**	(46,881)
Cash provided by financing activities	**698,600**	49,119
Increase (decrease) in cash	**331,893**	(644,255)
Cash, beginning of year	**7,366**	646,246
Cash, end of year	**339,259**	1,991
Supplementary cash flow information		
Change in accounts payable reflected in intangibles	**(47,000)**	(77,066)
Interest on short term liabilities recorded in accounts payable and accrued liabilities	**44,868**	-
Acquired intangible assets by issuance of shares *(Note 7)*	**100,000**	-
Settlement of accrued interest by issuance of convertible loan *(Note 5)*	**39,050**	-
Settlement of operating loan by issuance of convertible loan *(Note 5)*	**560,950**	-
Settlement of operating loan by issuance of shares *(Note 5)*	**400,000**	-

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation" or "Ortho") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

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. Manitex is an existing shareholder of the Corporation and held 5,109,000 shares of Ortho. On June 3, 2016, the dividend-in-kind of Class A Common Shares of Ortho was paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date set by Manitex's Board of Directors. On June 3, 2016 Manitex has 12,561,276 shares that are issued and outstanding and caused the distribution of 1,100,142 Ortho shares to Canadians residents holders of Manitex shares and $77,926 was paid in cash to non-residents, pursuant to the prospectus, at a deemed value of $0.50 per share. Manitex is listed on the TSX Venture Exchange under the symbol MNX.

The Corporation specializes in research on innovative medical devices which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at April 30, 2017, the Corporation has a deficit of $ 2,249,889 ($2,054,331 as at January 31, 2017) and a negative working capital of $ 65,992 ($1,301,640 as at January 31, 2017. In addition, the Corporation closed a private placement in two tranches, for a amount of $650,000 describe in Note 8. In Conjunction with the second tranche, Manitex converted $400,000 from its debt into shares and $600,000 into a convertible loan, interest bearing at 10% and maturing on February 1, 2019 as explain in note 6. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the continuous support of its creditors. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

These financial statements were approved and authorized for issuance by the Board of Directors on June 13, 2017.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	April 30, 2017	January 31, 2017
End of period exchange rate	**1.3299**	1.3012
	April 30, 2017	April 30, 2016
Period average exchange rate	**1.3297**	1.3272

c) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements for the year ended January 31, 2017 as they follow the same accounting policies and methods of application.

d) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

e) Future accounting pronouncements *(Continued from previous page)*

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The amendment shall be applied by way of prospective application for annual reporting periods beginning on January 1, 2017 or thereafter. The Corporation is currently evaluating the impact of adopting this standard.

IAS 12 Income Taxes

IAS 12 - Income Taxes was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2017. The Corporation is currently evaluating the impact of adopting this standard.

3. Use of Estimates and Judgements

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2017 annual financial statements and are still applicable for the period ended April 30, 2017.

4. Intangible Assets

The intangible assets consist of:

Cost	*Patents*	*Intellectual Property*	*Development Costs*	*Total*
	$	*$*	*$*	*$*
Balance as at January 31, 2017	**186,140**	**368,150**	**740,499**	**1,294,789**
Additions	**1,690**	**136,410**	**129,457**	**267,557**
Investment tax credits	**-**	**-**	**(69,908)**	**(69,908)**
Balance as at April 30, 2017	**187,830**	**504,560**	**800,048**	**1,492,438**

4. Intangible Assets *(Continued from previous page)*

Accumulated amortization	*Patents*	*Intellectual Property*	*Development Costs*	*Total*
	$	*$*	*$*	*$*
Balance as at January 31, 2017	**-**	**-**	**-**	**-**
Additions	**535**	**-**	**-**	**535**
Balance as at April 30, 2017	**535**	**-**	**-**	**535**
Carrying value as at April 30, 2017	**187,295**	**504,560**	**800,048**	**1,491.903**

Amortization of the Patents will commence when the Patents have been approved. Amortization of the Intellectual Property and Development Costs will commence when the various products have been commercialized.

On August 26, 2016, one patent was issued and will expired in year 2032. The cost of the patent is $33,985 and will be amortized over the remaining life of 16 years at $2,140 per annum.

5. Operating Loan

The Corporation had a loan agreement with Manitex Capital Inc. (“Manitex”), a shareholder of the Corporation. Borrowing under this unsecured loan agreement bore interest at 8% per annum and was due on demand. On April 27, 2017, the Corporation entered into a debt conversion and convertible loan agreement with Manitex, which settle amount due on the operating loan and a partial amount from interest accrued. On April 27, 2017, the Corporation is indebted to Manitex in an aggregate amount of $1,219,050 and was settled as follow:

	$
Unsecured operating loan	**960,950**
Accrued interest	**57,411**
Various accounts payable	**200,689**
Total indebtedness	**1,219,050**
Settlement by issuance of Convertible loan *(Note 6)*	**(600,000)**
Settlement by issuance of 800,000 units *(Note 8)*	**(400,000)**
Amounts to be included in accounts payable and accrued liabilities	**219,050**

The amount of $219,050 is due on demand.

6. Convertible Loan

Convertible loan consists of the following:

	April 30, 2017 *$*	*January 31, 2017* *$*
Face value of the convertible loan upon conversion *(Note 5)*	**600,000**	**-**
Less: discount	**(67,061)**	**-**
Book value of convertible loan on initial recognition	**532,939**	**-**
Accretion expense during the period	**1,247**	**-**
Deferred financing charges	**(1,500)**	
Convertible loan, long term	**532,686**	**-**

On April 27, 2017, the Corporation converted $600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into shares of the Corporation at a deemed price of $1.00 per shares. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed $1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of $1.00 per share of the Corporation.

At the time of issue, the convertible loan were separated into liability and equity components using the residual method. The fair value of the liability component was calculated using discounted cash flows for the convertible loan assuming an effective interest rate of 18%. The effective interest rate was based on the estimated rate for a debenture with similar terms but without a conversion feature from comparable companies. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible loan and the fair value of the liability component. The liability component was subsequently measured at amortized cost using the effective interest rate method and was accreted up to the principal balance at maturity. The accretion is presented as a financial expense.

Transaction costs of $1,500 were incurred on the issuance of the convertible loan and were netted against the liability. The transaction costs allocated to the liability component will be amortized at the effective interest rate over the term of the convertible debentures and will be presented as a financial expense.

7. Class A shares liability

As per the shareholders' agreement all shares held by Polyvalor have a put right associated to them allowing Polyvalor to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability.

Class A shares consists of the following:

	April 30, 2017 *$*	*January 31, 2017* *$*
833,334 shares issued on June 19, 2015, held in escrow	**333,334**	333,334
240,000 shares issued on March 31, 2017	**96,000**	-
Fair value of Class A common shares	**429,3334**	333,334

On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the commitment of a non-refundable fee of $100,000 as per the Assignment and Transfer Agreement, an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 was charged to the statement of loss as a gain on settlement of debt. Details of the assumptions used are as follows:

As at April 30, 2017, management reviewed the fair value and determined that the value of the common shares is $0.40 based on the offered private placement which was closed on April 27, 2017. Details of the assumptions used are as follows:

7. Class A shares liability *(Continued from previous page)*

	April 30, 2017	**March 31, 2017**	*January 31, 2017*
Weighted average risk-free interest rate	**0.74%**	**0.72%**	0.82%
Weighted average volatility factor	**87%**	**87%**	125%
Weighted average expected life	**1.5 years**	**1.5 years**	1.5 years
Weighted of Class A common shares	**$0.40**	**$0.40**	$0.40

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

8. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid as at April 30 and January 31:	**2017**	2017
16,193,166 (2017 – 14,093,166) Class A common shares	**$ 2,312,017**	$1,472,017

On April 27, 2017, the Corporation closed a second tranche of $120,000 for 240,000 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common shares and $0.10 for the half-warrant. The private placement was completed by an authorized dealer, with a cash fees of $6,000 of the placement value and 12,000 of brokers warrants. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above. The share issue cost associated with the private placement were $ 10,180.

Concomitant with the closing of the second tranche, the Corporation entered into a debt conversion and convertible loan agreement with Manitex. From the outstanding amount of $1,219,050, $400,000 is converted into 800,000 units at deemed price of $0.50 per Unit. 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common shares and $0.10 for the half-warrant.

On March 31, 2017, the Corporation closed a private placement of $430,000 for 860,000 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 eighteen months from the subscription date. If, during the eighteen 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common shares and $0.10 for the half-warrant. The private placement was completed by an authorized dealer, with fees of $21,500 of the placement value and 43,000 of brokers warrants. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above. The share issue cost associated with the private placement were $ 28,520.

8. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

On August 2, 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 (1/2) 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 full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $34,650. In addition to the private placement, the Corporation received a subscription form 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 full warrants for a total net proceed of $440,750.

On July 29, 2016, the escrow agreement was signed and filed with the Autorité des Marchés Financiers. Based on the escrow agreement, 11,508,858 shares are held in escrow and will be released by the Escrowed Securities as follows:

Release Date	**Portion of Escrowed Securities Released**
On the date of Corporation's securities are listed	1/10 of the Escrowed Securities
Six months after the listing date	1/6 of the Escrowed Securities
12 months after the listing date	1/5 of the Escrowed Securities
18 months after the listing date	1/4 of the Escrowed Securities
24months after the listing date	1/3 of the Escrowed Securities
30 months after the listing date	1/2 of the Escrowed Securities
36 months after the listing date	The remaining of the Escrowed Securities

On June 3, 2016, the Corporation and Manitex completed its transaction as described in the long form prospectus by the payment of a dividend-in-kind of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex. Therefore, the cost related to the transaction amounted to $215,336 and was charged to share capital in the period.

In February 2016, the Corporation closed a private placement of $80,000 for 160,000 units at a subscription price of $0.50 per unit, with each unit consisting of one Class A common share and one-half (1/2) 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 full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $8,000.

8. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

The following schedules the common shares issuable on exercise of the full warrants and share-based payment transactions granted during the current fiscal year:

	Shares issuable on exercise of			
	Full Warrants		***Share options***	
	Number of shares ***#***	***Weighted exercise price*** ***$***	***Number*** ***#***	***Weighted exercise price*** ***$***
Balance, January 31, 2016	650,000	0.70	1,025,000	0.16
Granted during the period	80,000	0.70	-	-
Expired during the period	-	-	-	-
Cancelled during the period	-	-	-	-
Exercised during the period	-	-	-	-
Balance, April 30, 2016	730,000	0.70	1,025,000	0.16
Balance, January 31, 2017	**1,190,000**	**0.70**	**800,000**	**0.25**
Granted during the period	**1,105,000**	**0.69**	**-**	**-**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**(50,000)**	**0.50**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, April 30, 2017	**2,295,000**	**0.70**	**750,000**	**0.15**

(b) Share option and compensation expense:

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation. The Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate

On June 23, 2016, the Board granted 371,800 options at an exercise price of $0.50, expiring on June 23, 2021. The options vest as follows: 100,000 options vest on the grant date; 100,000 options vest on December 24, 2016, 96,800 options vest on June 24, 2017 and 75,000 options vest on December 24, 2017. On August 2, 2016, the board granted the 28,200 options subject to the same terms and conditions as above, these options were reserved by the Board on June 23, 2016. The total compensation cost of these stock options is estimate to be $92,638, which will be recognized on a gradual basis over the vesting period of the stock options.

8. Share Capital *(Continued from previous page)*

(b) Share option and compensation expense *(Continued from previous page*):

On April 27, 2017, 50,000 options were cancelled and the recognized compensation related to these options amounted to $ 5,442.

In total, $5,656 ($ 40,463 – April 30, 2016) of employee and directors' remuneration expense has been included in the statement of loss and credited to contributed surplus.

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

The following options to purchase common shares were outstanding as at April 30, 2017:

Number of Options outstanding	*Number of Options Exercisable*	*Exercise price $*	*Remaining contractual life*
400,000 [1]	**200,000**	**0.10**	**3.25 years**
350,000	**200,000**	**0.50**	**4.15 years**

[1] As per the escrow agreement these options are held in escrow and are subject to the same release conditions as described in a).

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

	August 2016	*June 2016*
Weighted average risk-free interest rate	**0.62%**	**0.62%**
Weighted average volatility factor	**78.15%**	**78.15%**
Weighted average expected life	**5 years**	**5 years**
Weighted fair value of options	**$0.2322**	**$0.2322**
Forfeiture rate	**3.33%**	**3.33%**

Volatility is determined based on the historical share price of comparable companies.

(c) Warrants

In April 2017, the Corporation issued 1,140,000 share purchase half-warrants as part of the second tranche of the private placements (note 8a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on October 29, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In March 2017, the Corporation issued 960,000 share purchase half-warrants as part of the first tranche of the private placements (note 8a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on October 1, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In connection with these private placements, the Corporation issued to the broker 55,000 share purchase warrants as part of its compensation. Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.50 per common share. The warrants were valued at $0.14 using the Black-Scholes option valuation model with the same assumptions as the above.

In August 2016, the Corporation issued 920,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on August 2, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

8. Share Capital *(Continued from previous page)*

***(c) Warrants** (Continued from previous page):*

In February 2016, the Corporation issued 160,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on February 26, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Under the Black-Scholes option-pricing model, the following assumptions were used when the half-warrants were granted:

	April 2017	*March 2017*	*August 2016*	*February 2016*
Weighted average risk-free interest rate	**0.74%**	**0.72%**	**0.56%**	**0.49%**
Weighted average volatility factor	**87%**	**87%**	**125%**	**125%**
Weighted average expected life	**1.5 years**	**1.5 years**	**2 years**	**2years**
Weighted fair value of half-warrants	**$0.10**	**$0.10**	**$0.10**	**$0.10**

Volatility is determined based on the historical shares price of comparable companies

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

	April 30, 2017	April 30, 2016
Weighted average number of common shares outstanding	**14,461,833**	13,124,109
Basic and diluted loss per common shares	**(0.01)**	(0.02)

The number of options and full warrants outstanding as at January 31, 2017 and 2016 is not included in the calculation because the effect is anti-dilutive.

9. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

	April 30, 2017		*January 31, 2017*	
	Carrying Value FVTPL $	*Fair Value $*	*Carrying Value FVTPL $*	*Fair Value $*
Financial Assets				
Cash	**339,259**	**339,259**	7,366	7,366

	April 30, 2017			*January 31, 2017*		
	Carrying Value FVTPL $	*Carrying Value Other financial liabilities $*	*Fair Value $*	*Carrying Value FVTPL $*	*Carrying Value Other financial liabilities $*	*Fair Value $*
Financial Liabilities						
Accounts payable and accrued liabilities	**-**	**662,871**	**662,871**	-	800,311	800,311
Operating loan	**-**	**-**	**-**	-	879,850	879,850
Convertible loan	**-**	**532,686**	**532,686**	-	-	-
Class A shares liability	**429,334**	**-**	**429,334**	333,334	-	334,334
	429,334	**1,195,557**	**1,624,891**	333,334	1,680,161	2,013,495

9. Financial Instruments *(Continued from previous page)*

The Corporation's has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities fair value of these financial instruments approximated their fair values due to their relatively short periods to maturity.

IFRS 13 Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at April 30, 2017 is as follows:

	Level 1 ***$***	***Level 2*** ***$***	***Level 3*** ***$***
Financial Assets			
Cash	**339,259**	**-**	-
Financial Liabilities			
Class A shares liability	**-**	**-**	**429,334**

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at January 31, 2017 is as follows:

	Level 1 ***$***	***Level 2*** ***$***	***Level 3*** ***$***
Financial Assets			
Cash	7,366	-	-
Financial Liabilities			
Class A shares liability	-	-	333,334

The fair value of financial assets and liabilities not traded in active markets that are based on unobservable inputs are classified as Level 3. A fair value measurement developed using a present value technique might be categorized within Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorized. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy. The Corporation's Level 3 investments consist of Class A shares presented as a liability as describe in Note 6. As at April 30, 2017, the fair value of this liability was determined to be at $429,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded on April 27, 2017.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Corporation determines whether transfers have occurred between levels in the hierarchy by assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of reporting period. During the periods ended April 30, 2017 and January 31, 2017, there were no transfer between Levels 1, 2 and 3 of the fair value hierarchy.

10. Financial Risk Factors

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.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the unpaid amount on the research contract at the end of each month at a fixed rate and its operating loan negotiated at a fixed rate.

10. Financial Risk Factors *(Continued from previous page)*

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at:

April 30, 2017	*Carrying Value $*	*Less than 30 days $*	*30 days to 3 months $*	*3 months to 12 months $*	*More than 12 months $*
Financial Liabilities					
Accounts payable and accrued liabilities	**662,871**	**24,179**	**340,568**	**298,124**	**-**
Convertible debenture	**534,186**	**-**	**-**	**-**	**534,187**
Class A shares liability	**429,334**	**-**	**-**	**-**	**429,334**
	1,624,891	**24,179**	**340,568**	**298,124**	**963,521**

January 31, 2017	*Carrying Value $*	*Less than 30 days $*	*30 days to 3 months $*	*3 months to 12 months $*	*More than 12 months $*
Financial Liabilities					
Accounts payable and accrued liabilities	800,311	18,992	109,460	671,859	-
Operating loan	879,850	-	-	879,850	-
Class A shares liability	333,334	-	-	-	333,334
	2,013,495	18,992	109,460	1,551,709	333,334

(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, warrants and contributed surplus, in the definition of capital. 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. To secure the additional capital necessary to pursue these plans, the Corporation will attempt 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.

11. Related Party Transactions

The following table presents the related parties transactions presented in the statement of Loss for the year ended:

	April 30, 2017 $	*April 30, 2016 $*
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**41,454**	102,132
Share-based compensation to employees and directors	**5,656**	40,463
Consulting fees charged by a director and acting CEO	**45,000**	**-**
Consulting fees accrued for a director and acting CEO	**13,000**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**18,837**	4,756
Consulting fees charge by	**8,100**	-
Transaction with Polytechnique, a partner of Polyvalor :		
Interest accrued for	**9,187**	-
Research expenses	**52,500**	87,500

11. Related Party Transactions *(Continued from previous page)*

The remuneration of key management, which include the Vice-President Finance and Chief Financial Officer and for the comparative period the former President and CEO only

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

	April 30, 2017 $	***January 31, 2017 $***
Accounts payable and accrued liabilities due to a director and acting CEO	**18,216**	10,000
Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation	**224,737**	191,371
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**348,068**	385,882
Transaction with Polytechnique, a partner of Polyvalor :		
Amounts included in Development costs	**122,500**	490,000
Transaction with Polyvalor, holder of 1,073,333 common shares:		
Amounts included in Intellectual Property	**136,410**	35,000

12. Commitments

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The following table presents the minimum obligations due over the next two years are as follows:

	Research agreement $
2018	700,000
2019	58,329
	758,329

In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

Appendix 4

Management Discussion & Analysis for the three-month period ended April 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED APRIL 30, 2017

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 of financially literate directors.

This report was reviewed by the Corporation's Audit Committee on June 13, 2017 and approved by OrthoRTI's Board of Directors on June 13, 2017 and should be read in conjunction with the unaudited interim condensed financial statements for the three-month period ended April 30, 2017. 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 17,266,500 common shares that are issued and fully paid as of June 13, 2017.

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 for the three-month period ended April 30, 2017, and compares the 2017 results to those of the same period in 2016.

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 joint tissues thereby helping to restore function and 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 joint tissues. 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-C	Articular cartilage	Feasibility (research)
Ortho-V	Osteoarthritis pain	Feasibility (research)

Ortho-R and Ortho-M are freeze-dried formulations that contain a biopolymer, a lyoprotectant and a clot activator. These freeze-dried formulations can be solubilized in Platelet-Rich Plasma, “PRP”, to form injectable implants that coagulate after implantation. Extensive in vitro testing has allowed us to identify specific formulations that meet the following criteria: 1) Rapid and complete solubilization in PRP, 2) Biopolymer-PRP mixtures which have the paste-like handling properties upon solubilization that are desired by surgeons, 3) Biopolymer-PRP mixtures coagulate rapidly to form solid biopolymer-PRP hybrid implants, 4) Biopolymer-PRP implants are mechanically stable and resist platelet-mediated clot retraction and 5) Dispersion of the Biopolymer in the implants is homogenous for optimal biodegradability. Biopolymer-PRP implants have been tested in vivo using a subcutaneous injection model in rabbits. Biopolymer-PRP implants were resident for several weeks while PRP-only controls were degraded in one day. Biopolymer-PRP implants induced cell recruitment and angiogenesis, both of which were not seen with PRP-only controls. Biopolymer-PRP implants were biodegradable as the Biopolymer was internalized and degraded by host cells. Biopolymer-PRP implants were also biocompatible as they did not induce any deleterious effects in this model.

Ortho-M was tested in a bilateral meniscus repair model in the sheep. Longitudinal tears of the medial meniscus were treated with suturing as per clinical practice and Ortho-M implants were injected into the tears via induced channels. Ortho-M was found to be partly resident in the tears and in the channels at 1 day, where they induced cell recruitment from the outer vascular portion of the meniscus. At 3 weeks and at 3 months, a highly cellular and integrated repair tissue was observed in some Ortho-M treated tears, while there was no evidence of tissue repair in any of the PRP-only controls. This bilateral model was challenging since it did not permit the animals to protect their knees from weight-bearing post-operatively and could contain only a limited amount of Ortho-M. Even with these limitations, Ortho-M showed significant biological activity and potential to improve meniscus repair while PRP-only controls did not.

In 2016, performance of Ortho-M was then assessed in a unilateral complex tear model in the sheep combined with a meniscus wrapping technique. Ortho-M implants showed superior regenerative effect over wrapping the meniscus with a collagen membrane at 6 weeks. Using the wrap in conjunction with Ortho-M did not further improve repair and the additional sutures needed to secure the wrap created significant damage to the meniscus. This suggests that Ortho-M implants by themselves could be effective in overcoming the current limitations of meniscus repair.

Ortho-R for rotator cuff repair is also solubilized in PRP prior to injection and will be tested in a small rabbit model first and then in a larger sheep model. The surgical approach that will be used for the first study has been identified using rabbit shoulder joints ex vivo. The supraspinatus tendon will be sectioned close to its insertion site and then sutured to the greater tuberosity through a bony trough. Ortho-R will be injected in the bony trough and in the tendon proper. Ortho-R is expected to improve repair of the tendon and also its integration to the greater tuberosity. In parallel to these efficacy studies, safety of Ortho-M and Ortho-R will be assessed following ISO10993 guidelines.

In 2016, Ortho-R for rotator cuff repair was tested in a small animal rabbit model (pilot study completed and pivotal study ongoing) and then in a larger animal sheep model (pilot study completed and pivotal

study planned). In the rabbit model, bilateral full-thickness tears were created in the supraspinatus (SSP) tendons of the rotator cuff and the tears were immediately repaired with a transosseous suturing technique. On the treated side, Ortho-R was additionally injected at the repair site, in the bone tunnels and SSP tendon. In the pilot study at 2 months, Ortho-R treatment partly restored the structural organization of a normal SSP enthesis, with a calcified interface between the tendon and the bone. In contrast, the SSP tendon insertion site in the sutured-only shoulder showed abnormal integration, with significant bone overgrowth into the tendon itself. In the pivotal rabbit study, gaps were present between the stump of the tendon and the humeral head surface in the suturing only group at 2 months. In contrast, there were no gaps in the Ortho-R treated shoulders. In the sheep model, unilateral full-thickness tears were created in the infraspinatus (ISP) tendons of the rotator cuff and the tears were immediately repaired with suture anchors in a suture bridge configuration. In the treated shoulders, Ortho-R was additionally injected at the bone-ISP tendon interface and on top of the repaired site. Ortho-R improved ISP tendon structural organization and induced remodeling at the bone-ISP tendon interface at 3 months compared to suture anchors.

The use of Ortho-R in conjunction with suturing techniques showed promising histological findings in small and large animal models, which is expected to translate into superior rotator cuff repair. No adverse events were found in any of the above mentioned animal studies, which suggests high safety.

Ortho-C is a freeze-dried matrix with ultra-high porosity designed to augment bone marrow stimulation procedures for articular cartilage repair including microfracture and drilling. At the point-of-care surgical intervention, the surgeon currently has control over the pattern of bone plate channels created but methods are lacking to control the activity of the blood clot that forms in the subchondral bone. Ortho-C is specifically designed for delivery to bleeding subchondral blood channels, where it interfaces with blood to create bioactive particles that actively promote a more rapid hemostasis and subsequently guide revascularization of the bone marrow channel, subchondral bone plate remodeling, and articular cartilage regeneration. The scaffold contains a biodegradable naturally-derived polymer, Biopolymer, with a high safety profile. After packaging, sterility testing and quality assurance, the surgeon will have the option of shaping the scaffold and inserting into the bone marrow channels by open arthrotomy for maximal control, or of using a specific delivery device to insert the scaffold under a drained arthroscopy field. Compared to other augmentation devices, Ortho-C treatment has the advantage of adding only minutes to the marrow stimulation procedure.

Ortho-V is a freeze-dried Biopolymer formulation tailored for intra-articular injections and viscosupplementation applications. Most viscosupplementation products use hyaluronic acid, but orthopaedic surgeons are also injecting PRP intra-articularly. Ortho-V consists of freeze-dried Biopolymer that will be solubilized in PRP for intra-articular injections. Biopolymer is expected to cross-link endogenous hyaluronic acid present in the joint and provide viscosupplementation while PRP will provide platelet-derived growth factors and biological activity. A rabbit model of chemically-induced joint degeneration will be used to test intra-articular injections of Ortho-V.

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

i) Research and development as well as distribution agreements with strategic partners who have the infrastructure required to ensure commercial success for the future products, or
ii) Sale 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 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 development, 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 ensure 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 pre-revenue value at the point where it has proven clinical efficacy and obtained regulatory approvals.

In August 2016, the Corporation received its first US patent, for "SOLUBLE PHYSIOLOGICAL BIOPOLYMER FORMULATIONS COMBINED WITH PLATELET-RICH PLASMA (PRP) FOR TISSUE REPAIR". 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, management has limited the territories in which we are seeking protection to the following: EU (via a European Patent), Canada, USA, Japan and Australia.

On October 18, 2016, Brent Norton, MD has been appointed Executive Chairman of the Board and acting Chief Executive Officer. Dr. Norton succeeds Edward Margerrison who left the Corporation to assume the position Director Office of Science and Engineering at FDA.

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 ensued, and it has been determined that Ortho-R will be regulated as a single entity biologic through CBER. The specific implications of this determination remain to be quantified, but it is possible that an increased investment in the Chemistry, Manufacturing and Controls ("CMC") may be required. That said. it has, 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, 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. In the fall, we completed the pilot study which we believe has

demonstrated the suitability of the preclinical model. A CRO has been selected to undertake the pivotal preclinical study, and contract negotiations are on going along with the necessary quality audit.

The Corporation has received samples of several batches of the raw material from our preferred supplier. The received material will be sufficient to manufacture final product through early clinical trials.

All activities described above have been planned and are being executed 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: The rotator cuff indication will continue as before, but development work for the meniscus indication (and others) are being limited until Ortho-R is further down its developments path and further financing has been obtained. It should be noted that this 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 own: it can therefore act as the quickest path to the "human proof of concept" for the Corporation's technology overall, and increasing the value of the entire portfolio.

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

SELECTED ANNUAL 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-month period ending April 30 , 2017 and 2016.

	2017	2016
	$	$
Professional and consulting fees	**105,884**	23,445
Research costs, net of ITC of $ 22,170 (2016 - $9,000)	**3,834**	78,500
Office and administrative	**46,517**	115,812
Travel and promotion	**6,274**	12,020
Transfer agent filing fees	**6,685**	-
Share-based compensation	**5,656**	40,463
Financial expenses	**47,960**	2,462
Amortization – intangible assets	**535**	-
Gain on settlement of debt	**(24,000)**	-
Net loss for the period	**195,558**	927,880
Loss per share		
Basic and diluted	**0.01**	0.02

ITC is define being Investment tax credits.
The weighted average number of shares outstanding used in the calculation of loss per share at April 30, 2017 is 14,461,833 (April 30, 2016 – 13,124,109).

Balance Sheet Highlights	**April 30, 2017** $	January 31, 2017 $
Cash	**339,259**	7,366
Investment tax credits	**245,000**	345,005
Sales tax receivable and other assets	**12,620**	26,150
Current assets	**596,879**	378,521
Investment tax credits	**92,083**	-
Intangible assets	**1,491,903**	1,294,789
Non-current asset	**1,583,986**	1,294,789
Total assets	**2,180,865**	1,673,310
Liabilities-current	**662,871**	1,680,161
Convertible loan	**532,686**	-
Class A shares liability	**429,334**	333,334
Liabilities-non-current	**962,020**	333,334
Common shares	**2,001,331**	1,200,031
Warrants	**455,700**	238,000
Contributed Surplus	**348,832**	276,115
Deficit	**(2,249,889)**	(2,054,331)

FINANCIAL OVERVIEW

- In March 2017, the Corporation closed a first tranche of its private placement of $480,000, less a cash fee of $21,500 and brokers warrants of $6,080, for 960,000 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.
- On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the commitment of a non-refundable fee of $100,000 as per the Assignment and Transfer Agreement, an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals $120,000. The shares were issued having an aggregate fair value at that date of $96,000. Accordingly, a gain on settlement of debt of $24,000 was recorded in these interim financial statements.
- In April 2017, the Corporation closed a second tranche of its private placement of $170,000, less a cash fee of $6,000 and brokers warrants of $1,680, for 340,000 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.
- Concomitant with the closing of the second tranche in April 2017, the Corporation entered into a debt conversion and convertible loan agreement with Manitex. From the outstanding amount of $1,219,050, $400,000 is converted into 800,000 units at deemed price of $0.50 per Unit. Each unit consisting of one Class A common share and one-half common share purchase warrant under the same conditions as above.
- In conjunction with the debt conversion and loan agreement with Manitex, the Corporation converted $600,000 into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid in full, principal and interest on February 1, 2019.
- Net loss from operations for the period is $195,558, which includes office and administrative expenses of $ 46,517, professional and consulting fees $105,884, transfer agent and filing fees of

$6,685, travel and promotion $6,274 and share-based compensation of $5,656, research costs, net of investment tax credits $ 3,834 and financial expenses of $23,960.

- Cash used in operating activities is $269,058 and cash provided by financing activities is $698,600. Cash used to fund development and acquire intangibles is $97,649 less $69,908 of investment tax credit.

OPERATING EXPENSES

The comparative general and administrative expenses for the three months ended April 30, 2017 and 2016, by nature of expenditure, are summarized below:

	Three-month period ending	
	April 30, 2017	April 30, 2016
Professional and consulting fees	**105,884**	2,317
Research costs	**3,834**	78,500
Office and administrative	**46,517**	115,812
Travel and promotion	**6,274**	12,020
Transfer agent and filing fees	**6,685**	-
Share-based compensation	**5,656**	40,463
Financial expenses	**23,960**	2,462
Amortization – intangible assets	**535**	-
Net loss for the period	**195,558**	272,702

For the first quarter of FY2018 compared to the same period in FY2017, overall expenses decreased by approximately $77,000. The primary reasons for the overall decrease in expenses were:

- Professional and consulting fees increased by approximately by $82,000, mainly due to the consulting fees charged by the acting CEO and a new agreement with an investor relation firm.
- Office and administrative expenses decreased by approximately $69,000, due to less salaries paid because the former CEO was paid as an employee and less cost in conference and stationary supplies.
- Share based compensation decreased by approximately $35,000 compared with the previous period, due to comparative quarter there was 625,000 options issued to the former CEO which was recorded as a share based compensation over the vesting period.
- Research costs decreased by approximately $75,000. The decrease is explained by the accrual of the ITC's in the amount of $22,170 and for the comparative quarter one additional study was conduct.
- Other costs such as travel and promotion, transfer agent and filing fees and financial increased by approximately $20,000. The increase is explained by the interest being charged by Manitex and Polytechnique for its operating loan and unpaid research contract for a total amount of $ 47,960. Included in Financial expenses, there is a gain on settlement of debt of $24,000.

Included in expenses for the current year:

Professional and consulting fees of $106,000, are consulting fees paid to the Chairman of the Board and acting CEO of approximately $58,000, to our in-house counsel of approximately $5,000, $32,000 to corporate and regulatory advisory services and $11,000 related to audit and tax services.

An approximate amount of $47,000 of office and administrative expenses was recorded of which, $40,000 relates to the salary and benefits paid to the Vice-President Finance and Chief Financial Officer. Other expenses incurred were mainly office expenses i.e. insurance, stationary and telecommunication.

Financial expenses were approximately $24,000 of which approximately $18,000 relates to interest incurred on the operating loan from Manitex, before settlement of $400,000 in units and a $600,000 convertible loan. An additional $9,000 relates to the interest accrued from the arrears on the Polytechnique contracts which bear interest at the annual rate of 12% for any unpaid balance at the end of each month and part of a share debt settlement, a $20,000 interest was given to Polytechnique. As to the settlement of the commitment of the non-refundable fees, a gain of $24,000 was recorded in the statement of loss.

The research contract 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. The total amount of $52,500 related to the contract is netted against the estimated ITC's of $22,170 In addition, an amount of approximately $26,500 was credited since the study will be paid by Ecole Polytechnique.

Other expenses in the amount of $13,000 includes travel and promotion and transfer agent and filing fees are ongoing expenses to meet our reporting requirements and travel for our acting CEO to meet various investors.

INTANGIBLES ASSETS

DEVELOPMENT COSTS

The development costs capitalized over time is approximately $1,217,000 net of Investment tax credit in the amount of approximately $417,000, 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, approximately $70,000 has been spent on Ortho-M and approximately $52,500 has been spent on Ortho-R for a total amount of $675,000 and $542,000 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).

INTELLECTUAL PROPERTY

Ortho is the owner of 4 patent applications filed since 2009. Improvements to the technology discovered through work funded at Polytechnique by Ortho are also owned by Ortho. The current patent portfolio includes the following:

Patent Family No.1: Clot-activated polymer composition for repairing tissue of subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprises platelet-rich plasma (PRP), a Biopolymer, a salt and a clot activator;

Patent Family No.2: Novel formulation of physiological Biopolymer-inorganic salt solution/blood mixtures for tissue repair;

Patent Family No.3: Freeze-dried polymer compositions for mixing with platelet rich plasma to form implants for tissue repair or compositions for therapeutic intra-articular injections ;

Patent Family No.4: Freeze-dried Biopolymer scaffolds that form a hydrated microparticle dispersion after contact with blood or blood-derived fluids and stimulate anabolic wound repair processes including angiogenesis, cell chemotaxis, tissue remodeling, and extracellular matrix deposition;

On August 26, 2016, our Patent from family 2 has been issued in the United States and expires in 2032.

INVESTMENT TAX CREDITS

The amounts and the moment of the recognition of the investment tax credits receivable involve a certain degree of estimation and judgement with regards to the eligibility of the research and development expenditures which give rise to the tax credits refunds and to the probability of receiving the amounts. The amounts claimed by the Corporation are subject to the review and the approval of the tax authorities and it is possible that the amounts granted will differ from the amounts claimed.

The Corporation recognized investment tax credits related to expenditures with the three research agreements with the Polytechnique. The FY2017 estimated amount of tax credits is $245,000 which represents federal and provincial tax credits. As at April 30, 2017, the estimated amount for the current quarter is $92,000 which is presented in long term assets.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Corporation for the eight quarters ended April 30, 2017. 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.

	FY 2018 Q1 $	FY 2017 Q4 $	FY 2017 Q3 $	FY 2017 Q2 $	FY 2017 Q1 $	FY 2016 Q4 $	FY 2016 Q3 $	FY 2016 Q2 $
Professional and consulting fees	105,884	124,903	83,365	97,160	23,445	121,595	100,124	15,282
Research costs, net of ITC	3,834	4,392	52,500	28,893	78,500	55,752	52,500	22,281
Office and administration	46,517	39,693	72,737	121,264	115,812	74,877	3,034	11,991
Travel and promotion	6,274	7,557	13,755	14,565	12,020	15,156	3,133	4,030
Transfer agent and filing fees	6,685	5,176	16,386	18,876	-	-	-	-
Share based compensation	6,656	(19,003)	40,473	68,122	40,463	138,165	7,895	-
Amortization - patent	535	-	-	-	-	-	-	-
Financial expenses	23,960	40,712	10,727	11,499	2,462	4,722	2,365	860
Fair value adjustment on Class A shares liability	-	-	-	-	-	257,577	-	-
Net loss for the quarter	203,430	203,430	289,943	360,376	272,702	667,844	169,051	54,444
Loss per share Basic and diluted:	0.01	0.01	0.02	0.03	0.02	0.06	0.01	0.01

During FY2016-Q2, costs relates to the amounts disbursed to Polytechnique in relation to the Research Service Agreements and legal services pertaining to other various agreements. Office and administrations expenses represents costs relating to office expenses and other related expenses.

In FY2016-Q3 costs relates to research expenses engaged withthe Polytechique. Professional fees are mainly costs relating to the audit and the preparation of the preliminary prospectus filed on April 29, 2016. In addition, options were granted to directors and share-based compensation was recognized.

During FY2016-Q4, 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 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 Polyvalor to redeem the shares at fair value and requires presentation as a liability; 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 for that quarter.

In FY2017-Q1, the main expenses are office and administrative expense, research costs and share-based compensation. Office and administrative expenses are comprised of approximately $102,000 of salaries and benefits paid to the CEO and other related office expenses. Increase in research costs are in conjunction with Ortho-C project as per the research agreements and costs incurred to conduct some studies to third parties.

In FY2017-Q2, the main expenses are professional and consulting fees, office and administrative expense, research costs and share-based compensation. Professional and consulting fees increased due mainly to corporate legal matter, audit fees and regulatory and other fees. The approximate total amount for legal and audit was $59,000 and approximate $38,000 relating to corporate and strategic advisory services. Office and administrative expenses are comprised of approximately $104,000 of salaries and benefits for employees and other related office expenses. Research costs are in conjunction with Ortho C project netted against an estimate of the investment tax credits of $15,000. During Q2, the Corporation completed its transactions with respect to its final prospectus which include costs to transfer agent and filing fees of approximately $19,000.

In FY2017-Q3, the main expenses are professional and consulting fees, office and administrative expense, research costs and share-based compensation. Professional and consulting fees include corporate legal and audit matter for a total amount of $33,000 and consulting fees paid to new Acting CEO of approximately $33,000 and $18,000 on corporate and regulatory strategies. The decrease in office and administration is due to the decrease in the salaries and benefits for employees due to the departure of the former CEO. Research expenses represents the monthly costs associated to the Research agreements. The financial expenses relate to the interest on the operating loan from Manitex.

In FY2017-Q4, the main expenses are professional and consulting fees, office and administrative expense, and financial expenses. Professional and consulting fees include corporate legal and audit matter for a total amount of $19,000 and consulting fees paid to new Acting CEO of $60,000 and $46,000 corporate and regulatory. Office and administration are comprised of approximately $40,000 of salaries and benefits for employees. Research expenses represents the monthly costs associated to the Research agreements netted against an estimate of approximately of $48,000 of investment tax credit. The financial expenses relate to the interest on the operating loan from Manitex in the amount of approximately $14,000 and $27,000 relates to the interest accrued from the arrears on the Polytechnique contracts which bear interest at the annual rate of 12% for any unpaid balance at the end of each month.

In FY2018-Q1, the main expenses are professional and consulting fees, office and administrative expense, and financial expenses. Professional and consulting fees include corporate legal and audit matter for a total amount of $14,000 and consulting fees paid to new Acting CEO of $58,000 and $34,000 on corporate and regulatory. Office and administration are comprised of approximately $40,000 of salaries and benefits for one employee. Research expenses represents the monthly costs associated to the Research agreements netted against an estimate of approximately of $22,000 of investment tax credit. The financial expenses relate to the interest on the operating loan from Manitex in the amount of approximately $17,000 and $29,000 relates to the interest accrued from the arrears on the Polytechnique contracts and includes a $24,000 gain on settlement of debt signed on March 31, 2017

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS:

Sources and Uses of Cash

For the periods ended April 30 :	**2017** $	2016 $
Operating activities:		
Cash used in operations prior to changes in working capital	**(192,120)**	(232,239)
Changes in non-cash working capital	**(76,938)**	(302,538)
Cash (used in) provided by operations	**(269,058)**	(534,777)
Investing activities:		
Cash used in for acquisition of intangible assets	**(97,649)**	(158,597)
Financing activities:		
Cash received from operating loan	**81,100**	20,000
Cash received from equity financing	**650,000**	80,000
Payment of debt issue costs	**(1,500)**	-
Payment of share issues costs	**(31,000)**	(4,000)
Payment for costs in relation to the long form prospectus	**-**	(46,881)
Cash provided by financing activities	**698,600**	49,119
Increase (decrease) in cash	**331,893**	(644,255)
Cash, beginning of period	**7,366**	646,246
Cash, end of period	**339,259**	1,991

(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 approximately $3,438 (2016 - $40,463). These amounts represent for the current period share based compensation of $5,656 (2016 - $40,463), financial interest $21,247, amortization of $535 and a gain on settlement of debt of $24,000. The net change in non-cash working capital was affected by the slight increase in accounts payable and accrued liabilities of $98,390 (2016 - $264,466), a decrease in sales tax receivable and prepaid expenses of $13,530 (2016 – ($4,622)) and an increase in the investment tax credits of $7,922 (2016 – ($33,450) compared to the related period.

(b) Investing activities

The Corporation incurred costs of $97,649 (2016 - $158,597) 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 $69,908 (2016 - $24,450).

(c) Financing activities

During the current period the Corporation received $650,000 (2016 - $80,000) from the issuance of common shares with related share and debt issue costs of $32,500 (2016 - $4,000) and $81,100 (2016 - $20,000) from its operating loan capacity. In the prior period the amount $46,881 relates to costs of the filing of the long from prospectus on April 29, 2016, which the Corporation completed its transaction with Manitex on June 3, 2016. Cash flows provided by financing activities amounted to $698,600 (2016 – $49,119).

LIQUIDITY AND CAPITAL RESOURCES:

	April 30, 2017 **$**	January 31, 2017 $
Cash	**339,259**	**7,366**
Working Capital [(i)]	**(63,992)**	**(1,301,640)**
Total assets	**2,180,865**	**1,673,310**

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

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 of $758,329 under the three Polytechnique Research Agreements to fund $58,333 on a monthly basis for the next 13 months. As at April 30, 2017, the amount owed to Polytechnique under the Research Agreements is $348,068.

On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the non-refundable fee of $100,000 an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to Polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 was charged to the statement of loss as a gain on debt settlement.

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 January 31, 2017, the Corporation has raised $2,416,000 through several private placements.

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 market value (through, for example, clinical trials) to attract a strategic partner. We currently estimate that an investment of at least $25 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 Biopolymer 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 clinical trials may start as early as first half of 2018, and the current stage of the program is concentrated on ensuring that all preclinical activities are complete: these preclinical activities include formal toxicology testing, pivotal animal efficacy study(ies), and the transfer of the manufacturing process to a contract manufacturing organization. All of the preclinical activities have commenced and we anticipate that all can be accomplished with the expenditure of a further $2.5M, in addition to the on-going commitment to funding the Polytechnique agreement of $17,500 per month for the next 13 months.

Ortho-M is our second candidate and is also in a development phase. Large animal preclinical models studies are completed. We anticipate a similar pathway and plan to Ortho-R, management is currently evaluating the estimated commencement of the pivotal animal efficacy study(ies) and will require an investment of approximately $750K, in addition to the on-going commitment to funding the Polytechnique agreement of $23,333 per month for the next 13 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 13 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.

COMMITMENTS

The following represents the commitments that the Corporations has entered into:

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The following table presents the minimum obligations due over the next two years:

	Research agreement $
2018	700,000
2019	58,329
	758,329

In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation as no does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following table presents the related parties transactions for the period:

	April 30, 2017 $	***April 30, 2016 $***
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**41,454**	102,132
Share-based compensation to employees and directors	**5,656**	40,463
Consulting fees charged by a director and acting CEO	**45,000**	**-**
Consulting fees accrued for a director and acting CEO	**13,000**	
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**18,837**	4,756
Consulting fees charged by	**8,100**	-
Transaction with Polytechnique, a partner of Polyvalor :		
Interest accrued for	**9,187**	-
Research expenses	**52,500**	87,500

The remuneration of key management, which include Vice-President Finance and Chief Financial Officer and for the comparative period the former President and CEO only.

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

	April 30, 2017 $	***January 31, 2017 $***
Accounts payable and accrued liabilities due to a director and acting CEO	**18,216**	10,000
Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation	**224,737**	191,371
Accounts payable and accrued liabilities due to Polytechique, a partner of Polyvalor	**348,068**	385,882
Transaction with Polytechnique, a partner of Polyvalor :		
Amounts included in Development costs	**122,500**	490,000
Transaction with Polyvalor, holder of 1,073,333 common shares:		
Amounts included in Intellectual Property	**136,410**	35,000

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The application of the Corporation's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive loss, assets and liabilities recognized and disclosures made in the financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information. Management tracks performance as compared to the budget and significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

Please refer to Note 3 of the annual 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 April 30, 2017.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

FINANCIALS INSTRUMENTS

All financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. An extended description of the Corporation's financial instruments and their fair values is provided in Note 8 of the annual audited financial statements.

SUBSEQUENT EVENTS
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.

Market risk

Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the unpaid amount on the research contract at the end of each month at a fixed rate and its Convertible loan negotiated at a fixed rate.

a) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at:

April 30, 2017	*Carrying Value $*	*Less than 30 days $*	*30 days to 3 months $*	*3 months to 12 months $*	*More than 12 months $*
Financial Liabilities					
Accounts payable and accrued liabilities	**662,871**	**24,179**	**340,568**	**298,124**	**-**
Convertible loan	**534,186**	**-**	**-**	**-**	**534,187**
Class A shares liability	**429,334**	**-**	**-**	**-**	**429,334**
	1,624,891	**24,179**	**340,568**	**298,124**	**963,521**

b) 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, warrants 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.

Appendix 5

Financial Statements for the year ended January 31, 2017 (audited)

Ortho Regenerative Technologies Inc.

Financial Statements

For the year ended January 31, 2017

Ortho Regenerative Technologies Inc.
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Management's Responsibility

To the Shareholders of Ortho Regenerative Technologies Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Audit Committee is composed of a majority of Directors who are neither management nor employees of the Corporation. The Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Corporation's external auditors.

MNP SENCRL, srl, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with the Board, the Audit Committee and management to discuss their audit findings.

May 16, 2017

“Brent Norton”	“Jo-Anne Mainguy-Piché”
_____	_____
Acting Chief Executive Officer	Chief Financial Officer

MNP SENCRL srl / LLP

Independent Auditors' Report

To the Shareholders of Ortho Regenerative Technologies Inc.:

We have audited the accompanying financial statements of Ortho Regenerative Technologies Inc., which comprise the statement of financial position as at January 31, 2017 and January 31, 2016, and the statements of loss and other comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended January 31, 2017 and for the period from the Date of Incorporation of February 5, 2015 to January 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Ortho Regenerative Technologies Inc. as at January 31, 2017 and January 31, 2016 and its financial performance and its cash flows for the year ended January 31, 2017 and for the period from the Date of Incorporation of February 5, 2015 to January 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Corporation incurred a deficit of $2,054,331 as at January 31, 2017 ($927,880 as at January 31, 2016) and a negative working capital of $1,301,640 ($190,935 as at January 31, 2016). These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

Montréal, Québec

May 16, 2017

MNP SENCRL, srl[1]

[1] CPA auditor, CA, public accountancy permit No. A126822

Ortho Regenerative Technologies Inc.
Statements of Financial Position
As at

	January 31, 2017 $	January 31, 2016 $
Assets		
Cash	**7,366**	646,246
Sales tax receivable	**14,928**	30,168
Prepaid expenses	**11,222**	4,875
Investment tax credits	**345,005**	225,915
Total current assets	**378,521**	907,204
Deferred share issue costs	**-**	153,874
Intangible assets *(Note 4)*	**1,294,789**	725,192
Total non-current assets	**1,294,789**	879,066
Total assets	**1,673,310**	1,786,270
Liabilities		
Accounts payable and accrued liabilities	**800,311**	858,139
Operating loan *(Note 5)*	**879,850**	240,000
Total current liabilities	**1,680,161**	1,098,139
Class A shares liability *(Note 6)*	**333,334**	333,334
Total liabilities	**2,013,495**	1,431,473
Shareholders' (deficiency) equity		
Common shares *(Note 6)*	**1,200,031**	1,006,617
Warrants *(Note 6)*	**238,000**	130,000
Contributed surplus *(Note 6)*	**276,115**	146,060
Deficit	**(2,054,331)**	(927,880)
Total shareholders' (deficiency) equity	**(340,185)**	354,797
Total liabilities and shareholders' (deficiency) equity	**1,673,310**	1,786,270

Going Concern *(Note 1)*; Related Party Transactions *(Note 10)*; Commitments *(Note 11); Subsequent event (Note 12)*

" */s/ Brent Norton* , Director

"*/s/ Laurence Terrisse-Rulleau* " , Director

	2017	2016
	$	$
General and Administrative Expenses		
Professional fees	**113,014**	169,276
Consulting fees *(Note 10)*	**215,859**	90,254
Research costs *(Note 10)*	**164,285**	143,252
Office and administrative *(Note 10)*	**349,506**	89,902
Travel and promotion	**47,897**	23,602
Transfer agent and filing fees	**40,435**	-
Share-based compensation *(Note 6 and 10)*	**130,055**	146,060
	1,061,051	662,346
Financial Expenses		
Interest and bank charges	**65,400**	7,957
Fair value adjustment on Class A shares liability	**-**	257,577
Net loss and comprehensive loss	**1,126,451**	927,880

Ortho Regenerative Technologies Inc.
Statement of Changes in Shareholders' (Deficiency) Equity
For year ended January 31, 2017 and for the period from date of incorporation (February 5, 2015) to January 31, 2016

	Number of shares	*Share capital*	*Warrants*	*Contributed surplus*	*Deficit*	*Total equity*
Balance February 5, 2015	-	-	-	-	-	-
Issuance of shares as equity *(Note 6)*	12,966,666	1,020,617	-	-	-	1,020,617
Share issue costs *(Note 6)*	-	(14,000)	-	-	-	(14,000)
Issuance of warrants *(Note 6)*	-	-	130,000	-	-	130,000
Share based compensation *(Note 6)*	-	-	-	146,060	-	146,060
Net loss for the period	-	-	-	-	(927,880)	(927,880)
Balance, as at January 31, 2016	**12,966,666**	**1,006,617**	**130,000**	**146,060**	**(927,880)**	**354,797**
Issuance of shares as equity *(Note 6)*	**1,080,000**	**451,400**	**-**	**-**	**-**	**451,400**
Share issue costs *(Note 6)*	**46,500**	**(257,986)**	**-**	**-**	**-**	**(257,986)**
Issuance of warrants *(Note 6)*	**-**	**-**	**108,000**	**-**	**-**	**108,000**
Share based compensation *(Note 6)*	**-**	**-**	**-**	**130,055**	**-**	**130,055**
Net loss for the year	**-**	**-**	**-**	**-**	**(1,126,451)**	**(1,126,451)**
As at January 31, 2017	**14,093,166**	**1,200,031**	**238,000**	**276,115**	**(2,054,331)**	**(340,185)**

The number of shares held in escrow as at January 31, 2017 is 11,508,858 (Nil – January 31, 2016)

Ortho Regenerative Technologies Inc.
Statements of Cash Flows
For year ended January 31, 2017 and for the period from date of incorporation (February 5, 2015) to January 31,2016

	2017 $	2016 $
Operating activities:		
Net loss from operations	**(1,126,451)**	(927,880)
Add items not affecting cash:		
Share based compensation *(Note 6)*	**130,055**	146,060
Fair value adjustment on Class A shares liability	**-**	257,577
	130,055	403,637
Net change in non-cash operating working capital:		
Investment tax credits	**(119,090)**	(52,068)
Sales tax receivable and prepaid expenses	**8,893**	(35,043)
Accounts payable and accrued liabilities	**(57,828)**	634,466
Cash (used in) provided by operating activities	**(1,164,421)**	23,112
Investing activities:		
Acquisition of intangible assets, net of investment tax credit of $172,913 ($173,847 – 2016) *(Note 4)*	**(569,597)**	(675,366)
Financing activities:		
Increase in operating loan	**639,850**	240,000
Issuance of share capital as equity *(Note 6)*	**540,000**	1,150,617
Issuance of share capital as debt *(Note 6)*	**-**	75,757
Payment of share issue costs *(Note 6)*	**(23,250)**	(14,000)
Payment of deferred share issue costs	**(61,462)**	(153,874)
Cash provided by financing activities	**1,095,138**	1,298,500
(Decrease) increase in cash	**(638,880)**	646,246
Cash, beginning of year	**646,246**	-
Cash, end of year	**7,366**	646,246
Supplementary cash flow information		
Change in accounts payable reflected in intangibles	**97,361**	223,673
Interest on short term liabilities recorded in accounts payable and accrued liabilities	**64,373**	-

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation" or "Ortho") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

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. Manitex is an existing shareholder of the Corporation and held 5,109,000 shares of Ortho. On June 3, 2016, the dividend-in-kind of Class A Common Shares of Ortho was paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date set by Manitex's Board of Directors. On June 3, 2016 Manitex has 12,561,276 shares that are issued and outstanding and caused the distribution of 1,100,142 Ortho shares to Canadians residents holders of Manitex shares and $77,926 was paid in cash to non-residents, pursuant to the prospectus, at a deemed value of $0.50 per share. Manitex is listed on the TSX Venture Exchange under the symbol MNX.

The Corporation specializes in research on innovative medical devices which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at January 31, 2017, the Corporation has a deficit of $ 2,054,331 ($927,880 as at January 31, 2016) and a negative working capital of $ 1,301,640 ($190,935 as at January 31, 2016). At time to time, during the year, the Corporation and Polyvalor signed five amendments to the Intellectual Property Assignment and Technology Transfer Agreement. The changes are to extend the payment date of the $100,000 non-refundable fee to Polytechnique from May 31, 2016 to March 31, 2017, and to extend Round 2 of financing described in Note 10, to March 31, 2017, which was subsequently converted into shares as described in note 12. In addition, subsequently to year end, the Corporation closed a private placement in two tranches, for an amount of $650,000 described in Note 12. In conjunction with the second tranche, Manitex converted $400,000 from its debt into shares and $600,000 into a first rank, long-term convertible debenture, bearing interest at 10% and maturing on February 1, 2019 as explain in note 12. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the continuous support of its creditors. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

These financial statements were approved and authorized for issuance by the Board of Directors on May 16, 2017.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	January 31, 2017	January 31, 2016
End of period exchange rate	1.3012	1.3075
Period average exchange rate	1.3170	1.2961

c) Statement of Compliance

These financial statements of the Corporation have been prepared for the year ended January 31, 2017 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements. The policies set out below have been consistently applied to all the periods presented.

The preparation of the Corporation's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Corporation's accounting policies, management has made judgments and estimates disclosed in Note 3, which have the most significant effect on the amounts recognized in the financial statements.

d) Financial instruments

All financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value for instruments not at fair value through profit or loss, plus any directly attributable transaction costs. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial instruments are classified into the following categories upon initial recognition:

- loans and receivables ("L&R")
- financial assets at fair value through profit or loss ("FVTPL")
- held to maturity investments
- financial liabilities FVTPL
- other financial liabilities

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets, except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

d) Financial instruments *(Continued from previous page)*

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. Assets in this category are measured at fair value with gains and losses recognized in profit or loss. Management evaluates the information about financial assets on a total return basis that includes evaluating the financial assets on a fair value basis. These assets include the investment in an exchange-traded equity security which is primarily held for investment income, cash flow and capital appreciation. These assets also include the investment in the equity of private companies. In the absence of significant over-the-counter market activity or significant share issuance near a reporting period, the Corporation establishes a fair value for these types of investments using valuation techniques that make maximum use of market inputs and rely as little as possible on entity-specific inputs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables is recognized in profit or loss within general administrative expenses. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss or a portion of such is reversed. The amount of the impairment loss reversed may not exceed the original impairment amount.

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Corporation has the intention and ability to hold them until maturity. Held to maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. Financial liabilities that contain one or more embedded derivatives may be designated as other financial liabilities at FVTPL and accounted for as one hybrid instrument rather than separating the embedded derivatives from the host contract.

Other financial liabilities include liabilities that have not been classified as fair value through profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 - Assets or liabilities whose values are based on quoted market prices in active markets include active exchange-traded equity investments.

Level 2 - Assets or liabilities that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

Level 3 - Inputs for the asset or liability that are not based on observable market data. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input for fair value measurement purposes requires judgment in considering the relevant factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgment by the Corporation. The Corporation considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

See Note 8 - Financial Instruments – for the details of their classification.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

e) Investment tax credits

Investment tax credits are comprised of scientific research and experimental development tax credits and are recognized when there is reasonable assurance of their recovery and recorded as a reduction of the related expense or cost of the asset acquired, as applicable. Investment tax credits are subject to the customary approvals by the pertinent tax authorities. Adjustments required, if any, are reflected in the year when such assessments are received.

f) Deferred share issue costs

The Corporation defers the costs associated with the issuance of new equity when there is reasonable assurance that the planned offering will be completed. The costs are deferred until such time as the financing has closed and the proceeds from the offering are received, at which time the deferred expenses are recorded as a reduction of the proceeds**.**

g) Intangible assets

In the normal course of business as a biotech research and development company, the Corporation acquires intellectual property, incurs development costs and files for patents. These categories of intangible assets are recorded at cost on initial recognition. Development expenditures are capitalized when the Corporation can demonstrate that all of the specific criteria related to technical, market and financial feasibility are met. The specific criteria are as follows:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.
(b) its intention to complete the intangible asset and use or sell it.
(c) its ability to use or sell the intangible asset.
(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Investment tax credits are netted against the expenditures made for development of the product.

Amortization of each category will be dependent on its useful life and each category will be assessed for impairment annually or whenever there is an indication of impairment. The amortization period and method is reviewed annually, with amortization being recognized in the statement of comprehensive loss. Losses arising from impairment are recorded in the statement of comprehensive loss, as are gains from de-recognition of previously recorded losses.

When a patent has been obtained, amortization will be recorded over the life of the patent. Intellectual property and development costs for a product will be amortized over the estimated life of the product when commercialization has occurred.

Research expenditures are charged to the statement of profit or loss in the year in which they are incurred.

h) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are assessed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Intangible assets not yet available for use are reviewed for impairment at least annually or more frequently if circumstances such as significant declines in expected sales, earnings or cash flows indicate that it is more likely than not that the asset might be impaired.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Assets that cannot be tested individually are grouped into the smallest independent group of assets that generate cash inflows from continuing use. For the purposes of testing non-financial assets for impairment, management has identified one CGU since the Corporation operates as one segment.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss. Impairment losses recognized in respect of the CGU are allocated first to reduce the carrying amount of goodwill allocated to the units, and then to reduce the carrying amounts on a pro-rata basis of the other assets in the unit.

Impairment losses recognized in prior periods are assessed at each reporting date as to whether there are any indications that the previously recognized losses may no longer exist or may be decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

i) Income taxes

Income tax expense comprises current and deferred tax. Tax expense is recognized in the statement of profit or loss, except to the extent it relates to items recognized directly in shareholders' equity, in which case the related tax is recognized in shareholders' equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Corporation operates.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are recognized for the future income tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, and for tax losses carried forward. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates that will be in effect for the year in which the differences are expected to reverse.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized.

Deferred tax asset and liability differences are recognized directly in income, other comprehensive income ("OCI") or equity based on the classification of the item to which they relate.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its tax assets and liabilities on a net basis.

j) Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized in the cost of acquisition of the asset or as part of the expense item, as applicable; and receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or accounts payable and accrued liabilities in the statement of financial position.

k) Share Capital

The Corporation's share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Incremental costs directly attributable to the issuance of shares and warrants, net of any tax effects, are recognized as a deduction of equity. Dividends thereon are recognized as distributions within equity upon approval by the Corporation's Board of Directors.

Proceeds from unit placements are allocated between shares and warrants issued to their respective fair values.

When warrants are exercised, share capital is credited by the sum of the consideration paid, together with the related portion previously recorded to warrants.

Share capital is classified as a liability if it is redeemable on a specific date or in the future, or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in earnings as accrued.

Class A shares liability

Certain Class A shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as FVTPL liability. The liability is re-measured to fair value at each reporting date with changes recorded in the statement of loss.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

l) Share-based compensation

The Corporation grants stock options to directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is determined at the date of grant using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Corporation's common stock and an expected life of the stock-based instruments. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately to the statement of loss with an offsetting credit to contributed surplus, except for options granted as consideration for share issuance costs, which are charged to share capital.

When stock options are exercised, share capital is credited by the sum of the consideration paid, together with the related portion previously recorded to contributed surplus.

m) Earnings per share

Basic earnings or loss per share is calculated using the weighted average number of shares outstanding. Diluted earnings or loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted earnings or loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

n) Segment reporting

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one operating segment.

o) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

o) Future accounting pronouncements *(Continued from previous page)*

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The latest date of mandatory implementation of these amendments to IAS 7 is January 1, 2017. The Corporation is currently evaluating the impact on its unaudited condensed interim financial statements.

3. Use of Estimates and Judgements

The application of the Corporation's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive loss, assets and liabilities recognized and disclosures made in the financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information. Management tracks performance as compared to the budget and significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

The following areas require management's critical estimates:

Financial liabilities

The Class A shares liability requires management to make estimates and assumptions that affect the reported amount of the liability and the corresponding gain or loss on changes in fair value. Estimates and assumptions used in determining the fair value of this liability include the expected life of the instrument and the volatility of the underlying share price. Details of the assumptions used are included in Note 6.

Share-based payments and Warrants

The Corporation measures the cost of share-based payments, either equity or cash-settled, with employees by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. In valuing certain types of stock-based payments and warrants granted, the Corporation uses the Black-Scholes option pricing model. Several assumptions are used in the underlying calculation of fair values of the Corporation's stock options and warrants granted using the Black-Scholes option pricing model, including the expected life of the option or warrant, stock price volatility and forfeiture rates. Details of the assumptions used are included in Note 6.

3. Use of Estimates and Judgements *(Continued from previous page)*

The following areas require management's judgments:

Valuation of deferred tax assets and liabilities

To determine the extent to which deferred tax assets can be recognized, management estimates the amount of probable future taxable profits that will be available against which deductible temporary differences and unused tax losses can be utilized as part of the budget process. Management exercises judgment to determine the extent to which realization of future taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized. To the extent that management's assessment of the Corporation's ability to utilize future tax deductions changes, the Corporation would be required to recognize more deferred tax assets, and income tax provisions or recoveries in future periods could be affected.

Going concern

The assessment of the Corporation's ability to continue on a going concern basis, to obtain sufficient funds to cover ongoing operating expenses and to meet its obligations for the coming year involves a large part of judgment based on past experience and other factors, including expectations of future events that are considered reasonable in the circumstances.

Investment tax credits

The amounts and the moment of the recognition of the investment tax credits receivable involve a certain degree of estimation and judgement with regards to the eligibility of the research and development expenditures which give rise to the tax credits refunds and to the probability of receiving the amounts. The amounts claimed by the Corporation are subject to the review and the approval of the tax authorities and it is possible that the amounts granted will differ from the amounts claimed.

Intangible assets

Development costs are capitalized as a part of intangible assets when the specific criteria related to technical, market and financial feasibility are met or when a regulatory filing is being prepared and approval is considered highly likely. The likelihood of regulatory approval is reviewed and adjusted for should facts and circumstances change. Technical, market and financial feasibility criteria are assessed annually based on management's experience, general economic conditions and assumptions regarding future outcomes. Future events could cause the assumptions on which the development costs are capitalized to change, which could affect the Corporation's results in the future.

4. Intangible Assets

The intangible assets consist of:

	Patents	***Intellectual Property***	***Development Costs***	***Total***
	$	***$***	***$***	***$***
Cost				
Balance as at February 5, 2015	-	-	-	-
Additions	85,367	333,150	480,522	899,039
Investment tax credit	-	-	(173,847)	(173,847)
Balance as at January 31, 2016	**85,367**	**333,150**	**306,675**	**725,192**
Additions	**100,773**	**35,000**	**606,737**	**742,510**
Investment tax credit	**-**	**-**	**(172,913)**	**(172,913)**
Balance as at January 31, 2017	**186,140**	**368,150**	**740,499**	**1,294,789**

No amortization has been recorded in the period. Amortization of the Patents will commence when the Patents have been approved. Amortization of the Intellectual Property and Development Costs will commence when the various products have been commercialized.

On August 26, 2016, one patent was issued and will expire in year 2032. The cost of the patent is $33,985 and will be amortized over the remaining life of 16 years at $2,140 per annum.

5. Operating Loan

On June 19, 2015, the Corporation entered into a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation, for a maximum amount of $240,000. Borrowing under this unsecured loan agreement bears interest at 8% per annum and due on demand. As at January 31, 2016 the Corporation had drawn on the loan to its maximum amount. Pursuant to the agreement, any borrowings were to be repaid by January 31, 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 March 31, 2017. The additional financing will be under the same terms and conditions as the original loan agreement entered into on June 19, 2015 and amended to be due on demand. As at January 31, 2017, the unused amount is $30,150.

6. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid as at January 31:	**2017**	2016
14,093,166 (2016 – 12,966,666) Class A common shares	**$ 1,472,017**	$1,020,617

On August 2, 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 (1/2) 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 full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $34,650. In addition to the private placement, the Corporation received a subscription form 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 full warrants for a total net proceed of $440,750.

On July 29, 2016, the escrow agreement was signed and filed with the Autorité des Marchés Financiers. Based on the escrow agreement, 11,508,858 shares are held in escrow and will be released by the Escrowed Securities as follows:

Release Date	**Portion of Escrowed Securities Released**
On the date of Corporation's securities are listed	1/10 of the Escrowed Securities
Six months after the listing date	1/6 of the Escrowed Securities
12 months after the listing date	1/5 of the Escrowed Securities
18 months after the listing date	1/4 of the Escrowed Securities
24 months after the listing date	1/3 of the Escrowed Securities
30 months after the listing date	1/2 of the Escrowed Securities
36 months after the listing date	The remaining of the Escrowed Securities

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

On June 3, 2016, the Corporation and Manitex completed its transaction as described in the long form prospectus by the payment of a dividend-in-kind of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex. Therefore, the cost related to the transaction amounted to $215,336 and was charged to share capital in the period.

In February 2016, the Corporation closed a private placement of $80,000 for 160,000 units at a subscription price of $0.50 per unit, with each unit consisting of one Class A common share and one-half (1/2) 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 full warrants within a period of 30-days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $8,000.

In January 2016, the Corporation closed a private placement of $650,000 through the issuance of 1,300,000 units at $0.50 per unit, each unit comprising of one common share and one-half (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one common share at $0.70 per share. The half-warrants have a life of twenty-four (24) months and expire on January 28, 2018. If, during the twenty-four (24) months period 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 remaining full warrants within a period of 30 days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the half-warrant. The share issue costs associated with the private placements were $14,000.

On June 19, 2015, the Corporation issued 9,444,444 Class A common shares for total proceeds of $500,395. The Corporation did not incur any costs related to the issuance of these common shares.

On June 19, 2015, a further 833,334 Class A common shares, for total proceeds of $75,757, were issued as fully paid with no par value to Polyvalor. These shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability. At January 31, 2016, the fair value of this liability was increased to $333,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded in January 2016. As at January 31, 2017, management reviewed the fair value and determined that there is no change since the value of the common shares remained at $0.40 based on the offered private placement which was closed on March 31, 2017. Details of the assumptions used are as follows:

	January 31, 2017	*January 31, 2016*
Weighted average risk-free interest rate	**0.82%**	0.90%
Weighted average volatility factor	**125%**	125%
Weighted average expected life	**1.5 years**	2 years
Weighted Class A common shares	**$0.40**	$0.40

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

These shares are held in escrow as per the escrow agreement.

On May 5, 2015, the Corporation issued 2,212,222 Class A common shares for total proceeds of $221. The Corporation did not incur any costs related to the issuance of these common shares.

On February 5, 2015, the Corporation issued 10,000 Class A common shares for total proceeds of $1. The Corporation did not incur any costs related to the issuance of these common shares.

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

The following schedules the common shares issuable on exercise of the full warrants and share-based payment transactions granted during the current fiscal year:

	Shares issuable on exercise of			
	Full Warrants		***Share options***	
	Number of shares ***#***	***Weighted exercise price*** ***$***	***Number*** ***#***	***Weighted exercise price*** ***$***
Balance, February 5, 2015	**-**	**-**	**-**	**-**
Granted during the period	**650,000**	**0.70**	**1,025,000**	**0.16**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**-**	**-**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, January 31, 2016	**650,000**	**0.70**	**1,025,000**	**0.16**
Granted during the period	**540,000**	**0.70**	**400,000**	**0.50**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**(625,000)**	**0.20**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, January 31, 2017	**1,190,000**	**0.70**	**800,000**	**0.25**

(b) Share options:

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation. The Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate

On June 23, 2016, the Board granted 371,800 options at an exercise price of $0.50, expiring on June 23, 2021. The options vest as follows: 100,000 options vest on the grant date; 100,000 options vest on December 24, 2016, 96,800 options vest on June 24, 2017 and 75,000 options vest on December 24, 2017. The total compensation cost of these stock options is estimated to be $86,318, which will be recognized on a gradual basis over the vesting period of the stock options. In addition, the Board reserved 28,200 options to the Vice-president and General Counsel. On August 2, 2016, the board granted the 28,200 options subject to the same terms and conditions as above.

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

6. Share Capital *(Continued from previous page)*

***(b) Share options** (Continued from previous page):*

On November 26, 2015, the Board granted 625,000 options at an exercise price of $0.20, expiring on November 25, 2020. The options vest as follows: 125,000 options vest on the grant date; 125,000 vest on each of June 1, 2016, November 30, 2016 and June 1, 2017; and 62,500 options vest on each of November 30, 2017 and June 1, 2018. The total compensation cost of these stock options is estimated to be $75,779, which will be recognized on a gradual basis over the vesting period of the stock options.

On July 1, 2015, the Board granted 100,000 options at an exercise price of $0.10, expiring on July 1, 2020. Following that, on August 1, 2015, the Board granted 300,000 options at an exercise price of $0.10, expiring on August 1, 2020. Each of these grants vests evenly over a four-year period. The total compensation cost of these stock options is estimated to be $71,283, which will be recognized on a gradual basis over the vesting period of the stock options.

As per the escrow agreement 400,000 shares options are held in escrow and are subject to the same release conditions as described above.

The following options to purchase common shares were outstanding as at January 31, 2017:

Number of Options outstanding	***Number of Options Exercisable***	***Exercise price $***	***Remaining contractual life***
400,000	**125,000**	**0.10**	**3.5 years**
400,000	**100,000**	**0.50**	**4.4 years**

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

	August 2016	***June 2016***	*July 2015*	*August 2015*	*November 2015*
Weighted average risk-free interest rate	**0.62%**	**0.62%**	0.81%	0.76%	0.90%
Weighted average volatility factor	**78.15%**	**78.15%**	125%	125%	125%
Weighted average expected life	**5 years**	**5 years**	5 years	5 years	5 years
Weighted fair value of options	**$0.2322**	**$0.2322**	$0.371	$0.371	$0.356
Forfeiture rate	**3.33%**	**3.33%**	3.33%	3.33%	3.33%

Volatility is determined based on the historical share price of comparable companies.

(c) Warrants

In August 2016, the Corporation issued 920,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on August 2, 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In February 2016, the Corporation issued 160,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on February 26 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In January 2016, the Corporation issued 1,300,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on January 28 2018. The half-warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

6. Share Capital *(Continued from previous page)*

***(c) Warrants** (Continued from previous page)*

Under the Black-Scholes option-pricing model, the following assumptions were used when the half-warrants were granted:

	August 2016	***February 2016***	*January 2016*
Weighted average risk-free interest rate	**0.56%**	**0.49%**	0.49%
Weighted average volatility factor	**125%**	**125%**	125%
Weighted average expected life	**2 years**	**2years**	2 years
Weighted fair value of half-warrants	**$0.10**	**$0.10**	$0.10

Volatility is determined based on the historical shares price of comparable companies

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

	2017	2016
Weighted average number of common shares outstanding	**13,603,359**	8,150,084
Basic and diluted loss per common shares	**(0.08)**	(0.11)

The number of options and full warrants outstanding as at January 31, 2017 and 2016 is not included in the calculation because the effect is anti-dilutive.

7. Income Taxes

(a) Details of the components of income taxes are as follows:

	2017	2016
Loss before income taxes	**(1,126,451)**	**(927,880)**
Basic income tax rate	**26.9%**	**26.9%**
Computed income tax recovery	**(303,015)**	**(249,600)**
Decrease resulting from:		
Permanent differences	**36,332**	**41,173**
Other items	**(24,098)**	**22,980**
Change in Enacted tax rates	**6,444**	**-**
Change in deferred tax assets not recognized	**284,337**	**185,447**
	303,015	**249,600**
Provision for income taxes	**-**	**-**

(b) The tax effects of significant items comprising the Corporation's net deferred tax assets and liabilities are as follows:

Non-capital losses carried forward	**370,441**	**135,579**
R&D pool	**198,141**	**98,278**
Class A shares liability	**68,258**	**69,288**
Deferred share issue costs	**56,644**	**3,021**
	693,484	**306,166**
R&D federal investment credit	**(22,525)**	**(39,183)**
Intangible assets	**(201,175)**	**(81,536)**
	(469,784)	**185,447**
Deferred tax assets not recognized	**(469,784)**	**(185,447)**
	-	**-**

7. Income Taxes (Continued from previous page)

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets and liabilities will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and tax planning strategies.

(c) As at January 31, 2017, the Corporation has accumulated non-capital losses for income tax purposes, which are available to be applied against future taxable income.

	Federal $	Provincial $
2036	568,512	422,700
2037	894,793	889,867
	1,463,305	1,312,567

(d) As at January 31, 2017, the Corporation has an investment tax credit totaling $591,671 (2016 – $336,141) and $951,291 (2016 – 402,155) for federal and provincial respectively, which are available to reduce income taxes for futures years.

The Corporation has not recognized the above tax benefit and will recognize them when future profits are probable in the respective jurisdictions.

8. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

	January 31, 2017		***January 31, 2016***	
	Carrying Value FVTPL $	***Fair Value $***	***Carrying Value FVTPL $***	***Fair Value $***
Financial Assets				
Cash	**7,366**	**7,366**	646,246	646,246

	January 31, 2017			***January 31, 2016***		
	Carrying Value FVTPL $	***Carrying Value Other financial liabilities $***	***Fair Value $***	***Carrying Value FVTPL $***	***Carrying Value Other financial liabilities $***	***Fair Value $***
Financial Liabilities						
Accounts payable and accrued liabilities	**-**	**800,311**	**800,311**	**-**	**858,139**	**858,139**
Operating loan	**-**	**879,850**	**879,850**	**-**	**240,000**	**240,000**
Class A shares liability	**333,334**	**-**	**334,334**	**333,334**	**-**	**333,334**
	333,334	**1,680,161**	**2,013,495**	**333,334**	**1,098,139**	**1,431,473**

The Corporation's has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities fair value of these financial instruments approximated their fair values due to their relatively short periods to maturity.

8. Financial Instruments *(Continued from previous page)*

IFRS 13 Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at January 31, 2017 is as follows:

	Level 1 ***$***	***Level 2*** ***$***	***Level 3*** ***$***
Financial Assets			
Cash	**7,366**	**-**	-
Financial Liabilities			
Class A shares liability	**-**	**-**	**333,334**

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial position as at January 31, 2016 is as follows:

	Level 1 ***$***	***Level 2*** ***$***	***Level 3*** ***$***
Financial Assets			
Cash	**646,246**	**-**	-
Financial Liabilities			
Class A shares liability	**-**	**-**	**333,334**

The fair value of financial assets and liabilities not traded in active markets that are based on unobservable inputs are classified as Level 3. A fair value measurement developed using a present value technique might be categorized within Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorized. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy. The Corporation's Level 3 investments consist of Class A shares presented as a liability as describe in Note 6. As at January 31, 2017, the fair value of this liability was determined to remain at $333,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements to be concluded in March 2017.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Corporation determines whether transfers have occurred between levels in the hierarchy by assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of reporting period. During the years ended January 31, 2017 and 2016, there were no transfer between Levels 1, 2 and 3 of the fair value hierarchy.

9. Financial Risk Factors

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.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to the unpaid amount on the research contract at the end of each month at a fixed rate and its operating loan negotiated at a fixed rate.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at:

9. Financial Risk Factors *(Continued from previous page)*

(b) Liquidity risk *(Continued from previous page)*

January 31, 2017	***Carrying Value $***	***Less than 30 days $***	***30 days to 3 months $***	***3 months to 12 months $***	***More than 12 months $***
Financial Liabilities					
Accounts payable and accrued liabilities	**800,311**	**18,992**	**109,460**	**671,859**	**-**
Operating loan	**879,850**	**-**	**-**	**879,850**	**-**
Class A shares liability	**333,334**	**-**	**-**	**-**	**333,334**
	2,013,495	**18,992**	**109,460**	**1,551,709**	**333,334**

January 31, 2016	***Carrying Value $***	***Less than 30 days $***	***30 days to 3 months $***	***3 months to 12 months $***	***More than 12 months $***
Financial Liabilities					
Accounts payable and accrued liabilities	858,139	-	858,139	-	-
Operating loan	240,000	-	-	240,000	-
Class A shares liability	333,334	-	-	-	333,334
	1,431,473	-	858,139	240,000	333,334

(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, warrants and contributed surplus, in the definition of capital. 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. To secure the additional capital necessary to pursue these plans, the Corporation will attempt 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.

10. Related party transactions

The following table presents the related parties transactions presented in the statement of Loss for the year ended:

	January 31, 2017 $	***January 31, 2016 $***
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**321,529**	71,809
Share-based compensation to employees and directors	**130,055**	74,780
Consulting fees charged by a director and acting CEO	**92,625**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**38,157**	7,366
Consulting fees charged by	**24,300**	-
Transaction with Polytechnique, a partner of Polyvalor :		
Interest accrued for	**26,215**	-
Research expenses	**210,000**	140,000

The remuneration of key management, which include the President and CEO up to October 15, 2016, Vice-President Finance and Chief Financial Officer.

10. Related party transactions *(Continued from previous page)*

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

	January 31, 2017 $	***January 31, 2016 $***
Accounts payable and accrued liabilities due to a director and acting CEO	**10,000**	-
Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation	**191,371**	140,566
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**385,882**	175,000
Transaction with Polytechnique, a partner of Polyvalor :		
Amounts included in Development costs	**490,000**	326,667
Transaction with Polyvalor, holder of 833,333 common shares:		
Amounts included in Patents	**-**	8,000
Amounts included in Intellectual Property	**35,000**	225,758
Amounts included in Development costs	**-**	118,367

11. Commitments

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor. Payments remaining under this Agreement are as follows:
   i) A non-refundable fee of $36,410 payable on March 31, 2017 to Polyvalor, which was paid on March 31, 2017.
   ii) A non-refundable fee of $100,000 payable on March 31, 2017 to Polytechnique, which was settled with a shares debt agreement as described in Note 12.

The following table presents the minimum obligations due over the next two years:

	Research agreement $	Intellectual property $	Total $
2018	700,000	136,410	836,410
2019	233,332	-	233,332
	933,332	136,410	1,069,742

In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

12. Subsequent events

On March 31, 2017, the Corporation closed a private placement of $430,000 for 860,000 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 eighteen months from the subscription date. If, during the eighteen 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 $21,500 of the placement value and 5% of brokers warrants issued. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above.

On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the non-refundable fee of $100,000 as described in note 11b). an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 will be charged to earnings as a debt settlement gain.

On March 31, 2017, the Corporation issued 1,200,000 shares and 480,000 warrants for a total net proceed of $458,500.

On April 27, 2017, the Corporation closed a second tranche of $120,000 for 240,000 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 eighteen months from the subscription date. If, during the eighteen 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 $6,000 of the placement value and 5% of brokers warrants issued. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above.

Concomitant with the closing of the second tranche, the Corporation entered into a debt conversion and convertible loan agreement with Manitex. The Corporation is indebted to Manitex in an amount equal to $1,219,050 of which $400,000 is converted into 800,000 units at deemed price of $0.50 per Unit and $600,000 is converted into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into Units of the Corporation at a deemed price of $1.00 per Unit. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed $1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of $1.00 per Unit of the Corporation.The remaining amount of $219,050 will be recorded as an account payable and due on demand.

13. Comparative figures

Certain figures in the comparative statements of loss have been reclassified to match the current year classification.

Appendix 6

Management Discussion & Analysis for the year ended January 31, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JANUARY 31, 2017

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 May 16, 2017 and approved by OrthoRTI's Board of Directors on May 16, 2017 and should be read in conjunction with the audited financial statements for the year ended January 31, 2017. 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 17,266,500 common shares that are issued and fully paid as of May 16, 2017.

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 year ended January 31, 2017, and compares the 2017 results to those of the period from date of incorporation (February 5, 2015) to January 31, 2016 referred as the same period in 2016.

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)

Ortho-R and Ortho-M are freeze-dried formulations that contain a chitosan, a lyoprotectant and a clot activator. These freeze-dried formulations can be solubilized in PRP to form injectable implants that coagulate after implantation. Extensive in vitro testing has allowed us to identify specific formulations that meet the following criteria: 1) Rapid and complete solubilization in PRP, 2) Chitosan-PRP mixtures have paste-like handling properties upon solubilization that are desired by surgeons, 3) Chitosan-PRP mixtures coagulate rapidly to form solid chitosan-PRP hybrid implants, 4) Chitosan-PRP implants are mechanically stable and resist platelet-mediated clot retraction and 5) Dispersion of chitosan in chitosan-PRP implants is homogenous for optimal biodegradability. Chitosan-PRP implants have been tested in vivo using a subcutaneous injection model in rabbits. Chitosan-PRP implants were resident for several weeks while PRP-only controls were degraded in one day. Chitosan-PRP implants induced cell recruitment and angiogenesis, both of which were not seen with PRP-only controls. Chitosan-PRP implants were biodegradable as the chitosan was internalized and degraded by host cells. Chitosan-PRP implants were also biocompatible as they did not induce any deleterious effects in this model. Ortho-M was tested in a bilateral meniscus repair model in the sheep. Longitudinal tears of the medial meniscus were treated with suturing as per clinical practice and Ortho-M implants were injected into the tears via trephination channels. Ortho-M was found to be partly resident in the tears and in the trephination channels at 1 day, where they induced cell recruitment from the outer vascular portion of the meniscus. At 3 weeks and at 3 months, a highly cellular and integrated repair tissue was observed in some Ortho-M treated tears, while there was no evidence of tissue repair in any of the PRP-only controls. This bilateral model was challenging since it did not permit the animals to protect their knees from weight-bearing post-operatively and could contain only a limited amount of Ortho-M. Even with these limitations, Ortho-M showed significant biological activity and potential to improve meniscus repair while PRP-only controls did not. We are currently working to improve the model and implant residency in order to yet improve the healing response. In the next study, Ortho-M performance will be assessed in a unilateral complex tear model in the sheep, and combined with a meniscus wrapping technique to improve implant residency. Ortho-R for rotator cuff repair is also solubilized in PRP prior to injection and will be tested in a small rabbit model first and then in a larger sheep model. The surgical approach that will be used for the first study has been identified using rabbit shoulder joints ex vivo. The supraspinatus tendon will be sectioned close to its insertion site and then sutured to the greater tuberosity through a bony trough. Ortho-R will be injected in the bony trough and in the tendon proper. Ortho-R is expected to improve repair of the tendon and also its integration to the greater tuberosity. In parallel to these efficacy studies, safety of Ortho-M and Ortho-R will be assessed following ISO10993 guidelines.

Ortho-C is a freeze-dried matrix with ultra-high porosity designed to augment bone marrow stimulation procedures for articular cartilage repair including microfracture and drilling. At the point-of-care surgical intervention, the surgeon currently has control over the pattern of bone plate channels created but methods are lacking to control the activity of the blood clot that forms in the subchondral bone. Ortho-C is specifically designed for delivery to bleeding subchondral blood channels, where it interfaces with blood to create bioactive particles that actively promote a more rapid hemostasis and subsequently guide revascularization of the bone marrow channel, subchondral bone plate remodeling, and articular cartilage regeneration. The scaffold contains a biodegradable naturally-derived polymer, chitosan, with a high

safety profile. After packaging, sterility testing and quality assurance, the surgeon will have the option of shaping the scaffold and inserting into the bone marrow channels by open arthrotomy for maximal control, or of using a specific delivery device to insert the scaffold under a drained arthroscopy field. Compared to other augmentation devices, Ortho-C treatment has the advantage of adding only minutes to the marrow stimulation procedure.

Ortho-V is a freeze-dried chitosan formulation tailored for intra-articular injections and viscosupplementation applications. Most viscosupplementation products use hyaluronic acid, but orthopaedic surgeons are also injecting PRP intra-articularly. Ortho-V consists of freeze-dried chitosan that will be solubilized in PRP for intra-articular injections. Chitosan is expected to cross-link endogenous hyaluronic acid present in the joint and provide viscosupplementation while PRP will provide platelet-derived growth factors and biological activity. A rabbit model of chemically-induced joint degeneration will be used to test intra-articular injections of Ortho-V.

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

i) Non-exclusive research and development as well as distribution agreements with strategic partners who have the infrastructure required to ensure commercial success for the future products, or
ii) Sale 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 pre-revenue value at the point where it has proven clinical efficacy and obtained regulatory approvals.

In August 2016, the Corporation received its first US patent, for “SOLUBLE PHYSIOLOGICAL CHITOSAN FORMULATIONS COMBINED WITH PLATELET-RICH PLASMA (PRP) FOR TISSUE REPAIR”. 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, management has limited the territories in which we are seeking protection to the following: EU (via a European Patent), Canada, USA, Japan and Australia.

On October 18, 2016, Brent Norton, MD has been appointed Executive Chairman of the Board and acting Chief Executive Officer. Dr. Norton succeeds Edward Margerrison who left the Corporation to assume the position Director Office of Science and Engineering at FDA.

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 ensued, and it has been determined that Ortho-R will be regulated as a single entity biologic through CBER. The specific implications of this determination remain to be quantified, but it is possible that an increased investment in the Chemistry, Manufacturing and Controls ("CMC") may be required. That said. it has, 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, 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. In the fall, we have completed the pilot study which we believe has demonstrated the suitability of the preclinical model. A CRO has been selected to undertake the pivotal preclinical study, and contract negotiations are on going along with the necessary quality audit.

The Corporation has received samples of a number of batches of the raw material from our preferred supplier. The received material will be sufficient 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 be limited until Ortho-R is further down its developments path and further financing has been obtained. 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 own: it can therefore act as the quickest path to the "human 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 ANNUAL 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 annual audited financial statements for the year ended January 31 , 2017 and for the period from date of incorporation February 5, 2015 to January 31, 2016.

	2017 **$**	2016 $
Professional and consulting fees	**328,873**	259,530
Research costs	**164,285**	143,252
Office and administrative	**349,506**	89,902
Travel and promotion	**47,897**	23,602
Transfer agent filing fees	**40,435**	-
Share-based compensation	**130,055**	146,060
Interest and bank charges	**65,400**	7,957
Fair value adjustment on Class A shares	**-**	257,577
Net loss for the period	**1,126,451**	927,880
Loss per share		
Basic and diluted	**0.08**	0.11

The weighted average number of shares outstanding used in the calculation of loss per share at January 31, 2017 is 13,603,359 (January 31, 2016 – 8,150,084).

Balance Sheet Highlights	**January 31, 2017** $	January 31, 2016 $
Cash	**7,366**	646,246
Investment tax credits	**345,005**	225,915
Sales tax receivable and other assets	**26,150**	35,043
Current assets	**378,521**	907,204
Deferred issue costs	**-**	153,874
Intangible assets	**1,294,789**	725,192
Non-current asset	**1,294,789**	879,066
Total assets	**1,673,310**	1,786,270
Liabilities-current	**1,680,161**	1,098,139
Liabilities-non-current	**333,334**	333,334
Common shares	**1,200,031**	1,006,617
Warrants	**238,000**	130,000
Contributed Surplus	**276,115**	146,060
Deficit	**(2,054,331)**	(927,880)

FINANCIAL OVERVIEW

- In February 2016, the Corporation closed a private placement of $80,000, less a cash fee of $4,000 and shares of $4,000, for 160,000 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.
- 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 respective quarter.
- On August 2, 2016, the Corporation closed a private placement. 958,500 shares and 460,000 warrants were issued, for a total net proceed of $440,750.
- 625,000 options were cancelled in the October 2016, due to the departure of the former CEO.
- Net loss from operations for the year is $1,126,451, which includes research costs of $164,285, office and administrative expenses of $ 349,506, professional fees of $263,929, filing fees of $105,379, travel and promotion $47,897 and share-based compensation of $130,055 and financial expenses of $65,400.
- Cash used by operating activities is $1,164,421 and cash provided by financing activities is $1,095,138. Cash used to fund development and acquire intangibles is $742,510 less $172,913 of investment tax credit.

OPERATING EXPENSES

The comparative general and administrative expenses for the three and twelve months period ended January 31, 2017 and for the period from date of incorporation February 5, 2015 to January 31, 2016, by nature of expenditure, are summarized below:

	Three-month period ending January 31,		Year ended January 31,	
	2017	2016	**2017**	2016
			$	$
Professional and consulting fees	**124,903**	121,595	**328,873**	259,530
Research costs	**4,392**	55,752	**164,285**	143,252
Office and administrative	**39,693**	74,877	**349,506**	89,902
Travel and promotion	**7,557**	15,156	**47,897**	23,602
Transfer agent and filing fees	**5,176**	-	**40,435**	-
Share-based compensation	**(19,003)**	138,165	**130,055**	146,060
Interest and bank charges	**40,712**	4,722	**65,400**	7,957
Fair value adjustment on Class A shares	**-**	257,577	**-**	257,577
Net loss for the period	**203,430**	667,844	**1,126,451**	927,880

For the year ended January 31, 2017 compared to the same period in 2016, overall expenses increased by approximately $199,000. The primary reasons for the overall increase in expenses were:

- Professional and consulting fees increased by approximately by $69,000, mainly due to the consulting fees charged by the acting CEO

- Office and administrative expenses increased by approximately $260,000, due to the salaries paid to the former CEO and CFO.
- Share based compensation decreased by approximately $16,000 compared with the previous period.
- Research costs increased by approximately $21,000 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, transfer agent and filing fees and financial increased by approximately $135,000.

Included in expenses for the current year:

Professional and consulting fees of $329,000, are consulting fees paid to the new Chairman of the Board and acting CEO of approximately $93,000, to our in-house counsel of approximately $58,000, $126,000 to corporate and strategic advisory services and $52,000 related to audit and tax services.

An approximate amount of $350,000 of office and administrative expenses recorded in the fiscal period, $322,000 relate to the salary and benefits paid to the former President/Chief Executive Officer and the Vice-President finance and Chief Financial Officer. Other expenses incurred were mainly office expenses.

Of the $164,000 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 $210,000 on this agreement and $26,000 of other related costs is an investment tax credit of $72,000. Financial expenses were approximately $65,000 of which approximately $38,000 relates to interest incurred on the operating loan from Manitex and $27,000 relates to the interest accrued from the arrears on the Polytechnique contracts which bear interest at the annual rate of 12% for any unpaid balance at the end of each month.

INTANGIBLES ASSETS

DEVELOPMENT COSTS

The development costs capitalized over time is approximately $1,087,000 net of Investment tax credit in the amount of approximately $347,000, 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, approximately $280,000 has been spent on Ortho-M and approximately $327,000 has been spent on Ortho-R for a total amount of $604,000 and $483,000 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).

INTELLECTUAL PROPERTY

Ortho is the owner of 4 patent applications filed since 2009. Improvements to the technology discovered through work funded at Polytechnique by Ortho are also owned by Ortho. The current patent portfolio includes the following:

Patent Family No.1: Clot-activated polymer composition for repairing tissue of subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprises platelet-rich plasma (PRP), a chitosan, a salt and a clot activator;

Patent Family No.2: Novel formulation of physiological chitosan-inorganic salt solution/blood mixtures for tissue repair;
Patent Family No.3: Freeze-dried polymer compositions for mixing with platelet rich plasma to form implants for tissue repair or compositions for therapeutic intra-articular injections ;
Patent Family No.4: Freeze-dried chitosan scaffolds that form a hydrated microparticle dispersion after contact with blood or blood-derived fluids and stimulate anabolic wound repair processes including angiogenesis, cell chemotaxis, tissue remodeling, and extracellular matrix deposition;

On August 26, our Patent from family 2 has been issued in the United States.

INVESTMENT TAX CREDITS

The amounts and the moment of the recognition of the investment tax credits receivable involve a certain degree of estimation and judgement with regards to the eligibility of the research and development expenditures which give rise to the tax credits refunds and to the probability of receiving the amounts. The amounts claimed by the Corporation are subject to the review and the approval of the tax authorities and it is possible that the amounts granted will differ from the amounts claimed.

The Corporation recognized investment tax credits related to expenditures with the three research agreements with the Polytechnique. The current year estimated amount of tax credits is $245,000 compare to approximately $226,000 which represents federal and provincial tax credits. As at January 31, 2017, the amount of $345,000 represents the current year estimated and the last year Québec credit in the amount of $100,000, which was received in March 2017.

SHARE ISSUE COSTS

On April 29, 2016, the Corporation filed its final Prospectus with Canadian security authorities. The Prospectus qualifies the distribution of a certain number of Ortho shares held by Manitex as a Dividend-in-Kind to the current Manitex shareholders. The transaction was completed on June 3, 2016. As at January 31, 2016, $153,874 of costs was recorded as deferred share issue costs and from February 1, 2017 to June 3, 2017, the Corporation incurred additional costs of $61,462. These costs are composed of legal, other professional and filing fees. During the second quarter, the amount of $ 215,336 was charged to share capital.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Corporation for the eight quarters ended January 31, 2017. 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.

	FY 2017				FY 2016			
	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $
Professional and consulting fees	124,903	83,365	97,160	23,445	121,595	100,124	15,282	22,529
Research costs	4,392	52,500	28,893	78,500	55,752	52,500	22,281	12,719
Office and administration	39,693	72,737	121,264	115,812	74,877	3,034	11,991	-
Travel and promotion	7,557	13,755	14,565	12,020	15,156	3,133	4,030	1,283
Transfer agent and filing fees	5,176	16,386	18,876	-	-	-	-	-
Share based compensation	(19,003)	40,473	68,122	40,463	138,165	7,895	-	-
Financial expenses	40,712	10,727	11,499	2,462	4,722	2,365	860	10
Fair value adjustment on Class A shares liability	-	-	-	-	257,577	-	-	-
Net loss for the quarter	203,430	289,943	360,376	272,702	667,844	169,051	54,444	36,541
Loss per share Basic and diluted:	0.01	0.02	0.03	0.02	0.06	0.01	0.01	3.65

During 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 disbursed to Polytechnique in relation to the Research Service Agreements and legal services pertaining to other various agreements. Office and administrations expenses represents costs relating to office expenses and other related expenses.

In Q3-2016 expenses increased mainly due 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 annual audited 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 approximately $102,000 of salaries and benefits paid to the CEO and other related office expenses. Increase in research costs are in conjunction with Ortho-C project as per the research agreements and costs incurred to conduct some studies to third parties.

In Q2-2017, the main expenses are professional and consulting fees, office and administrative expense, research costs and share-based compensation. Professional and consulting fees increased due mainly to corporate legal matter, audit fees and regulatory and other fees. The approximate total amount for legal and audit was $59,000 and approximate $38,000 relating to corporate and strategic advisory services. Office and administrative expenses are comprised of approximately $104,000 of salaries and benefits for employees and other related office expenses. Research costs are in conjunction with Ortho C project netted against an estimate of the investment tax credits of $15,000. During Q2, the Corporation completed its transactions with respect to its final prospectus which include costs to transfer agent and filing fees of approximately $19,000.

In Q3-2017, the main expenses are professional and consulting fees, office and administrative expense, research costs and share-based compensation. Professional and consulting fees include corporate legal and audit matter for a total amount of $33,000 and consulting fees paid to new Acting CEO of approximately $33,000 and $18,000 on business strategies. The decrease in office and administration is due to the decrease in the salaries and benefits for employees due to the departure of the former CEO. Research expenses represents the monthly costs associated to the Research agreements. The financial expenses relate to the interest on the operating loan from Manitex.

In Q4-2017, the main expenses are professional and consulting fees, office and administrative expense, and financial expenses. Professional and consulting fees include corporate legal and audit matter for a total amount of $19,000 and consulting fees paid to new Acting CEO of $60,000 and $46,000 on business strategies. Office and administration are comprised of approximately $40,000 of salaries and benefits for employees. Research expenses represents the monthly costs associated to the Research agreements netted against an estimate of approximately of $48,000 of investment tax credit. The financial expenses relate to the interest on the operating loan from Manitex in the amount of approximately $14,000 and $27,000 relates to the interest accrued from the arrears on the Polytechnique contracts which bear interest at the annual rate of 12% for any unpaid balance at the end of each month.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS:

Sources and Uses of Cash

For the years ended January 31 :	**2017** $	2016 $
Operating activities:		
Cash used in operations prior to changes in working capital	**(996,396)**	(524,243)
Changes in non-cash working capital	**(168,025)**	547,355
Cash (used in) provided by operations	**(1,164,421)**	23,112
Investing activities:		
Cash used in for acquisition of intangible assets	**(569,597)**	(675,366)
Financing activities:		
Cash received from operating loan	**639,850**	240,000
Cash received from equity financing	**540,000**	1,150,617
Cash received for share capital as a debt	**-**	75,757
Payment of share issues costs	**(23,250)**	(14,000)
Payment for costs in relation to the long form prospectus	**(61,464)**	(153,874)
Cash provided by financing activities	**1,095,138**	1,298,500
(Decrease) increase in cash	**(638,880)**	646,246
Cash, beginning of period	**646,246**	-
Cash, end of period	**7,366**	646,246

(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 approximately $130,055 (2016 - $403,637). These amounts represent for the current year share based compensation and for last year share based compensation and a $257,577 fair value adjustment on Class A shares. The net change in non-cash working capital was affected by the slight decrease in accounts payable and accrued liabilities of $57,828, a decrease in sales tax receivable and prepaid expenses of $8,893 and a increase in the investment tax credits of $119,090 compared to the related period.

(b) Investing activities

The Corporation incurred costs of $569,597 (2016 - $675,366) 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 $172,913 (2016 - $173,847).

(c) Financing activities

During the current period the Corporation received $540,000 (2016 - $1,150,617) from the issuance of common shares with related share issue costs $23,250 (2016 - $14,000) and $639,850 (2016 - $240,000) 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 at fair value in the amount of $333,334. $61,464 (2016 - $153,874) of costs related to the filing of the long from prospectus on April 29, 2016, which the Corporation completed its transaction with Manitex on June 3, 2016, see note 1 of the annual audited financial statements. Cash flows provided by financing activities amounted to $1,095,138 (2016 – 1,298,500).

LIQUIDITY AND CAPITAL RESOURCES:

	January 31, 2017 $	January 31, 2016 $
Cash	**7,366**	646,246
Working Capital [(i)]	**(1,301,640)**	(190,935)
Total assets	**1,673,310**	1,786,270

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

At January 31, 2017 the Corporation has used its operating loan to $879,850 (2016 – 240,000). 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 March 31, 2017. As at January 31, 2017, the unused amount of its operating loan is $30,150.

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 of $933,333 under the three Polytechnique Research Agreements to fund $58,333 on a monthly basis for the next 16 months. As at January 31, 2017, the amount owed to

Polytechnique under the Research Agreements is $385,882. In addition, the Corporation has a commitment to fund $136,410 on March 31, 2017 under the amendment No. 5 of the Intellectual Property Assignment and Technology Transfer Agreement. Therefore, on March 31, 2017, the Corporation paid the amount of $36,410 to Polyvalor. On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the non-refundable fee of $100,000 an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 will be charged to earnings as a debt settlement gain.

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 January 31, 2017, the Corporation has raised $1,766,000 through several private placements. Subsequently to year end, the Corporation closed two private placements for a total amount of $550,000 and in addition to the private placements, the Corporation received subscriptions in the amount of $100,000.

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 market value (through, for example, clinical trials) to attract a strategic partner. We currently estimate that an investment of at least $25 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 2018, and the current stage of the program is concentrated on ensuring that all preclinical activities are complete: these preclinical activities include formal toxicology testing, pivotal animal efficacy study(ies), and the transfer of the manufacturing process to a contract manufacturing organization. All of the preclinical activities have commenced and we anticipate that all can be accomplished with the expenditure of a further $2.5M, in addition to the on-going commitment to funding the Polytechnique agreement of $17,500 per month for the next 16 months.

Ortho-M is our second candidate and is also in a development phase. Large animal preclinical models studies are completed. We anticipate a similar pathway and plan to Ortho-R, management is currently

evaluating the estimated commencement of the pivotal animal efficacy study(ies) and will require an investment of approximately $750K, in addition to the on-going commitment to funding the Polytechnique agreement of $23,333 per month for the next 16 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 16 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.

COMMITMENTS

The following represents the commitments that the Corporations has entered into:

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

   In the event that the Corporation fails to perform any of the payments provided in these Agreements, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

   In the event that the Corporation is in breach of any of the Agreements, these agreements can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor. Payments remaining under this Agreement are as follows:
   i) A non-refundable fee of $36,410 payable on March 31, 2017 to Polyvalor, which was paid on March 31, 2017.
   ii) A non-refundable fee of $100,000 payable on March 31, 2017 to Polytechnique, which was settled with a shares debt agreement as described in Note 12.

The following table presents the minimum obligations due over the next two years:

	Research agreement $	Intellectual property $	Total $
2018	700,000	136,410	836,410
2019	233,333	-	233,333
	933,333	136,410	1,069,743

In addition, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation as no does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following table presents the related parties transactions for the year ended October 31, 2016 and the period from date of incorporation February 5, 2015 to January 31, 2016:

	January 31, 2017 ***$***	***January 31, 2016*** ***$***
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**321,529**	71,809
Share-based compensation to employees and directors	**130,055**	74,780
Consulting fees charged by a director and acting CEO	**92,625**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**38,157**	7,366
Consulting fees charged by	**24,300**	-
Transaction with Polytechnique, a partner of Polyvalor :		
Interest accrued for	**26,215**	-
Research expenses	**210,000**	140,000

The remuneration of key management, which include the President and CEO up to October 15, 2016, Vice-President Finance and Chief Financial Officer.

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

	January 31, 2017 ***$***	***January 31, 2016*** ***$***
Accounts payable and accrued liabilities due to a director and acting CEO	**10,000**	-
Accounts payable and accrued liabilities due to Manitex a shareholder of the Corporation	**191,371**	140,566
Accounts payable and accrued liabilities due to Polytechique, a partner of Polyvalor	**385,882**	175,000
Transaction with Polytechnique, a partner of Polyvalor :		
Amounts included in Development costs	**490,000**	326,667
Transaction with Polyvalor, holder of 833,333 common shares:		
Amounts included in Patents	**-**	8,000
Amounts included in Intellectual Property	**35,000**	225,758
Amounts included in Development costs	**-**	118,367

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The application of the Corporation's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive loss, assets and liabilities recognized and disclosures made in the financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information. Management tracks performance as compared to the budget and significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

Please refer to Note 3 of the annual 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 year ended January 31, 2017.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

FINANCIALS INSTRUMENTS

All financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. An extended description of the Corporation's financial instruments and their fair values is provided in Note 8 of the annual audited financial statements.

SUBSEQUENT EVENTS

On March 31, 2017, the Corporation closed a private placement of $430,000 for 860,000 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 eighteen months from the subscription date. If, during the eighteen 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 $21,500 of the placement value and 5% of brokers warrants issued. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above.

On March 31, 2017, the Corporation entered into a shares for debt agreements, with Polytechnique and Polyvalor, where the Corporation issued 240,000 of its common shares to Polyvalor at a deemed price of $0.50 per common share to satisfy $120,000 of outstanding amounts owing to them. The amount represents the non-refundable fee of $100,000 as described in note 11b) an interest of $10,000 (notwithstanding any provision of the Assignment and Transfer Agreement), plus a premium of $10,000 to the Principal Amount such that the total amount owed by the Corporation to polytechnique equals $120,000. The shares were issued on March 31, 2017 having an aggregate fair value at that date of $96,000. Accordingly, a gain of $24,000 will be charged to earnings as a debt settlement gain.

On March 31, 2017, the Corporation issued 1,200,000 shares and 480,000 warrants for a total net proceed of $458,500.

On April 27, 2017, the Corporation closed a second tranche of $120,000 for 240,000 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 eighteen months from the subscription date. If, during the eighteen 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 $6,000 of the placement value and 5% of brokers warrants issued. In addition to the private placement, the Corporation received a subscription in the amount of $50,000 for 100,000 units, under the same terms and conditions as describe above.

Concomitant with the closing of the second tranche, the Corporation entered into a debt conversion and convertible loan agreement with Manitex. The Corporation is indebted to Manitex in an amount equal to $1,219,050 of which $400,000 is converted into 800,000 units at deemed price of $0.50 per Unit and $600,000 is converted into a first ranking, long-term convertible loan, bearing interest at an annual rate of 10%, to be paid repaid in full, principal and interest on February 1, 2019. Prior to the Maturity Date, Manitex, at any time, has the option to convert all or any part of the Convertible Loan amount, into Units of the Corporation at a deemed price of $1.00 per Unit. If, prior to the Maturity Date, the Corporation's 20-day volume weighted average share price equals or exceed $1.50, the Corporation shall have the right, at any time, to require Manitex to convert all, or any part of the balance of the Convertible Loan at a deemed price of $1.00 per Unit of the Corporation.The remaining amount of $219,050 will be recorded as an account payable and due on demand.

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 unpaid amount on the research contract at the end of each month at a fixed rate and its operating loan negotiated at a fixed rate.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at:

January 31, 2017	*Carrying Value* $	*Less than 30 days* $	*30 days to 3 months* $	*3 months to 12 months* $	*More than 12 months* $
Financial Liabilities					
Accounts payable and accrued liabilities	**800,311**	**18,992**	**109,460**	**671,859**	**-**
Operating loan	**879,850**	**-**	**-**	**879,850**	**-**
Class A shares liability	**333,334**	**-**	**-**	**-**	**333,334**
	2,013,495	**18,992**	**109,460**	**1,551,709**	**333,334**

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, warrants 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.

Appendix 7

Interim Condensed Financial Statements for the nine-month period ended October 31, 2016

Ortho Regenerative Technologies Inc.

Interim Condensed Financial Statements

For the nine-month period ended October 31, 2016

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Ortho Regenerative Technologies Inc.
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Ortho Regenerative Technologies Inc.
Statements of Financial Position
As at

	October 31, 2016 $	January 31, 2016 $
Assets		
Cash	**23,524**	646,246
Sales tax receivable	**3,733**	30,168
Prepaid expenses	**25,768**	4,875
Investment tax credits receivable	**187,000**	225,915
Total current assets	**240,025**	907,204
Investment tax credits receivable	**83,005**	**-**
Deferred share issue costs	**-**	153,874
Intangible assets *(Note 4)*	**1,257,573**	725,192
Total non-current assets	**1,340,578**	879,066
Total assets	**1,580,603**	1,786,270
Liabilities		
Accounts payable and accrued liabilities *(Note 9)*	**810,871**	858,139
Operating loan *(Note 5)*	**554,150**	240,000
Total current liabilities	**1,365,021**	1,098,139
Class A shares liability *(Note 6)*	**333,334**	333,334
Total liabilities	**1,698,355**	1,431,473
Shareholders' (deficiency) equity		
Common shares *(Note 6)*	**1,200,031**	1,006,617
Warrants *(Note 6)*	**238,000**	130,000
Contributed surplus *(Note 6)*	**295,118**	146,060
Deficit	**(1,850,901)**	(927,880)
Total shareholders' (deficiency) equity	**(117,752)**	354,797
Total liabilities and shareholders' (deficiency) equity	**1,580,603**	1,786,270

Going Concern *(Note 1)*; Related Party Transactions *(Note 9)*; Commitments *(Note 10);*

Approved on behalf of the Corporation's Board of Directors on December 14, 2016.

"Brent Norton" , Director

"Laurence Terrisse-Rulleau" , Director

Ortho Regenerative Technologies Inc.
Statements of Loss and Comprehensive Loss
For the nine-month period ended October 31, 2016 and from February 5, 2015 to July 31, 2015

	3 months ended October 31,		9 months ended October 31,	
	2016	2015	**2016**	2015
	$	$	**$**	$
General and Administrative Expenses				
Professional fees	**81,236**	98,558	**178,738**	136,369
Research costs *(Note 9)*	**52,500**	52,500	**159,893**	87,500
Office and administrative *(Note 9)*	**72,737**	3,034	**309,813**	15,025
Travel and promotion	**13,755**	3,133	**40,340**	8,446
Filing fees	**18,515**	1,566	**60,491**	1,566
Share-based compensation *(Note 6 and 9)*	**40,473**	7,895	**149,058**	7,895
	279,216	166,686	**907,333**	256,801
Financial Expenses				
Interest and bank charges *(Note 5)*	**10,727**	2,365	**24,688**	3,235
Net loss and comprehensive loss	**289,943**	169,051	**923,021**	260,036

Ortho Regenerative Technologies Inc.
Statement of Changes in Shareholders' Equity
For the nine-month period ended October 31, 2016 and from February 5, 2015 to July 31, 2015

	Number of shares	*Share capital*	*Warrants*	*Contributed surplus*	*Deficit*	*Total equity*
Balance February 5, 2015	-	-	-	-	-	-
Issuance of shares as equity *(Note 6)*	11,666,666	500,617	-	-	-	500,617
Share based compensation *(Note 6)*				7,895		7,895
Net loss for the period	-	-	-	-	(260,036)	(260,036)
Balance as at October 31, 2015	11,666,666	500,617	**-**	7,895	(260,036)	248,476
As at January 31, 2016	**12,966,666**	**1,006,617**	**130,000**	**146,060**	**(927,880)**	**354,797**
Issuance of shares as equity *(Note 6)*	**1,080,000**	**451,400**	**-**	**-**	**-**	**451,400**
Share issue costs *(Note 6)*	**46,500**	**(257,986)**	**-**	**-**	**-**	**(257,986)**
Issuance of warrants *(Note 6)*	**-**	**-**	**108,000**	**-**	**-**	**108,000**
Share based compensation *(Note 6)*	**-**	**-**	**-**	**149,058**	**-**	**149,058**
Net loss for the period	**-**	**-**	**-**	**-**	**(923,021)**	**(923,021)**
As at October 31, 2016	**14,093,166**	**1,200,031**	**238,000**	**295,118**	**(1,850,901)**	**(117,752)**

The number of shares held in escrow as at October 31, 2016 is 11,508,858 (Nil - October 31, 2015)

Ortho Regenerative Technologies Inc.
Statements of Cash Flows
For the nine-month period ended October 31, 2016 and from February 5, 2015 to July 31, 2015

	2016	2015
	$	$
Operating activities:		
Net loss from operations	**(923,021)**	(260,036)
Add items not affecting cash:		
Share based compensation *(Note 6)*	**149,058**	7,895
	(773,963)	(252,141)
Net change in non-cash operating working capital:		
Investment tax credit	**(44,090)**	(156,010)
Sales tax receivable and prepaid expenses	**5,542**	(25,664)
Accounts payable and accrued liabilities	**(47,268)**	471,795
Cash (used in) provided by operating activities	**(859,779)**	37,980
Investing activities:		
Acquisition of intangible assets, net of investment tax credit of $ 19,987 (Nil – 2015) *(Note 4)*	**(532,381)**	(586,601)
Financing activities:		
Increase in operating loan	**314,150**	141,938
Issuance of share capital as equity *(Note 6)*	**540,000**	500,617
Issuance of share capital as debt *(Note 6)*	**-**	75,757
Payment of share issue costs *(Note 6)*	**(23,250)**	-
Payment of deferred share issue costs	**(61,462)**	(155,198)
Cash provided from financing activities	**769,438**	563,114
Decrease in cash	**(622,722)**	14,493
Cash, beginning of period	**646,246**	-
Cash, end of period	**23,524**	14,493
Supplementary cash flow information		
Change in accounts payable reflected in intangibles	**102,636**	169,916

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

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. Manitex is an existing shareholder of the Corporation and held 5,109,000 shares of Ortho. On June 3, 2016, the dividend-in-kind of Class A Common Shares of Ortho was paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date set by Manitex's Board of Directors. On June 3, 2016 Manitex has 12,561,276 shares that are issued and outstanding and caused the distribution of 1,100,142 Ortho shares to Canadians residents holders of Manitex shares and $77,926 was paid in cash to non-residents, pursuant to the prospectus, at a deemed value of $0.50 per share. Manitex is listed on the TSX Venture Exchange under the symbol MNX.

The Corporation specializes in research on innovative medical devices which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at October 31, 2016, the Corporation has a deficit of $ 1,850,901 ($927,880 as at January 31, 2016) and a negative working capital of $1,124,999 ($190,935 as at January 31, 2016). In October 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 $100,000 non-refundable fee to Polytechnique from October 31, 2016 to January 31, 2017, to extend the payment date of the $36,410 non-refundable fee to Polyvalor from October 31, 2016 to January 31, 2017 and to extend Round 2 of financing described in Note 10, to January 31, 2017. In addition, on August 2, 2016, the Corporation closed a private placement in the amount of $460,000 describe in Note 11. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the support of its creditors. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

These financial statements were approved and authorized for issuance by the Board of Directors on December 14, 2016.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	October 31, 2016	January 31, 2016
End of period exchange rate	**1.3411**	1.3075

c) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the period from date of incorporation February 5, 2015 to January 31, 2016 as they follow the same accounting policies and methods of application.

d) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

d) Future accounting pronouncements *(Continued from previous page)*

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The latest date of mandatory implementation of these amendments to IAS 7 is January 1, 2017. The Corporation is currently evaluating the impact on its unaudited condensed interim consolidated financial statements.

3. Use of Estimates and Judgements

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2016 annual financial statements and are still applicable for the period ended October 31, 2016.

4. Intangible Assets

The intangible assets consist of:

	Patents	***Intellectual Property***	***Development Costs***	***Total***
Cost				
Balance as at January 31, 2016	**85,367**	**333,150**	**306,675**	**725,192**
Additions	**89,178**	**35,000**	**428,190**	**552,368**
Investment tax credit	**-**	**-**	**(19,987)**	**(19,987)**
Balance as at October 31, 2016	**174,545**	**368,150**	**714,878**	**1,257,573**

No amortization has been recorded in the period. Amortization of the Patents will commence when the Patents have been approved. Amortization of the Intellectual Property and Development Costs will commence when the various products have been commercialized.

On August 26, 2016, one patent was issued and will expired in year 2032. The cost of the patent is $33,985 and will be amortized over the remaining life of 16 years at $2,140 per annum.

5. Operating Loan

On June 19, 2015, the Corporation entered into a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation, for a maximum amount of $240,000. Borrowing under this unsecured loan agreement bear interest at 8% per annum and due on demand. As at January 31, 2016 the Corporation had drawn on the loan to its maximum amount. Pursuant to the agreement, any borrowings were to be repaid by January 31, 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. The additional financing will be under the same terms and conditions as the original loan agreement entered into on June 19, 2015 and amended to be due on demand. As at October 31, 2016, the unused amount is $355,850.

6. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid:

14,093,166 Class A common shares	**$ 1,472,017**

On August 2, 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. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the warrant. The share issue costs associated with the private placements were $34,650. In addition to the private placement, the Corporation received a subscription form 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.

On July 29, 2016, the escrow agreement was signed and filed with the Autorité des Marchés Financiers. Based on the escrow agreement, 11,508,858 shares are held in escrow and will be release by the Escrowed Securities as follows:

Release Date	**Portion of Escrowed Securities Released**
On the date of Corporation's securities are listed	1/10 of the Escrowed Securities
Six months after the listing date	1/6 of the Escrowed Securities
12 months after the listing date	1/5 of the Escrowed Securities
18 months after the listing date	1/4 of the Escrowed Securities
24months after the listing date	1/3 of the Escrowed Securities
30 months after the listing date	1/2 of the Escrowed Securities
36 months after the listing date	The remaining of the Escrowed Securities

On June 3, 2016, the Corporation and Manitex completed its transaction as described in the long form prospectus by the payment of a dividend-in-kind of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex. Therefore, the cost related to the transaction amounted to $215,336 and was charged to share capital in the period.

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

In February 2016, the Corporation closed a private placement of $80,000 for 160,000 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 Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the warrant. The share issue costs associated with the private placements were $8,000.

In January 2016, the Corporation closed a private placement of $650,000 through the issuance of 1,300,000 units at $0.50 per unit, each unit comprising of one common share and one-half (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one common share at $0.70 per share. The warrants have a life of twenty-four (24) months and expire on January 28, 2018. If, during the twenty-four (24) months period 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 remaining Warrants within a period of 30 days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the warrant. The share issue costs associated with the private placements were $14,000.

On June 19, 2015, the Corporation issued 9,444,444 Class A common shares for total proceeds of $500,395. The Corporation did not incur any costs related to the issuance of these common shares.

On June 19, 2015 a further 833,334 Class A common shares, for total proceeds of $75,757, were issued as fully paid with no par value. These shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability. At January 31, 2016, the fair value of this liability was increased to $333,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded in January 2016. As at July, management reviewed the fair value and determined that there is no change since the value of the common shares remained at $0.40 based on the recent private placement closed on August 2, 2016. Details of the assumptions used are as follows:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.90%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Weighted fair value of Class A common shares	$0.40

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On May 5, 2015, the Corporation issued 2,212,222 Class A common shares for total proceeds of $221. The Corporation did not incur any costs related to the issuance of these common shares.

On February 5, 2015, the Corporation issued 10,000 Class A common shares for total proceeds of $1. The Corporation did not incur any costs related to the issuance of these common shares.

The following schedules the common shares issuable on exercise of the warrants and share-based payment transactions granted during the current fiscal year:

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

	Shares issuable on exercise of			
	Warrants		***Share options***	
	Number of shares ***#***	***Weighted exercise price*** ***$***	***Number*** ***#***	***Weighted exercise price*** ***$***
Balance, January 31, 2016	**650,000**	**0.70**	**1,025,000**	**0.16**
Granted during the period	**540,000**	**0.70**	**400,000**	**0.50**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**(625,000)**	**0.20**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, October 31, 2016	**1,190,000**	**0.70**	**800,000**	**0.25**

(b) Share option:

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation. The Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate

On June 23, 2016, the Board granted 371,800 options at an exercise price of $0.50, expiring on June 23, 2021. The options vest as follows: 100,000 options vest on the grant date; 100,000 options vest on December 24, 2016, 96,800 options vest on June 24, 2017 and 75,000 options vest on December 24, 2017. The total compensation cost of these stock options is estimate to be $86,318, which will be recognized on a gradual basis over the vesting period of the stock options. In addition, the Board reserved 28,200 options to the Vice-president and General Counsel. On August 2, 2016, the board granted the 28,200 options subject to the same terms and condition as above.

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

As per the escrow agreement 1,025,000 shares options are held in escrow and are subject to the same release conditions as described above.

6. Share Capital *(Continued from previous page)*

(b) Share option:

The following options to purchase common shares were outstanding as at October 31, 2016:

Number of Options outstanding	***Number of Options Exercisable***	***Exercise price $***	***Remaining contractual life***
400,000	**200,000**	**0.10**	**3.7 years**
400,000	**100,000**	**0.50**	**4.6 years**

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

	August 2016	*June 2016*	*July 2015*	*August 2015*	*November 2015*
Weighted average risk-free interest rate	0.62%	0.62%	0.81%	0.76%	0.90%
Weighted average volatility factor	78.15%	78.15%	125%	125%	125%
Weighted average expected life	5 years	5 years	5 years	5 years	5 years
Weighted fair value of options	$0.2322	$0.2322	$0.371	$0.371	$0.356
Forfeiture rate	Nil	Nil	Nil	Nil	Nil

Volatility is determined based on the historical share price of comparable companies.

(c) Warrants

In August 2016, the Corporation issued 460,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on August 2, 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In February 2016, the Corporation issued 160,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on February 26 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

In January 2016, the Corporation issued 1,300,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrant shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on January 28 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Under the Black-Scholes option-pricing model, the following assumptions were used when the warrants were granted:

	August 2016	*February 2016*	*January 2016*
Weighted average risk-free interest rate	0.56%	0.49%	0.49%
Weighted average volatility factor	125%	125%	125%
Weighted average expected life	2 years	2years	2 years
Weighted fair value of warrants	$0.10	$0.10	$0.10
Forfeiture rate	Nil	Nil	Nil

Volatility is determined based on the historical share price of comparable companies.

6. Share Capital *(Continued from previous page)*

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

	3 months ended October 31,		9 months ended October 31,	
	2016	2015	**2016**	2015
Weighted average number of common shares outstanding	**14,082,748**	11,666,666	**13,438,898**	9,082,491
Basic and diluted loss per common shares	**0.02**	0.01	**0.07**	0.03

The number of options and warrants outstanding as at October 31, 2016 and 2015 is not included in the calculation because the effect is anti-dilutive.

7. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

		October 31, 2016
	Carrying Value FVTPL	***Fair Value***
	$	***$***
Financial Assets		
Cash	**23,524**	**23,524**

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
	$	***$***	***$***
Financial Liabilities			
Accounts payable and accrued liabilities	**-**	**810,871**	**810,871**
Operating loan	**-**	**554,150**	**554,150**
Class A shares liability	**333,334**	**-**	**333,334**
	333,334	**1,365,021**	**1,698,355**

		January 31, 2016
	Carrying Value FVTPL	***Fair Value***
	$	***$***
Financial Assets		
Cash	646,246	646,246

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
	$	***$***	***$***
Financial Liabilities			
Accounts payable and accrued liabilities	-	858,139	858,139
Operating loan	-	240,000	240,000
Class A shares liability	333,334	-	333,334
	333,334	1,098,139	1,431,473

8. Financial Risk Factors

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.

(a) Market risk

(i) 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.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities in US$ currency. The Corporation does not hold financial derivatives to manage the fluctuation of these risks.

The following presents the accounts that are exposed to foreign exchange volatility at October 31, 2016:

	US $	***Total CDN $ Equivalent***
Cash	**2,261**	**3,150**
Accounts and accrued liabilities	**(5,733)**	**(7,542)**

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at October 31, 2016.

	Carrying Value $	***Less than 30 days $***	***30 days to 3 months $***	***3 months to 12 months $***	***More than 12 months $***
Financial Liabilities					
Accounts payable and accrued liabilities	**810,871**	**211,707**	**599,165**	**-**	**-**
Operating loan	**554,150**	**-**	**-**	**554,150**	**-**
Class A shares liability	**333,334**	**-**	**-**	**-**	**333,334**
	1,769,201	**211,707**	**599,165**	**554,150**	**333,334**

(c) Fair value risk

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities, operating loan and Class A shares liability. The fair value of these financial instruments approximated the carrying value disclosed in Note 8 due to the short-term maturity of the instruments.

(d) 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's 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 will attempt 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.

9. Related party transactions

a) Transactions with key management and members of the Board of Directors

The remuneration of key management, which include the President and CEO up to October 15, 2016, Vice-President Financer and Chief Financial Officers and members of the Board includes the following expenses:

	October 31, 2016 $	***October 31, 2015 $***
Salaries and expense for employee benefits	**280,704**	-
Share-based compensation to employees and directors	**149,058**	**7,895**
Consulting fees charged by a director and acting CEO	**32,625**	**-**

	October 31, 2016 $	***January 31, 2016 $***
Accounts payable and accrued liabilities due to a director	**16,406**	**-**

b) Transactions with Manitex, a shareholder of the Corporation:

	October 31, 2016 $	***October 31, 2015 $***
Interest charged by	**23,834**	2,811

	October 31, 2016 $	***January 31, 2016 $***
Accounts payable and accrued liabilities due to	**212,308**	140,566

c) Transactions with Polytechique, a partner of Polyvalor :

	October 31, 2016 $	***October 31, 2015 $***
Research expenses	**157,500**	87,500

	October 31, 2016 $	***January 31, 2016 $***
Amounts included in Development costs	**367,497**	-
Accounts payable and accrued liabilities due to	**364,667**	175,000

d) Transactions with Polyvalor, holder of 833,334 common shares presented as a liability (Note 6):

	October 31, 2016 $	***January 31, 2016 $***
Amounts included in Intellectual Property	35,000	225,758

All other related party transactions have been disclosed in these financial statements.

10. Commitments

a) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.

   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000.

   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.

   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor. Payments remaining under this Agreement are as follows:

   i) A non-refundable fee of $36,410 payable on January 31, 2017 payable to Polyvalor

   ii) A non-refundable fee of $100,000 payable on or before January 31, 2017 payable to Polytechnique

When the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

In the event that the Corporation fails to perform any of the payments provided in this Agreement, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

The Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $1,470,000 (identified as Round 1), which includes the amount of $500,000 paid by Manitex for its common shares and the operating loan of $240,000 (Note 5) by February 28, 2016. As at January 31, 2016, financing amounting to $1,390,000 was raised. May 31, 2016, the Corporation had to obtain and concluded cumulative rounds of financing for a minimum amount of $2,600,000 (identified as Round 2), which includes the $1,470,000 financing in Round 1. As at October 31, 2016, the Corporation had not concluded the financing requirement of Round 2 as per the amendment and therefore the Corporation and Polyvalor agreed to amend the Agreement to change the required date to January 31, 2017. If the Corporation is not able to obtain financing as described, the Corporation will have a period of three (3) months from each date of the Rounds to find alternative financing solutions, which will require approval by an investment committee. If such approval is not obtained nor the financing secured, the Agreement can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The following table presents the minimum obligations due over the next two years are as follows:

	Research agreement $	Intellectual property $	Total $
Up to 1 year	700,000	136,410	836,410
1 to 2 years	524,993	-	524,993
	1,224,993	136,410	1,361,403

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Appendix 8

Management Discussion & Analysis for the three-month period ended October 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED OCTOBER 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 December 14, 2016 and approved by OrthoRTI's Board of Directors on December 14, 2016 and should be read in conjunction with the unaudited interim condensed financial statements for the nine-month period ended October 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 14,926,500 common shares that are issued and fully paid as of October 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 nine-month period ended October 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 research and development as well as distribution agreements with strategic partners who have the infrastructure required to ensure commercial success for the future products, or
ii) Sale 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 pre-revenue value at the point where it has proven clinical efficacy and obtained regulatory approvals.

In August 2016, the Corporation received its first US patent, for “SOLUBLE PHYSIOLOGICAL CHITOSAN FORMULATIONS COMBINED WITH PLATELET-RICH PLASMA (PRP) FOR TISSUE REPAIR”. 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, management has limited the territories in which we are seeking protection to the following: EU (via a European Patent), Canada, USA, Japan and Australia.

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 ensued, and it has been determined that Ortho-R will be regulated as a single entity biologic through CBER. The specific implications of this determination remain to be quantified, but it is possible that an increased investment in the Chemistry, Manufacturing and Controls (“CMC”) may be required. That said. it has, 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, 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 recently completed the pilot study which we believe has demonstrated the suitability of the preclinical model. A CRO has been selected to undertake the pivotal preclinical study, and contract negotiations are being completed along with the necessary quality audit.

The Corporation has received samples of a number of batches of the raw material from our preferred supplier. These materials 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 be limited until Ortho-R is further down its developments path and further financing has been obtained. 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 own: it can therefore act as the quickest path to the "human 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 nine month period ending October 31 , 2016 and from February 5, 2015 to October 31, 2015 and the three month period ending October 31, 2015.

	Three-month period ending October 31,		Nine-month period ending October 31,	
	2016	2015	**2016**	2015
			$	$
Professional fees	**81,236**	98,558	**178,738**	136,369
Research costs	**52,500**	52,500	**159,893**	87,500
Office and administrative	**72,737**	3,034	**309,813**	15,025
Travel and promotion	**13,755**	3,133	**40,340**	8,446
Filing fees	**18,515**	1,566	**60,491**	1,566
Share-based compensation	**40,473**	7,895	**149,058**	7,895
Interest and bank charges	**10,727**	2,365	**24,668**	3,235
Net loss for the period	**289,943**	169,051	**923,021**	260,036
Loss per share				
Basic and diluted	**0.02**	0.01	**0.07**	0.03

The weighted average number of shares outstanding used in the calculation of loss per share at October 31, 2016 is 13,438,898 (October 31, 2015 – 9,082,491).

Balance Sheet Highlights	**October 31, 2016**	January 31, 2016
	$	$
Cash	**23,524**	646,246
Investment tax credit	**187,000**	225,915
Sales tax receivable and other assets	**29,501**	35,043
Current assets	**240,025**	907,204
Deferred issue costs	**-**	153,874
Investment tax credit non-current	**83,005**	-
Intangible assets	**1,257,573**	725,192
Non-current asset	**1,340,578**	879,066
Total assets	**1,580,603**	1,786,270
Liabilities-current	**1,365,021**	1,098,139
Liabilities-non-current	**1,698,355**	333,334
Common shares	**1,200,031**	1,006,617
Warrants	**238,000**	130,000
Contributed Surplus	**295,118**	146,060
Deficit	**(1,850,901)**	(927,880)

3rd QUARTER 2016 FINANCIAL OVERVIEW

- On August 2, 2016, 958,500 shares and 460,000 warrants were issued, for a total net proceed of $440,750.
- On October 18, 2016 Brent Norton, MD has been appointed Executive Chairman of the Board and acting Chief Executive Officer. Dr. Norton succeeds Edward Margerrison who will be leaving the Corporation to assume the position Director Office of Science and Engineering at FDA.
- 625,000 options were cancelled in the quarter, due to the departure of the former CEO.
- Net loss from operations for the nine month period is $923,021, which includes research costs of $159,893, office and administrative expenses of $ 309,813 professional fees of $178,738 and share-based compensation of $149,058.
- Cash used by operating activities is $859,779 and cash provided by financing activities is $769,438. Cash used to fund development and acquire intangibles is $532,381.

OPERATING EXPENSES

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

	Three-month period ending October 31,		Nine-month period ending October 31,	
	2016	2015	**2016**	2015
			$	$
Professional fees	**81,236**	98,558	**178,738**	136,369
Research costs	**52,500**	52,500	**159,893**	87,500
Office and administrative	**72,737**	3,034	**309,813**	15,025
Travel and promotion	**13,755**	3,133	**40,340**	8,446
Filing fees	**18,515**	1,566	**60,491**	1,566
Share-based compensation	**40,473**	7,895	**149,058**	7,895
Interest and bank charges	**10,727**	2,365	**24,668**	3,235
Net loss for the period	**289,943**	169,051	**923,021**	260,036

For the nine month period ended October 31, 2016 compared to the same period in 2015, overall expenses increased by approximately $663,000. The primary reasons for the overall increase in expenses were:

- Professional fees increased by approximately by $42,000
- Office and administrative expenses increased by approximately $295,000
- Share based compensation increased by approximately $141,000 compared with the previous period.
- 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 $113,000.

Included in the $310,000 of office and administrative expenses recorded in the fiscal period, $281,000 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 $160,000 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 $184,000 on this agreement is an investment tax credit of $24,000. Financial expenses were approximately $25,000 of which approximately $24,000 relates to interest incurred on the operating loan from Manitex Capital Inc.

DEVELOPMENT COSTS

The development costs capitalized approximately $715,000 net of Investment tax credit in the amount of approximately $194,000, 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, approximately $196,000 has been spent on Ortho-M and approximately $232,000 has been spent on Ortho-R for a total amount of $425,000 and $290,000 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 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 on April 29, 2016. 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 costs are charged to share capital in the second quarter.

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

For the nine-month period ended October 31 :	**2016** $	2015 $
Operating activities:		
Cash used in operations prior to changes in working capital	**(773,963)**	(252,141)
Changes in non-cash working capital	**(85,816)**	290,121
Cash (used in) provided by operations	**(859,779)**	37,980
Investing activities:		
Cash used in for acquisition of intangible assets	**(532,381)**	(586,601)
Financing activities:		
Cash received from operating loan	**314,150**	141,938
Cash received from equity financing	**540,000**	500,617
Cash received for share capital as a debt	**-**	75,757
Cash used for deferred and share issue costs	**(84,712)**	(155,198)
Cash (used in) provided by financing activities	**769,438**	563,114
(Decrease) increase in cash	**(622,722)**	14,493
Cash, beginning of period	**646,246**	-
Cash, end of period	**23,524**	14,493

(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 approximately $149,000 (2015 - $7,895) recorded for share based compensation. The net change in non-cash working capital was affected by the slight decrease in accounts payable and accrued liabilities of $47,268, the decrease in sales tax receivable and prepaid expenses of $5,542 and the increase in the investment tax credit of $44,090 compared to the related period.

(b) Investing activities

The Corporation incurred costs of $532,381 ($586,601 in 2015) 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 2015).

Funds of $35,000 (Nil in 2015) were used to acquire intellectual property, as required by the Intellectual Property Assignment agreement.

(c) Financing activities

During the current period the Corporation received $540,000 ($576,374 in 2015) from the issuance of common shares and $314,150 ($141,938 in 2015) 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 ($155,198 in 2015) of share issuance costs were netted against these cash in-flows to give net cash of $769,4388 ($563,114 in Q3 2016) being provided by financing activities.

LIQUIDITY AND CAPITAL RESOURCES:

	October 31, 2016 $	January 31, 2016 $
Cash	**23,524**	646,246
Working Capital [(i)]	**(1,124,996)**	(190,935)
Total assets	**1,580,603**	1,786,270

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

At October 31, 2016 the Corporation has used its operating loan to $314,150 ($141,938 – 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 October 31, 2016, the unused amount of its operating loan is $355,850.

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 October 31, 2016, the amount owed to Polytechnique under the Research Agreements is $364,667. In addition, the Corporation has a commitment to fund $136,410 in January 2017 under the Intellectual Property Assignment and Technology Transfer

Agreement. During the month of June 2016, the Corporation, Polyvalor and Polytechnique 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. Subsequently, in October 2016, the Corporation, Polyvalor nd Polytechnique signed a third amendment to the Intellectual Property Assignment and Technology Transfer Agreement. The changes are to extend the payment date of the non-refundable fee to Polytechnique in the amount of $100,000 from May 31, 2016 to October 31, 2016, the non-refundable fee to Polytechnique in the amount of $36,410 from October 31, 2016 to January 31, 2017 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 October 31, 2016, the Corporation has raised $1,190,000 through private placements closed in January, February and August 2016. In November 2016, the Corporation appointed Desjardins Securities to act as its lead agent for a proposed private placement of units of approximately $5 million, to close on or about January 24, 2017.

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 20 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 20 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 20 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 Januiar1, 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 nine-month period ended October 31, 2016 and from February 5, 2015 to October 31, 2015:

	October 31, 2016 $	***October 31, 2015 $***
Transactions with key management and members of the Board of Directors		
Salaries and expense for employee benefits	**280,704**	-
Share-based compensation	**149,058**	**7,895**
Consulting fees by a director and Acting CEO	**32,625**	**-**
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**23,834**	**2,811**
Transaction with Polytechique, a partner of Polyvalor :		
Research expenses	**157,500**	**87,500**

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

	October 31, 2016 *$*	*January 31, 2016* *$*
Accounts payable and accrued liabilities due to Manitex, a shareholder of the Corporation:	**212,308**	140,566
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**364,667**	175,000
Accounts payable and accrued liabilities due to a director, Dr Brent Norton	**16,406**	-
Operating loan, Manitex	**554,150**	240,000
Amounts included in Development costs, paid to Polytechnique	**367,497**	326,664
Amounts included in Intellectual Property, with Polyvalor holder of 833,334 common shares presented as a liability:	**333,334**	225,758

COMMITMENTS

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

COMPARATIVE QUARTERLY FINANCIAL DATA

The following table sets out selected unaudited quarterly financial information of the Corporation for the seven quarters ended October 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.

	FY 2017			FY 2016			
	Q3 $	Q2 $	Q1$	Q4 $	Q3 $	Q2 $	Q1 $
Professional fees	81,236	79,185	18,317	32,907	98,558	15,282	22,529
Research costs	52,500	28,893	78,500	55,752	52,500	22,281	12,719
Office and administration	72,737	121,264	115,812	146,038	3,034	11,991	-
Travel and promotion	13,755	14,565	12,020	15,157	3,133	4,030	1,283
Filing fees	18,515	36,848	5,128	17,527	1,566	-	-
Share based compensation	40,473	68,122	40,463	138,165	7,895	-	-
Financial expenses	10,727	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	289,943	360,376	272,702	667,845	169,051	54,444	36,541
Loss per share Basic and diluted:	0.02	0.03	0.02	0.06	0.01	0.01	3.92

As the Corporation was incorporated on February 5th 2015, seven 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 and costs incurred to conduct some studies to third parties.

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. Decrease in research costs are in conjunction with Ortho C project and amounts due to the Polytechnique as per the Research Agreements and an estimates of the investment tax credits associated to the projects.

In Q3-2017, the main expenses are professional fees, office and administrative expense, research costs and share-based compensation. Professional fees include corporate legal matter, consulting fees on business strategies and corporate matters and audit fees. The decrease in office and administration is due to the decrease in the salaries and benefits for employees due to the departure of the former CEO. Research expenses represents the monthly costs associated to 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.

Appendix 9

Interim Condensed Financial Statements for the six-month period ended July 31, 2016

Ortho Regenerative Technologies Inc.

Interim Condensed Financial Statements

For the six-month period ended July 31, 2016

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Ortho Regenerative Technologies Inc.
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Ortho Regenerative Technologies Inc.
Statements of Financial Position
As at

	July 31, 2016 $	January 31, 2016 $
Assets		
Cash	**24,047**	646,246
Sales tax receivable	**48,466**	30,168
Prepaid expenses	**1,115**	4,875
Investment tax credits receivable	**187,005**	225,915
Total current assets	**260,633**	907,204
Investment tax credits receivable	**83,000**	**-**
Deferred share issue costs	**-**	153,874
Intangible assets *(Note 4)*	**1,073,964**	725,192
Total non-current assets	**1,156,964**	879,066
Total assets	**1,417,597**	1,786,270
Liabilities		
Accounts payable and accrued liabilities *(Note 9)*	**861,145**	858,139
Operating loan *(Note 5)*	**532,150**	240,000
Total current liabilities	**1,393,295**	1,098,139
Class A shares liability *(Note 6)*	**333,334**	333,334
Total liabilities	**1,726,629**	1,431,473
Shareholders' (deficiency) equity		
Common shares *(Note 6)*	**851,281**	1,006,617
Warrants *(Note 6)*	**146,000**	130,000
Contributed surplus *(Note 6)*	**254,645**	146,060
Deficit	**(1,560,958)**	(927,880)
Total shareholders' (deficiency) equity	**(309,032)**	354,797
Total liabilities and shareholders' (deficiency) equity	**1,417,597**	1,786,270

Going Concern *(Note 1)*; Related Party Transactions *(Note 9)*; Commitments *(Note 10); Subsequent event (Note 11)*

Approved on behalf of the Corporation's Board of Directors on September 22, 2016.

"Steve Saviuk" , Director

"Michael Bushmann" , Director

Ortho Regenerative Technologies Inc.
Statements of Loss and Comprehensive Loss
For the six-month period ended July 31, 2016 and from February 5, 2015 to July 31, 2015

	3 months ended July 31,		6 months ended July 31,	
	2016	2015	**2016**	2015
	$	$	**$**	$
General and Administrative Expenses				
Professional fees	**79,185**	15,282	**97,502**	37,811
Research costs *(Note 9)*	**28,893**	22,281	**107,393**	35,000
Office and administrative *(Note 9)*	**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 *(Note 6 and 9)*	**68,122**	-	**108,585**	-
Financial Expenses				
Interest and bank charges *(Note 5)*	**11,499**	860	**13,961**	870
Net loss and comprehensive loss	**360,376**	54,444	**633,078**	90,985

Ortho Regenerative Technologies Inc.
Statementa of Changes in Shareholders' Equity
For the six-month period ended July 31, 2016 and from February 5, 2015 to July 31, 2015

	Number of shares	*Share capital*	*Warrants*	*Contributed surplus*	*Deficit*	*Total equity*
Balance February 5, 2015	-	-	-	-	-	-
Issuance of shares as equity *(Note 6)*	11,666,666	500,617	-	-	-	500,617
Net loss for the period	-	-	-	-	(90,985)	(90,985)
Balance as at July 31, 2015	11,666,666	500,617	**-**	**-**	(90,985)	(409,632)
As at January 31, 2016	**12,966,666**	**1,006,617**	**130,000**	**146,060**	**(927,880)**	**354,797**
Issuance of shares as equity *(Note 6)*	**160,000**	**68,000**	**-**	**-**	**-**	**68,000**
Share issue costs *(Note 6)*	**8,000**	**(223,336)**	**-**	**-**	**-**	**(223,336)**
Issuance of warrants *(Note 6)*	**-**	**-**	**16,000**	**-**	**-**	**16,000**
Share based compensation *(Note 6)*	**-**	**-**	**-**	**108,585**	**-**	**108,585**
Net loss for the period	**-**	**-**	**-**	**-**	**(633,078)**	**(336,078)**
As at July 31, 2016	**13,134,666**	**851,281**	**146,000**	**254,645**	**(1,560,958)**	**(309,032)**

The number of shares held in escrow as at July 31, 2016 is 11,508,858 (Nil - July 31, 2015)

Ortho Regenerative Technologies Inc.
Statements of Cash Flows
For the six-month period ended July 31, 2016 and from February 5, 2015 to July 31, 2015

	2016	2015
	$	$
Operating activities:		
Net loss from operations	**(633,078)**	(90,985)
Add items not affecting cash:		
Share based compensation *(Note 6)*	**108,585**	-
	(524,493)	(90,985)
Net change in non-cash operating working capital:		
Investment tax credit	**(44,090)**	-
Sales tax receivable and prepaid expenses	**(14,538)**	(75,121)
Accounts payable and accrued liabilities	**3,006**	248,736
Cash (used in) provided by operating activities	**(580,115)**	82,630
Investing activities:		
Acquisition of intangible assets, net of investment tax credit of $ 19,987 (Nil – 2015) *(Note 4)*	**(348,772)**	(729,665)
Financing activities:		
Increase in operating loan	**292,150**	71,237
Issuance of share capital as equity *(Note 6)*	**80,000**	500,617
Issuance of share capital as debt *(Note 6)*	**-**	75,757
Payment of share issue costs *(Note 6)*	**(4,000)**	-
Payment of deferred share issue costs	**(61,462)**	-
Cash provided from financing activities	**306,668**	647,611
Decrease in cash	**(622,199)**	576
Cash, beginning of period	**646,246**	-
Cash, end of period	**24,047**	576
Supplementary cash flow information		
Change in accounts payable reflected in intangibles	**45,433**	160,042

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

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. Manitex is an existing shareholder of the Corporation and held 5,109,000 shares of Ortho. On June 3, 2016, the dividend-in-kind of Class A Common Shares of Ortho was paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date set by Manitex's Board of Directors. On June 3, 2016 Manitex has 12,561,276 shares that are issued and outstanding and caused the distribution of 1,100,142 Ortho shares to Canadians residents holders of Manitex shares and $77,926 was paid in cash to non-residents, pursuant to the prospectus, at a deemed value of $0.50 per share. Manitex is listed on the TSX Venture Exchange under the symbol MNX.

The Corporation specializes in research on innovative medical devices which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at July 31, 2016, the Corporation has a deficit of $ 1,560,958 ($927,880 as at January 31, 2016) and a negative working capital of $1,132,662 ($190,935 as at January 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 $100,000 non-refundable fee to Polytechnique from May 31, 2016 to October 31, 2016, and to extend Round 2 of financing described in Note 10, to October 31, 2016. In addition, on August 2, 2016, the Corporation closed a private placement in the amount of $460,000 describe in Note 11. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the support of its creditors. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

These financial statements were approved and authorized for issuance by the Board of Directors on September 22, 2016.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	July 31, 2016	January 31, 2016
End of period exchange rate	**1.2548**	1.3075

c) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the period from date of incorporation February 5, 2015 to January 31, 2016 as they follow the same accounting policies and methods of application.

d) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

d) Future accounting pronouncements *(Continued from previous page)*

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The latest date of mandatory implementation of these amendments to IAS 7 is January 1, 2017. The Corporation is currently evaluating the impact on its unaudited condensed interim consolidated financial statements.

3. Use of Estimates and Judgements

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2016 annual financial statements and are still applicable for the period ended July 31, 2016.

4. Intangible Assets

The intangible assets consist of:

	Patents	***Intellectual Property***	***Development Costs***	***Total***
Cost				
Balance as at January 31, 2016	**85,367**	**333,150**	**306,675**	**725,192**
Additions	**30,708**	**35,000**	**303,051**	**368,759**
Investment tax credit	**-**	**-**	**(19,987)**	**(19,987)**
Balance as at July 31, 2016	**116,075**	**368,150**	**589,739**	**1,073,964**

No amortization has been recorded in the period. Amortization of the Patents will commence when the Patents have been approved. Amortization of the Intellectual Property and Development Costs will commence when the various products have been commercialized.

On August 26, 2016, one patent was issued and will expired in year 2032. The cost of the patent is $33,985 and will be amortized over the remaining life of 16 years at $2,140 per annum.

5. Operating Loan

On June 19, 2015, the Corporation entered into a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation, for a maximum amount of $240,000. Borrowing under this unsecured loan agreement bear interest at 8% per annum and due on demand. As at January 31, 2016 the Corporation had drawn on the loan to its maximum amount. Pursuant to the agreement, any borrowings were to be repaid by January 31, 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. The additional financing will be under the same terms and conditions as the original loan agreement entered into on June 19, 2015 and amended to be due on demand. As at July 31, 2016, the unused amount is $837,850.

6. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid:

13,134,666 Class A common shares	**$ 1,088,617**

On June 3, 2016, the Corporation and Manitex completed its transaction as described in the long form prospectus by the payment of a dividend-in-kind of 1,100,142 Class "A" common shares of Ortho RTi held by Manitex. Therefore, the cost related to the transaction amounted to $215,336 and was charged to share capital in the period.

On July 29, 2016, the escrow agreement was signed and filed with the Autorité des Marchés Financiers. Based on the escrow agreement, 11,508,858 shares are held in escrow and will be release by the Escrowed Securities as follows:

Release Date	**Portion of Escrowed Securities Released**
On the date of Corporation's securities are listed	1/10 of the Escrowed Securities
Six months after the listing date	1/6 of the Escrowed Securities
12 months after the listing date	1/5 of the Escrowed Securities
18 months after the listing date	1/4 of the Escrowed Securities
24months after the listing date	1/3 of the Escrowed Securities
30 months after the listing date	1/2 of the Escrowed Securities
36 months after the listing date	The remaining of the Escrowed Securities

In February 2016, the Corporation closed a private placement of $80,000 for 160,000 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.

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

In January 2016, the Corporation closed a private placement of $650,000 through the issuance of 1,300,000 units at $0.50 per unit, each unit comprising of one common share and one-half (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one common share at $0.70 per share. The warrants have a life of twenty-four (24) months and expire on January 28, 2018. If, during the twenty-four (24) months period 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 remaining Warrants within a period of 30 days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the warrant. The share issue costs associated with the private placements were $14,000.

On June 19, 2015, the Corporation issued 9,444,444 Class A common shares for total proceeds of $500,395. The Corporation did not incur any costs related to the issuance of these common shares.

On June 19, 2015 a further 833,334 Class A common shares, for total proceeds of $75,757, were issued as fully paid with no par value. These shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability. At January 31, 2016, the fair value of this liability was increased to $333,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded in January 2016. As at July, management reviewed the fair value and determined that there is no change since the value of the common shares remained at $0.40 based on the recent private placement closed on August 2, 2016. Details of the assumptions used are as follows:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.90%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Weighted fair value of Class A common shares	$0.40

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On May 5, 2015, the Corporation issued 2,212,222 Class A common shares for total proceeds of $221. The Corporation did not incur any costs related to the issuance of these common shares.

On February 5, 2015, the Corporation issued 10,000 Class A common shares for total proceeds of $1. The Corporation did not incur any costs related to the issuance of these common shares.

The following schedules the common shares issuable on exercise of the warrants and share-based payment transactions granted during the current fiscal year:

	Shares issuable on exercise of			
	Warrants		***Share options***	
	Number of shares ***#***	***Weighted exercise price*** ***$***	***Number*** ***#***	***Weighted exercise price*** ***$***
Balance, January 31, 2016	**650,000**	**0.70**	**1,025,000**	**0.16**
Granted during the period	**80,000**	**0.70**	**371,800**	**0.50**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**-**	**-**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, July 31, 2016	**730,000**	**0.70**	**1,396,000**	**0.25**

(b) Share option:

The Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation. The Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate

On June 23, 2016, the Board granted 371,800 options at an exercise price of $0.50, expiring on June 23, 2021. The options vest as follows: 100,000 options vest on the grant date; 100,000 options vest on December 24, 2016, 96,800 options vest on June 24, 2017 and 75,000 options vest on December 24, 2017. The total compensation cost of these stock options is estimate to be $86,318, which will be recognized on a gradual basis over the vesting period of the stock options

In addition, the Board reserved 28,200 options to be granted to the Vice-president and General Counsel, once the number of issued and outstanding shares has increased by at least 282,000 subject to the same terms and condition as above.

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

As per the escrow agreement 1,025,000 shares options are held in escrow and are subject to the same release conditions as described above.

The following options to purchase common shares were outstanding as at July 31, 2016:

Number of Options outstanding	*Number of Options Exercisable*	*Exercise price $*	*Remaining contractual life*
400,000	**125,000**	**0.10**	**4 years**
625,000	**250,000**	**0.20**	**4.3 years**
371,800	**100,000**	**0.50**	**4.9 years**

6. Share Capital *(Continued from previous page)*

(b) Share option: *(Continued from previous page)**:***

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

	June 2016	*July 2015*	*August 2015*	*November 2015*
Weighted average risk-free interest rate	0.62%	0.81%	0.76%	0.90%
Weighted average volatility factor	78.15%	125%	125%	125%
Weighted average expected life	5 years	5 years	5 years	5 years
Weighted fair value of options	$0.2322	$0.371	$0.371	$0.356
Forfeiture rate	Nil	Nil	Nil	Nil

Volatility is determined based on the historical share price of comparable companies.

(c) Warrants

In February 2016, the Corporation issued 160,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrants shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on February 26 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.49%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Expected dividend yield	Nil

Volatility is determined based on the historical shares price of comparable companies

In January 2016, the Corporation issued 1,300,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrants shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on January 28 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.90%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Expected dividend yield	Nil

Volatility is determined based on the historical shares price of comparable companies

6. Share Capital *(Continued from previous page)*

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

	3 months ended July 31,		6 months ended July 31,	
	2016	2015	**2016**	2015
Weighted average number of common shares outstanding	**13,134,666**	6,413,587	**13,113,435**	3,298,954
Basic and diluted loss per common shares	**0.03**	0.01	**0.05**	0.03

The number of options and warrants outstanding as at July 31, 2016 and 2015 is not included in the calculation because the effect is anti-dilutive.

7. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

	July 31, 2016	
	Carrying Value FVTPL	***Fair Value***
	$	***$***
Financial Assets		
Cash	**24,047**	**24,047**

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
	$	***$***	***$***
Financial Liabilities			
Accounts payable and accrued liabilities	**-**	**861,145**	**861,145**
Operating loan	**-**	**532,150**	**532,150**
Class A shares liability	**333,334**	**-**	**333,334**
	333,334	**1,393,295**	**1,726,629**

	January 31, 2016	
	Carrying Value FVTPL	***Fair Value***
	$	***$***
Financial Assets		
Cash	646,246	646,246

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
	$	***$***	***$***
Financial Liabilities			
Accounts payable and accrued liabilities	-	858,139	858,139
Operating loan	-	240,000	240,000
Class A shares liability	333,334	-	333,334
	333,334	1,098,139	1,431,473

8. Financial Risk Factors

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.

(a) Market risk

(i) 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.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities in US$ currency. The Corporation does not hold financial derivatives to manage the fluctuation of these risks.

The following presents the accounts that are exposed to foreign exchange volatility at July 31, 2016:

	US $	*Total CDN $ Equivalent*
Cash	**110**	**148**
Accounts and accrued liabilities	**(16,562)**	**(21,811)**

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at July 31, 2016.

	Carrying Value $	*Less than 30 days $*	*30 days to 3 months $*	*3 months to 12 months $*	*More than 12 months $*
Financial Liabilities					
Accounts payable and accrued liabilities	**861,145**	**235,916**	**625,229**	**-**	**-**
Operating loan	**574,722**	**-**	**-**	**574,722**	**-**
Class A shares liability	**333,334**	**-**	**-**	**-**	**333,334**
	1,769,201	**235,916**	**625,229**	**574,722**	**333,334**

(c) Fair value risk

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities, operating loan and Class A shares liability. The fair value of these financial instruments approximated the carrying value disclosed in Note 8 due to the short-term maturity of the instruments.

(d) 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's 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 will attempt 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.

9. Related party transactions

a) Transactions with key management and members of the Board of Directors

The remuneration of key management, which include the President and CEO, Vice-President Financer and Chief Financial Officers and members of the Board includes the following expenses:

	July 31, 2016 *$*	*July 31, 2015* *$*
Salaries and expense for employee benefits	**212,336**	-
Share-based compensation to employees and directors	**108,585**	**-**
Consulting fees charged by a director	**8,300**	**-**

	July 31, 2016 *$*	*January 31, 2016* *$*
Accounts payable and accrued liabilities due to a director	**8,300**	**-**

b) Transactions with Manitex, a shareholder of the Corporation:

	July 31, 2016 *$*	*July 31, 2015* *$*
Interest charged by	**13,103**	-

	July 31, 2016 *$*	*January 31, 2016* *$*
Accounts payable and accrued liabilities due to	**182,409**	140,566

c) Transaction with Polytechique, a partner of Polyvalor :

	July 31, 2016 *$*	*July 31, 2015* *$*
Research expenses	**105,000**	-

	July 31, 2016 *$*	*January 31, 2016* *$*
Amounts included in Development costs	**244,998**	-
Accounts payable and accrued liabilities due to	**291,667**	175,000

d) Transaction with Polyvalor, holder of 833,334 common shares presented as a liability (Note 6):

	July 31, 2016 *$*	*January 31, 2016* *$*
Amounts included in Intellectual Property	35,000	225,758

All other related party transactions have been disclosed in these financial statements.

10. Commitments

a) On June 19, 2015 the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000.
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor. Payments remaining under this Agreement are as follows:
   i) A non-refundable fee of $36,410 payable on October 31, 2016 payable to Polyvalor
   ii) A non-refundable fee of $100,000 payable on or before October 31, 2016 payable to Polytechnique

When the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

In the event that the Corporation fails to perform any of the payments provided in this Agreement, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

The Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $1,470,000 (identified as Round 1), which includes the amount of $500,000 paid by Manitex for its common shares and the operating loan of $240,000 (Note 5) by February 28, 2016. As at January 31, 2016, financing amounting to $1,390,000 was raised. May 31, 2016, the Corporation had to obtain and concluded cumulative rounds of financing for a minimum amount of $2,600,000 (identified as Round 2), which includes the $1,470,000 financing in Round 1. As at April 30, 2016, the Corporation had not concluded the financing requirement of Round 2 and therefore the Corporation and Polyvalor agreed to amend the Agreement to change the required date to October 31, 2016. In the event that the Corporation is not able to obtain financing as described, the Corporation will have a period of three (3) months from each date of the Rounds to find alternative financing solutions, which will require approval by an investment committee. If such approval is not obtained nor the financing secured, the Agreement can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The following table presents the minimum obligations due over the next two years are as follows:

	Research agreement $	Intellectual property $	Total $
Up to 1 year	700,000	136,410	836,410
1 to 2 years	583,334	-	583,334
	1,283,334	136,410	1,419,744

11. 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 form 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.

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Appendix 10

Management Discussion & Analysis for the three-month period ended July 31, 2016

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.

Appendix 11

Interim Condensed Financial Statements for the three-month period ended April 30, 2016

Ortho Regenerative Technologies Inc.

Interim Condensed Financial Statements

For the three-month period ended April 30, 2016

The accompanying unaudited interim condensed financial statements have been prepared by management and approved by the Audit committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Ortho Regenerative Technologies Inc.
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	April 30, 2016	January 31, 2016
	$	**$**
Assets		
Cash	**1,991**	646,246
Sales tax receivable	**35,830**	30,168
Prepaid expenses	**3,835**	4,875
Investment tax credits receivable	**225,915**	225,915
Total current assets	**267,571**	907,204
Investment tax credits receivable	**33,450**	**-**
Deferred share issue costs	**200,755**	153,874
Intangible assets *(Note 4)*	**883,789**	725,192
Total non-current assets	**1,117,994**	879,066
Total assets	**1,385,565**	1,786,270
Liabilities		
Accounts payable and accrued liabilities *(Note 9)*	**593,673**	858,139
Operating loan *(Note 5)*	**260,000**	240,000
Total current liabilities	**853,673**	1,098,139
Class A shares liability *(Note 6)*	**333,334**	333,334
Total liabilities	**1,187,007**	1,431,473
Shareholders' equity		
Common shares *(Note 6)*	**1,066,617**	1,006,617
Warrants *(Note 6)*	**146,000**	130,000
Contributed surplus *(Note 6)*	**186,523**	146,060
Deficit	**(1,200,582)**	(927,880)
Total shareholders' equity	**198,558**	354,797
Total liabilities and shareholders' equity	**1,385,565**	1,786,270

Going Concern *(Note 1)*; Related Party Transactions *(Note 9)*; Commitments *(Note 10); Subsequent event (Note 11)*

Approved on behalf of the Corporation's Board of Directors on June 23, 2016.

"Steve Saviuk" , Director

"Thomas Martinuzzo" , Director

Ortho Regenerative Technologies Inc.
Statements of Loss and Comprehensive Loss
For the three-month period ended April 30, 2016 and from February 5, 2015 to April 30, 2015

	2016	2015
	$	$
General and Administrative Expenses		
Professional fees	**23,445**	22,529
Research costs *(Note 9)*	**78,500**	12,719
Office and administrative *(Note 9)*	**115,812**	-
Travel and promotion	**12,020**	1,283
Share based compensation *(Note 6 and 9)*	**40,463**	-
	270,240	36,531
Financial Expenses		
Interest and bank charges *(Note 5)*	**2,462**	10
Net loss and comprehensive loss for the period	**272,702**	36,541

Ortho Regenerative Technologies Inc.
Statementa of Changes in Shareholders' Equity
For the three-month period ended April 30, 2016 and from February 5, 2015 to April 30, 2015

	Number of shares	*Share capital*	*Warrants*	*Contributed surplus*	*Deficit*	*Total equity*
Balance February 5, 2015	-	-	-	-	-	-
Issuance of shares as equity *(Note 6)*	10,000	1	-	-	-	1
Net loss for the period	-	-	-	-	(36,541)	(36,541)
Balance as at April 30, 2015	10,000	1			(36,541)	(36,540)
As at January 31, 2016	**12,966,666**	**1,006,617**	**130,000**	**146,060**	**(927,880)**	**354,797**
Issuance of shares as equity *(Note 6)*	**160,000**	**68,000**	**-**	**-**	**-**	**68,000**
Share issue costs *(Note 6)*	**8,000**	**(8,000)**	**-**	**-**	**-**	
Issuance of warrants *(Note 6)*			**16,000**			**16,000**
Share based compensation *(Note 6)*	**-**	**-**	**-**	**40,463**		**40,463**
Net loss for the period					**(272,702)**	**(272,702)**
As at April 30, 2016	**13,134,666**	**1,066,617**	**146,000**	**186,523**	**(1,200,582)**	**198,558**

Ortho Regenerative Technologies Inc.
Statements of Cash Flows
For the three-month period ended April 30, 2016 and from February 5, 2015 to April 30, 2015

	2016	2015
	$	$
Operating activities:		
Net loss from operations	**(272,702)**	(36,541)
Add items not affecting cash:		
Share based compensation *(Note 6)*	**40,463**	-
	(232,239)	(36,541)
Net change in non-cash operating working capital:		
Investment tax credit	**(33,450)**	-
Prepaid expenses	**1,040**	-
Sales tax receivable and prepaid expenses	**(5,662)**	(12,121)
Accounts payable and accrued liabilities	**(264,466)**	147,839
Cash (used) provided by operating activities	**(534,777)**	99,177
Investing activities:		
Acquisition of intangible assets, net of investment tax credit of $ 24,450 (Nil – 2015) *(Note 4)*	**(158,597)**	(108,213)
Financing activities:		
Increase in operating loan	**20,000**	8,804
Issuance of share capital as equity *(Note 6)*	**80,000**	222
Payment of share issue costs *(Note 6)*	**(4,000)**	-
Payment of deferred share issue costs	**(46,881)**	-
Cash provided from financing activities	**49,119**	9,026
Decrease in cash	**(644,255)**	(10)
Cash, beginning of period	**646,246**	-
Cash, end of period	**1,991**	(10)
Supplementary cash flow information		
Change in accounts payable reflected in intangibles	**(77,066)**	(120,627)

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation") was incorporated under the Canada Business Corporations Act on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. On April 26, 2016, pursuant to a Certificate of Amendment, the Corporation (i) removed the restrictions on the transfer of its common shares, (ii) added a legal French version of its name being Technologies Ortho Régénératives inc. and (iii) added a provision to have the ability to appoint one or more additional directors between shareholders' meetings. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

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. Manitex is an existing shareholder of the Corporation and held 5,109,000 shares of Ortho. On June 3, 2016, the dividend-in-kind of Class A Common Shares of Ortho was paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date set by Manitex's Board of Directors. On June 3, 2016 Manitex has 12,561,276 shares that are issued and outstanding and caused the distribution of 1,256,127 Ortho shares to holders of Manitex shares, pursuant to the prospectus, at a deemed value of $0.50 per share. Manitex is listed on the TSX Venture Exchange under the symbol MNX.

The Corporation specializes in research on innovative medical devices which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. In its assessment to determine if the going concern assumption is appropriate, management takes into account all data available regarding the future for at least, without limiting, the next twelve months. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. As at April 30, 2016, the Corporation has a deficit of $ 1,200,582 ($927,880 as at January 31, 2016) and a negative working capital of $586,102 ($190,935 as at January 31, 2016). In addition, the Corporation has not made the $100,000 payment to Polyvalor as of May 31, 2016 and during the month of June an amendment to the Intellectual Property Assignment and Technology Transfer Agreement was signed by both parties to change the payment date to October 31, 2016. The ability of the Corporation to fulfill its obligations and finance its future activities depends on the ability to raise capital and the support of its creditors. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms. This indicates the existence of material uncertainties that may cast a significant doubt about the ability of the Corporation to continue its operations and subsequently, usefulness of using accounting principles applicable to a going concern company.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

These financial statements were approved and authorized for issuance by the Board of Directors on June 23, 2016

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	April 30, 2016	January 31, 2016
End of period exchange rate	1.2548	1.3075

c) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the period from date of incorporation February 5, 2015 to January 31, 2016 as they follow the same accounting policies and methods of application.

d) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

d) Future accounting pronouncements *(Continued from previous page)*

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

IAS 7 Statement of Cash Flows

In January 2016, amendments to IAS 7 Statement of cash flows were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The latest date of mandatory implementation of these amendments to IAS 7 is January 1, 2017. The Corporation is currently evaluating the impact on its unaudited condensed interim consolidated financial statements.

3. Use of Estimates and Judgements

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Corporation's 2016 annual financial statements and are still applicable for the period ended April 30, 2016.

4. Intangible Assets

The intangible assets consist of:

	Patents	***Intellectual Property***	***Development Costs***	***Total***
Cost				
Balance as at January 31, 2016	**85,367**	**333,150**	**306,675**	**725,192**
Additions	**27,822**	**35,000**	**120,225**	**168,672**
Investment tax credit	**-**	**-**	**(24,450)**	**(24,450)**
Balance as at April 30, 2016	**113,189**	**368,150**	**402,450**	**883,789**

No amortization has been recorded in the period. Amortization of the Patents will commence when the Patents have been approved. Amortization of the Intellectual Property and Development Costs will commence when the various products have been commercialized.

5. Operating Loan

On June 19, 2015, the Corporation entered into a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation, for a maximum amount of $240,000. Borrowing under this unsecured loan agreement bear interest at 8% per annum. As at January 31, 2016 the Corporation had drawn on the loan to its maximum amount. Pursuant to the agreement, any borrowings were to be repaid by January 31, 2016. Subsequent to year end the loan agreement was amended and the loan is due on demand. 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. The additional financing will be under the same terms and conditions as the original loan agreement entered into on June 19, 2015 and amended to be due on demand.

6. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid:

13,134,666 Class A common shares	**1,020,617**

In February 2016, the Corporation closed a private placement of $80,000 for 160,000 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 January 2016, the Corporation closed a private placement of $650,000 through the issuance of 1,300,000 units at $0.50 per unit, each unit comprising of one common share and one-half (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one common share at $0.70 per share. The warrants have a life of twenty-four (24) months and expire on January 28, 2017. If, during the twenty-four (24) months period 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 remaining Warrants within a period of 30 days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the warrant. The share issue costs associated with the private placements were $14,000.

On June 19, 2015, the Corporation issued 9,444,444 Class A common shares for total proceeds of $500,395. The Corporation did not incur any costs related to the issuance of these common shares.

On June 19, 2015 a further 833,334 Class A common shares, for total proceeds of $75,757, were issued as fully paid with no par value. These shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability. At January 31, 2016 the fair value of this liability was increased to $333,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded in January 2016. Details of the assumptions used are as follows:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.90%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Weighted fair value of options	$0.40

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On May 5, 2015, the Corporation issued 2,212,222 Class A common shares for total proceeds of $221. The Corporation did not incur any costs related to the issuance of these common shares.

On February 5, 2015, the Corporation issued 10,000 Class A common shares for total proceeds of $1. The Corporation did not incur any costs related to the issuance of these common shares.

The following schedules the common shares issuable on exercise of the warrants and share-based payment transactions granted during the current fiscal year:

	Shares issuable on exercise of			
	Warrants		***Share options***	
	Number of shares	***Weighted exercise price***	***Number***	***Weighted exercise price***
Balance, January 31, 2016	**650,000**	**0.70**	**1,025,000**	**0.16**
Granted during the period	**80,000**	**0.70**	**-**	**-**
Expired during the period	**-**	**-**	**-**	**-**
Cancelled during the period	**-**	**-**	**-**	**-**
Exercised during the period	**-**	**-**	**-**	**-**
Balance, April 30, 2016	**730,000**	**0.70**	**1,025,000**	**0.16**

(b) Share option:

The following options to purchase common shares were outstanding as at April 30, 2016:

Options outstanding	***Options Exercisable***	***Exercise price***	***Remaining contractual life***
400,000	**100,000**	**$0.10**	**4.25 years**
625,000	**125,000**	**$0.20**	**4.35 years**

(c) Warrants

In February 2016, the Corporation issued 160,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrants shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on February 26 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.49%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Expected dividend yield	Nil

Volatility is determined based on the historical shares price of comparable companies

6. Share Capital *(Continued from previous page)*

***(c) Warrants** (Continued from previous page):*

In January 2016, the Corporation issued 1,300,000 share purchase half-warrants as part of the private placements (note 6a). Each full warrants shall entitle the holder to acquire one common shares of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on January 28 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.90%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Expected dividend yield	Nil

Volatility is determined based on the historical shares price of comparable companies

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

	April 2016	April 2015
Weighted average number of common shares outstanding	**13,134,666**	**9,333**
Basic and diluted loss per common shares	**(0.02)**	**(3.92)**

The number of options outstanding as at April 30, 2016 is not included in the calculation because the effect is anti-dilutive.

7. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

	April 30, 2016	
	Carrying Value FVTPL	***Fair Value***
Financial Assets		
Cash	**1,991**	**1,991**

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
Financial Liabilities			
Accounts payable and accrued liabilities	**-**	**593,673**	**593,673**
Operating loan	**-**	**260,000**	**260,000**
Class A shares liability	**333,334**	**-**	**333,334**
	333,334	**853,673**	**1,187,007**

7. Financial Instruments *(Continued from previous page):*

		January 31, 2016
	Carrying Value FVTPL	***Fair Value***
Financial Assets		
Cash	**646,246**	**646,246**

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
Financial Liabilities			
Accounts payable and accrued liabilities	**-**	**858,139**	**858,139**
Operating loan	**-**	**240,000**	**240,000**
Class A shares liability	**333,334**	**-**	**333,334**
	333,334	**1,098,139**	**1,431,473**

8. Financial Risk Factors

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

(i) 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.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities in US$ currency. The Corporation does not hold financial derivatives to manage the fluctuation of these risks.

The following presents the accounts that are exposed to foreign exchange volatility:

	US$	***Total CDN $ Equivalent***
Cash	**753**	**945**
Accounts and accrued liabilities	**(4,238)**	**(5,318)**

8. Financial Risk Factors *(Continued from previous page):*

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at April 30, 2016.

	Carrying Value	*Less than 30 days*	*30 days to 3 months*	*3 months to 12 months*	*More than 12 months*
Financial Liabilities					
Accounts payable and accrued liabilities	**593,673**	**-**	**593,673**	**-**	**-**
Operating loan	**280,800**	**-**	**-**	**280,800**	**-**
Class A shares liability	**333,334**	**-**	**-**	**-**	**333,334**
	1,431,473	**-**	**858,139**	**240,000**	**333,334**

(c) Fair value risk

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities, operating loan and Class A shares liability. The fair value of these financial instruments approximated the carrying value disclosed in Note 8 due to the short-term maturity of the instruments.

(d) 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's 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 will attempt 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.

9. Related party transactions

a) Transactions with key management and members of the Board of Directors

The remuneration of key management, which include the President and CEO and members of the Board includes the following expenses:

	April 30, 2016 *$*	*April 30, 2015* *$*
Salaries and expense for employee benefits	**102,132**	-
Share-based compensation	**40,463**	**-**

b) Transactions with Manitex, a shareholder of the Corporation:

	April 30, 2016 *$*	*April 30, 2015* *$*
Interest charged by	**4,756**	-

	April 30, 2016 *$*	*January 31, 2016* *$*
Accounts payable and accrued liabilities due to	**160,043**	140,566

c) Transaction with Polytechique, a partner of Polyvalor :

	April 30, 2016 *$*	*April 30, 2015* *$*
Research expenses	**87,500**	-

	April 30, 2016 *$*	*January 31, 2016* *$*
Amounts included in Development costs	**87,500**	
Accounts payable and accrued liabilities due to	**175,000**	175,000

d) Transaction with Polyvalor, holder of 833,334 common shares presented as a liability (Note 6):

	April 30, 2016 *$*	*January 31, 2016* *$*
Amounts included in Intellectual Property	35,000	225,758

All other related party transactions have been disclosed in these financial statements.

10. Commitments

a) On June 19, 2015 the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000.
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor. Payments remaining under this Agreement are as follows:
   i) A non-refundable fee of $36,410 payable on October 31, 2016
   ii) A non-refundable fee of $100,000 payable on or before October 31, 2016

When the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

In the event that the Corporation fails to perform any of the payments provided in this Agreement, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

The Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $1,470,000 (identified as Round 1), which includes the amount of $500,000 paid by Manitex for its common shares and the operating loan of $240,000 (Note 5) by February 28, 2016. As at January 31, 2016, financing amounting to $1,390,000 was raised. May 31, 2016, the Corporation had to obtain and concluded cumulative rounds of financing for a minimum amount of $2,600,000 (identified as Round 2), which includes the $1,470,000 financing in Round 1. As at April 30, 2016, the Corporation had not concluded the financing requirement of Round 2 and therefore the Corporation and Polyvalor agreed to amend the Agreement to change the required date to October 31, 2016. In the event that the Corporation is not able to obtain financing as described, the Corporation will have a period of three (3) months from each date of the Rounds to find alternative financing solutions, which will require approval by an investment committee. If such approval is not obtained nor the financing secured, the Agreement can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

The following table presents the minimum obligations due over the next two years are as follows:

	Research agreement $	Intellectual property $	Total $
Up to 1 year	700,000	136,410	836,410
1 to 2 years	758,333	-	758,333
	1,458,333	136,410	1,594,743

11. Subsequent event

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 Note 10, to October 31, 2016.

Appendix 12

Management Discussion & Analysis for the three-month period ended April 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED APRIL 30, 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 June 23, 2016 and approved by OrthoRTI's Board of Directors on June 23, 2016 and should be read in conjunction with the unaudited interim condensed financial statements for the three-month period ended April 30, 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 April 30, 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 three-month period ended April 30, 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 (non)exclusive distribution agreements with strategic partners who have the infrastructure required to ensure commercial success for the future products. 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 sale of distribution rights for products that we are currently developing. 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.

The current focus of the company remains on Ortho-R for the surgical treatment of rotator cuff injuries in the shoulder. Ortho-R was selected as the lead candidate for development owing to the relatively simple clinical trials that will be needed for regulatory approvals compared with Ortho-M.

Our commercialization priority remains focused on the US Sports Medicine market owing to its higher attraction to future strategic partners. The US market remains the largest single market, and all potential large strategic partners have an established and mature infrastructure with which to access the market. .Given the as yet unconfirmed regulatory pathway for the future products in the various jurisdictions, it is possible that the territorial priorities may change in the future based on a balance between the relative burden of proof and the potential commercial attraction to future partners in those territories.

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

Firstly, the development plan must be in broad agreement with the US FDA, and the regulatory framework, which will lead to eventual approvals, must be confirmed. We are currently in discussions with FDA concerning the precise pathway to be followed, although it is absolutely clear that regulated clinical trials will be required for registration.

Secondly, manufacturing of Ortho-R to cGMP (current Good Manufacturing Practice) 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. We currently anticipate that the agreement will be finalized before the end of July 2016 to allow manufacturing to proceed.

The Corporation has also chosen a supplier of the raw material to be used in manufacturing. The Supplier, based in Iceland, is one of the world's largest suppliers of chitosan to the medical and food industries, and are well known to the FDA. We are currently investigating the characteristics of a number of "off the shelf" materials which can be used in manufacturing. Each of the received batches consists of sufficient material for the whole clinical development programme for both Ortho-R and Ortho-M.

Lastly, all preclinical studies must be complete, involving both testing of Ortho-R in a large animal efficacy model and also confirmation of the biocompatibility and safety of the formulation according to International Standards. Specifics of the testing programme are currently under active discussion with FDA.

The Corporation currently anticipates that the first manufacturing run(s) will take place in Q3 2016, allowing for the remaining preclinical activities to be completed.

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 months period ending April 30 , 2016 and from February 5, 2015 to April 30, 2015.

	2016 **$**	2015 $
Professional fees	**23,445**	22,529
Research costs	**78,500**	12,719
Office and administrative	**115,812**	-
Travel and promotion	**12,020**	1,283
Share based compensation	**40,463**	-
Interest and bank charges	**2,462**	10
Net loss for the period	**272,702**	36,541
Loss per share		
Basic and diluted	**(0.02)**	(3.92)

The weighted average number of shares outstanding used in the calculation of loss per share at April 30, 2016 is 13,134,666 (April 30, 2015 – 9,333).

Balance Sheet Highlights	**April 30, 2016** **$**	January 31, 2016 $
Cash	**1,991**	646,246
Investment tax credit	**225,915**	225,915
Current assets	**267,571**	907,204
Investment tax credit non-current	**33,450**	-
Intangible assets	**883,789**	725,192
Non-current asset	**1,117,994**	879,066

Total assets	**1,385,565**	1,786,270
Liabilities-current	**853,673**	1,098,139
Liabilities-non current	**333,334**	333,334
Common shares	**1,066,617**	1,006,617
Warrants	**146,000**	130,000
Contributed Surplus	**186,523**	146,060
Deficit	**(1,200,582)**	(927,880)

1st QUARTER 2016 FINANCIAL OVERVIEW

- In February 2016, the Corporation closed a private placement of $80,000, less a fee of $4,000, for 160,000 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.
- 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
- Net loss from operations for the period is $272,702, which includes research costs of $78,500, office and administrative expenses of $ 115,812 and stock option compensation of $40,463.
- Cash used by operating activities is $302,538 and cash provided by financing activities is $49,119. Cash used to fund development and acquire intangibles is $158,597.

OPERATING EXPENSES

The comparative general and administrative expenses for the three months ended April 30, 2016 and from February 5, 2015 to April 30, 2015, by nature of expenditure, are summarized below:

	2016 $	2015 $
Professional fees	**23,445**	22,529
Research costs	**78,500**	12,719
Office and administrative	**115,812**	-
Travel and promotion	**12,020**	1,283
Share based compensation	**40,463**	-
Interest and bank charges	**2,462**	10-
Net loss for the period	**272,702**	36,541

For the first quarter of 2016 compared to the same period in 2015, overall expenses increased by approximately $236,000. The primary reasons for the overall increase in expenses were:

- Office and administrative expenses increased by approximately $116,000
- Share based compensation increased by approximately $ 40,000 compared with the previous period when no options were granted.
- Research costs increased by approximately $66,000 which are mainly due to the costs associated with one Research Service agreement signed in June 2015 with Polytechinique.
- Other costs such as professional fees, travel and promotion and financial increased by approximately $14,000. Fees are mainly regulatory fees and consulting fees relating to corporate and strategic services.

In the $115,812 of office and administrative expenses recorded in the fiscal period, $102,000 relate to the salary and benefits paid to the President/Chief Executive Officer who has taken over the day to day operations of the Corporation. Other expenses incurred were mainly office expenses.

Of the $78,500 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 $87,500 on this agreement is an investment tax credit of $9,000.

Financial expenses were $2,462, of which $1,600 relates to interest incurred on the operating loan from Manitex Capital Inc.

DEVELOPMENT COSTS

The development costs capitalized of $402,450, net of Investment tax credit in the amount of $198,297, 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 $69,999 has been spent on Ortho-M and $50,226 has been spent on Ortho-R. 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).

DEFERRED SHARE ISSUE COSTS

The Corporation has incurred deferred share issue costs of $46,881 amounting to $200,755 compared to $153,874 as at January 31, 2016. Deferred share issue costs are composed of legal, other professional and filing fees regarding the preparation and filing of a 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 will be charged to capital when the Corporation will be listed on the Canadian Securities Exchange, which management expects to be in the next quarter.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS:
Sources and Uses of Cash

For the three-month period ended April 30 :	**2016** $	2015 $
Operating activities:		
Cash used in operations prior to changes in working capital	**(232,239)**	(36,541)
Changes in non-cash working capital	**(302,538)**	(159,960)
Cash used in operations	**(537,777)**	99,177
Investing activities:		
Cash (used in) for acquisition of intangible assets	**(158,597)**	108,213
Financing activities:		
Cash received from equity financing	**96,000**	1
Cash used for deferred share issue costs	**(46,881)**	-
Cash used in operations	**20,000**	9,025
	49,119	9,026
Decrease in cash	**(644,255)**	(10)
Cash, beginning of year	**646,246**	-
Cash, end of period	**1,991**	(10)

(a) Operating activities

Cash used in operations represents the cash flow from profit or 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 $40,463 (Nil in Q1 2016) recorded for share based compensation. The net change in non-cash working capital was affected by the decrease in accounts payable and accrued liabilities of $264,466, the increase in sales tax receivable and prepaid expenses of $1,040 and the increase in the investment tax credit of $33,450 compared to the first quarter of operations with increases in sales tax receivable and accounts payable and accrued liabilities in the amount of $12,121 and $147,839 respectively.

(b) Investing activities

The Corporation incurred costs of $148,047 ($108,213 in Q1 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 $24,450 (Nil in Q1 2016).

Funds of $35,000 (Nil in Q1 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 ($1 in Q1 2016) from the issuance of common shares and $20,000 ($8,804 in Q1 2016) from its operating loan capacity. $50,881 (Nil in Q1 2016) of deferred and current share issuance costs were netted against these cash in-flows to give net cash of $49,119 ($9,026 in Q1 2016) being provided by financing activities.

LIQUIDITY AND CAPITAL RESOURCES:

	April 30, 2016	January 31, 2016
	$	$
Cash	**1,991**	646,246
Working Capital [(i)]	**586,102**	(190,935)
Total assets	**1,385,565**	1,786,270

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

At April 30, 2016 the Corporation has used its operating loan up to $240,000. 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.

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 Agreements to fund $58,333 on a monthly basis for the next 25 months. The Corporation also has a commitment to fund $136,410 in calendar 2016 under the Intellectual Property Assignment and Technology Transfer Agreement. The $100,000 amount due in May 2016, was not disbursed and management is currently in the process of re-negotiating a new payment date.

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 April 29, 2016, the Corporation has raised $730,000 through private placements closed in January and February 2016 and no other financing was closed subsequent to April 30, 2016.

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 $20million 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 25 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 25 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 25 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 April 30, 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 April 30, 2016 and from February 5, 2015 to April 30, 2015:

	April 30, 2016 *$*	*April 30, 2015* *$*
Transactions with key management and members of the Board of Directors		
Salaries and expense for employee benefits	**102,132**	-
Share-based compensation	**40,463**	-
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by	**4,756**	-
Transaction with Polytechique, a partner of Polyvalor :		
Research expenses	**87,500**	-

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

	April 30, 2016 *$*	*January 31, 2016* *$*
Accounts payable and accrued liabilities due to Manitex, a shareholder of the Corporation:	**160,043**	140,566
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**175,000**	175,000
Operating loan, Manitex	**260,000**	240,000
Amounts included in Development costs, paid to Polytechnique	**87,500**	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

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 Note 10, to October 31, 2016.

COMPARATIVE QUARTERLY FINANCIAL DATA

The following table sets out selected unaudited quarterly financial information of the Corporation for the five quarters ended April 30, 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			
	Q1$	Q4 $	Q3 $	Q2 $	Q1 $
Professional fees	23,445	32,907	98,558	15,282	22,529
Research costs	78,500	55,752	52,500	22,281	12,719
Office and administration	115,812	146,038	3,034	11,991	-
Travel and promotion	12,020	15,157	3,133	4,030	1,283
Filing fees	-	17,527	1,566	-	-
Share based compensation	40,463	138,165	7,895	-	-
Financial expenses	2,462	4,722	2,365	860	10
Fair value adjustment on Class A shares liability	-	257,577	-	-	-
Net loss for the period	270,240	667,845	169,051	54,444	36,541
Loss per share Basic and diluted:	0.02	0.06	0.01	0.01	3.92

As the Corporation was incorporated on February 5th 2015, five 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 paid to the Polytechnique.

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.

Appendix 13

Financial Statements for the 359-day period ended January 31, 2016 (audited)

Ortho Regenerative Technologies Inc.

Financial Statements

Period from Date of Incorporation (February 5, 2015) to January 31, 2016

Ortho Regenerative Technologies Inc.

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Independent Auditors' Report

To the Shareholders of Ortho Regenerative Technologies Inc.

We have audited the accompanying financial statements of Ortho Regenerative Technologies Inc., which comprise the statement of financial position as at January 31, 2016 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from the Date of Incorporation of February 5, 2015 to January 31, 2016 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ortho Regenerative Technologies Inc. as at January 31, 2016 and its financial performance and cash flows for the period from the Date of Incorporation of February 5, 2015 to January 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter:

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Corporation incurred a net loss of $927,880 during the period ended January 31, 2016 and, as of that date, the Corporation's current liabilities exceeded its current assets by $190,935. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

MNP SENCRL, SRL[1]

Montréal, Québec

April 29, 2016

[1]CPA auditor, CA, public accountancy permit No. A122514

Ortho Regenerative Technologies Inc.
Statement of Financial Position
As at January 31, 2016

Assets	
Current	
Cash	**646,246**
Sales tax receivable	**30,168**
Prepaid expenses	**4,875**
Investment tax credits receivable	**225,915**
	907,204
Deferred share issue costs	**153,874**
Intangible assets *(Note 4)*	**725,192**
	879,066
Total assets	**1,786,270**
Liabilities	
Current	
Accounts payable and accrued liabilities *(Note 10)*	**858,139**
Operating loan *(Note 5)*	**240,000**
	1,098,139
Class A shares liability *(Note 6)*	**333,334**
	1,431,473
Shareholders' equity	
Common shares *(Note 6)*	**1,006,617**
Warrants *(Note 6)*	**130,000**
Contributed surplus *(Note 6)*	**146,060**
Deficit	**(927,880)**
	354,797
Total liabilities and shareholders' equity	**1,786,270**

Going Concern (Note 1); Related Party Transactions (Note 10); Commitments (Note 11); Subsequent Events (Note 12)

Approved on behalf of the Corporation's Board of Directors on April 29, 2016.

"Steve Saviuk" , Director

"Michael Buschmann" , Director

General and Administrative Expenses	
Professional fees	**169,276**
Research costs	**143,252**
Office and administrative	**161,063**
Travel and promotion	**23,602**
Filing fees	**19,093**
Share based compensation *(Note 6)*	**146,060**
	662,346
Financial Expenses	
Interest and bank charges *(Note 5)*	**7,957**
Fair value adjustment on Class A shares liability	**257,577**
Net loss and comprehensive loss for the period	**927,880**

Ortho Regenerative Technologies Inc.
Statement of Changes in Shareholders' Equity
Period From Date of Incorporation (February 5, 2015) to January 31, 2016

	Number of shares	*Share capital*	*Warrants*	*Contributed surplus*	*Deficit*	*Total equity*
Balance February 5, 2015	**-**	**-**	**-**	**-**	**-**	**-**
Issuance of shares as equity *(Note 6)*	**12,966,666**	**1,020,617**	**-**	**-**	**-**	**1,020,617**
Share issue costs *(Note 6)*	**-**	**(14,000)**	**-**	**-**	**-**	**(14,000)**
Issuance of warrants *(Note 6)*	**-**	**-**	**130,000**	**-**	**-**	**130,000**
Share based compensation *(Note 6)*	**-**	**-**	**-**	**146,060**	**-**	**146,060**
Net loss for the period	**-**	**-**	**-**	**-**	**(927,880)**	**(927,880)**
As at January 31, 2016	**12,966,666**	**1,006,617**	**130,000**	**146,060**	**(927,880)**	**354,797**

The notes are an integral part of these financial statements

Ortho Regenerative Technologies Inc.
Statement of Cash Flows
Period From Date of Incorporation (February 5, 2015) to January 31, 2016

Operating activities:	
Net loss from operations	**(927,880)**
Add items not affecting cash:	
Share based compensation *(Note 6)*	**146,060**
Fair value adjustment on Class A shares liability	**257,577**
	403,637
Net change in non-cash operating working capital:	
Investment tax credit	**(52,068)**
Sales tax receivable and prepaid expenses	**(35,043)**
Accounts payable and accrued liabilities	**634,466**
Cash provided by operating activities	**23,112**
Investing activities:	
Acquisition of intangible assets *(Note 4)*	**(675,366)**
Financing activities:	
Increase in operating loan	**240,000**
Issuance of share capital as equity *(Note 6)*	**1,150,617**
Issuance of share capital as debt *(Note 6)*	**75,757**
Payment of share issue costs *(Note 6)*	**(14,000)**
Payment of deferred share issue costs	**(153,874)**
Cash provided from financing activities	**1,298,500**
Increase in cash	**646,246**
Cash, beginning of period	**-**
Cash, end of period	**646,246**
Supplementary cash flow information	
Change in accounts payable reflected in intangibles	**223,673**

The notes are an integral part of these financial statements

1. Presentation of Financial Statements

Description of the Business and Going Concern

Ortho Regenerative Technologies Inc. ("the Corporation") was incorporated under the *Canada Business Corporations Act* on February 5, 2015 and on September 17, 2015 articles of amendment were approved to change the authorized shares. The Corporation's head office, principal address and registered office is located at 16667 Hymus Blvd., Kirkland, Quebec, Canada.

The Corporation specializes in research on innovative medical devices which stimulate the regeneration of joint tissues.

These financial statements are prepared on the assumption that the Corporation is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. The Corporation has yet to generate revenue and has relied upon the issuance of debt and equity instruments to fund operations. The Corporation believes their efforts to raise sufficient funds to support their activities will be successful, however, there is no assurance that funds will continue to be raised on acceptable terms, and as such a material uncertainty exists regarding the Corporation's ability to continue as a going concern.

Failure to obtain such additional financing could result in delay or indefinite postponement of the Corporation's strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of measurement

These financial statements have been prepared on a going-concern basis, under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

b) Functional and presentation currency

These financial statements are presented in the Canadian dollar, which is also the functional currency of the Corporation.

Transactions denominated in foreign currencies are initially recorded in the functional currency of the related entity using the exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Any resulting exchange difference is recognized in income. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using historical exchange rates, and those measured at fair value are translated using the exchange rate in effect at the date the fair value is determined. Revenues and expenses are translated using the average exchange rates for the period or the exchange rate at the date of the transaction for significant items.

	January 31, 2016
End of period exchange rate	1.3075

c) Statement of Compliance

These financial statements of the Corporation have been prepared for the period from date of incorporation of February 5, 2015 to January 31, 2016 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

These financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2016.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

d) Financial instruments

All financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value for instruments not at fair value through profit or loss, plus any directly attributable transaction costs. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial instruments are classified into the following categories upon initial recognition:

- loans and receivables ("L&R")
- financial assets at fair value through profit or loss ("FVTPL")
- held to maturity investments
- other financial liabilities

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets, except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. Assets in this category are measured at fair value with gains and losses recognized in profit or loss. Management evaluates the information about financial assets on a total return basis that includes evaluating the financial assets on a fair value basis. These assets include the investment in an exchange-traded equity security which is primarily held for investment income, cash flow and capital appreciation. These assets also include the investment in the equity of private companies. In the absence of significant over-the-counter market activity or significant share issuance near a reporting period, the Corporation establishes a fair value for these types of investments using valuation techniques that make maximum use of market inputs and rely as little as possible on entity-specific inputs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables is recognized in profit or loss within general administrative expenses. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss or a portion of such is reversed. The amount of the impairment loss reversed may not exceed the original impairment amount.

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Corporation has the intention and ability to hold them until maturity. Held to maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Other financial liabilities include liabilities that have not been classified as fair value through profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

d) Financial instruments *(Continued from previous page)*

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 - Assets or liabilities whose values are based on quoted market prices in active markets include active exchange-traded equity investments.

Level 2 - Assets or liabilities that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

Level 3 - Inputs for the asset or liability that are not based on observable market data. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input for fair value measurement purposes requires judgment in considering the relevant factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgment by the Corporation. The Corporation considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

See Note 8 - Financial Instruments – for the details of their classification.

e) Investment tax credits

Investment tax credits are comprised of scientific research and experimental development tax credits and are recognized when there is reasonable assurance of their recovery and recorded as a reduction of the related expense or cost of the asset acquired, as applicable. Investment tax credits are subject to the customary approvals by the pertinent tax authorities. Adjustments required, if any, are reflected in the year when such assessments are received.

f) Deferred share issue costs

The Corporation defers the costs associated with the issuance of new equity when there is reasonable assurance that the planned offering will be completed. The costs are deferred until such time as the financing has closed and the proceeds from the offering are received, at which time the deferred expenses are recorded as a reduction of the proceeds**.**

g) Intangible assets

In the normal course of business as a biotech research and development company, the Corporation acquires intellectual property, incurs development costs and files for patents. These categories of intangible assets are recorded at cost on initial recognition. Development expenditures are capitalized when the Corporation can demonstrate that all of the specific criteria related to technical, market and financial feasibility are met. The specific criteria are as follows:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.
(b) its intention to complete the intangible asset and use or sell it.
(c) its ability to use or sell the intangible asset.
(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Investment tax credits are netted against the expenditures made for development of the product.

Amortization of each category will be dependent on its useful life and each category will be assessed for impairment annually or whenever there is an indication of impairment. The amortization period and method is reviewed annually, with amortization being recognized in the statement of comprehensive loss. Losses arising from impairment are recorded in the statement of comprehensive loss, as are gains from de-recognition of previously recorded losses.

When a patent has been obtained, amortization will be recorded over the life of the patent. Intellectual property and development costs for a product will be amortized over the estimated life of the product when commercialization has occurred.

Research expenditures are charged to the statement of profit or loss in the year in which they are incurred.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

h) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are assessed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Intangible assets not yet available for use are reviewed for impairment at least annually or more frequently if circumstances such as significant declines in expected sales, earnings or cash flows indicate that it is more likely than not that the asset might be impaired.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Assets that cannot be tested individually are grouped into the smallest independent group of assets that generate cash inflows from continuing use. For the purposes of testing non-financial assets for impairment, management has identified one CGU since the Corporation operates as one segment.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss. Impairment losses recognized in respect of the CGU are allocated first to reduce the carrying amount of goodwill allocated to the units, and then to reduce the carrying amounts on a pro-rata basis of the other assets in the unit.

Impairment losses recognized in prior periods are assessed at each reporting date as to whether there are any indications that the previously recognized losses may no longer exist or may be decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years.

i) Income taxes

Income tax expense comprises current and deferred tax. Tax expense is recognized in the statement of profit or loss, except to the extent it relates to items recognized directly in shareholders' equity, in which case the related tax is recognized in shareholders' equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Corporation operates.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are recognized for the future income tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, and for tax losses carried forward. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates that will be in effect for the year in which the differences are expected to reverse.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized.

Deferred tax asset and liability differences are recognized directly in income, OCI or equity based on the classification of the item to which they relate.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its tax assets and liabilities on a net basis.

j) Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized in the cost of acquisition of the asset or as part of the expense item, as applicable; and receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or accounts payable and accrued liabilities in the statement of financial position.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

k) Share Capital

The Corporation's share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Corporation's Board of Directors. Share capital is classified as a liability if it is redeemable on a specific date or in the future, or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in earnings as accrued.

Class A shares liability

Certain Class A shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as FVTPL liability. The liability is re-measured to fair value at each reporting date with changes recorded in the statement of earnings.

l) Share based compensation

The Corporation grants stock options to directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is determined at the date of grant using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Corporation's common stock and an expected life of the stock-based instruments. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately to the statement of profit or loss with an offsetting credit to contributed surplus, except for options granted as consideration for share issuance costs, which are charged to share capital.

When stock options are exercised, capital stock is credited by the sum of the consideration paid, together with the related portion previously recorded to contributed surplus.

m) Earnings per share

Basic earnings or loss per share is calculated using the weighted average number of shares outstanding. Diluted earnings or loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted earnings or loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

n) Future accounting pronouncements

The Corporation has not yet applied the following new standards, interpretations or amendments to standards that have been issued but are not yet effective. Unless otherwise stated, the Corporation does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial Instruments

The final version of IFRS 9, Financial instruments ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018 and is available for early adoption. In addition, an entity's own credit risk changes can be applied early in isolation without otherwise changing the accounting for financial instruments. The Corporation is currently assessing the impact, if any, of adopting IFRS 9.

2. Summary of Significant Accounting Policies *(Continued from previous page)*

n) Future accounting pronouncements *(Continued from previous page)*

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The objective of this new standard is to provide a single, comprehensive revenue recognition framework for all contracts with customers to improve comparability of financial statements of companies globally. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact, if any, of adopting IFRS 15.

IAS 1 Presentation of Financial statements:

In December 2014, the IASB amended IAS 1, Presentation of Financial Statements, in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality considerations apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the impact, if any, of adopting these amendments to IAS 1.

IFRS 16 Leases

In January 2016, IFRS 16 Leases ("IFRS 16") was issued, which replaces IAS 17 Leases, and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessees, IFRS 16 removes the classification of leases as either operating or financing and requires that all leases be recognized on the statement of financial position, with certain exemptions that include leases of 12 months or less. The accounting for lessors is substantially unchanged. The standard is effective for annual periods beginning on or after January 1, 2019, to be applied retrospectively, or on a modified retrospective basis. The Corporation is currently assessing the impact of adopting this standard.

3. Use of Estimates and Judgements

The application of the Corporation's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the interim financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information. Management tracks performance as compared to the budget and significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

The following areas require management's critical estimates and judgments:

Valuation of deferred tax assets and liabilities

To determine the extent to which deferred tax assets can be recognized, management estimates the amount of probable future taxable profits that will be available against which deductible temporary differences and unused tax losses can be utilized as part of the budget process. Management exercises judgment to determine the extent to which realization of future taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized. To the extent that management's assessment of the Corporation's ability to utilize future tax deductions changes, the Corporation would be required to recognize more deferred tax assets, and income tax provisions or recoveries in future periods could be affected.

3. Use of Estimates and Judgements *(Continued from previous page)*

Financial liabilities

The Class A shares liability requires management to make estimates and assumptions that affect the reported amount of the liability and the corresponding gain or loss on changes in fair value. Estimates and assumptions used in determining the fair value of this liability include the expected life of the instrument and the volatility of the underlying share price. Details of the assumptions used are included in Note 6.

Share-based payments and Warrants granted

The Corporation measures the cost of share-based payments, either equity or cash-settled, with employees by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. In valuing certain types of stock-based payments and warrants granted, the Corporation uses the Black-Scholes option pricing model. Several assumptions are used in the underlying calculation of fair values of the Corporation's stock options and warrants granted using the Black-Scholes option pricing model, including the expected life of the option or warrant, stock price volatility and forfeiture rates. Details of the assumptions used are included in Note 6.

Intangible assets

Development costs are capitalized as a part of intangible assets when the specific criteria related to technical, market and financial feasibility are met or when a regulatory filing is being prepared and approval is considered highly likely. The likelihood of regulatory approval is reviewed and adjusted for should facts and circumstances change. Technical, market and financial feasibility criteria are assessed annually based on management's experience, general economic conditions and assumptions regarding future outcomes. Future events could cause the assumptions on which the development costs are capitalized to change, which could affect the Corporation's results in the future.

4. Intangible Assets

The intangible assets consist of:

	Patents	***Intellectual Property***	***Development Costs***	***Total***
Cost				
Balance, beginning of period	**-**	**-**	**-**	**-**
Additions	**85,367**[(1)]	**333,150**[(1)]	**480,522**[(1)]	**899,039**
Investment tax credit	**-**	**-**	**(173,847)**	**(173,847)**
Balance as at January 31, 2016	**85,367**	**333,150**	**306,675**	**725,192**

(1) On June 19, 2015, the Corporation entered into three long-term Research Service Agreements with La Corporation de l'École Polytechnique de Montréal ("Polytechnique") who is a shareholder of the Corporation. The agreements require that the Corporation disburse funds in the amount of $2,100,000 over a 36 month period as described in Note 11a, $326,667 of which has been recorded as Development Costs in the current fiscal year.

On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor Limited Partnership ("Polyvalor"), for a total amount of $523,535 as described in Note 11b. In the current fiscal year, the Corporation recorded an amount of $352,125 in the accounts: (i) $8,000 was recorded as Patent costs; (ii) $118,367 as Development Costs and (iii) $225,758 as Intellectual Property costs.

No amortization has been recorded in the fiscal year. Amortization of the Patents will commence when the Patents have been approved. Amortization of the Intellectual Property and Development Costs will commence when the various products have been commercialized.

5. Operating Loan

On June 19, 2015, the Corporation entered into a loan agreement with Manitex Capital Inc. ("Manitex"), a shareholder of the Corporation, for a maximum amount of $240,000. Borrowing under this unsecured loan agreement bear interest at 8% per annum. Interest charges in the amount of $7,366 were recorded in the current fiscal year. As at January 31, 2016 the Corporation had drawn on the loan to its maximum amount. Pursuant to the agreement, any borrowings were to be repaid by January 31, 2016. Subsequent to year end the loan agreement was amended and the loan is due on demand.

6. Share Capital

(a) Authorized:

Unlimited number of Class "A" common shares, no par value.

Unlimited number of Class "AA" preferred shares, non-voting, non-cumulative dividends at the discretion of the directors, no par value

Unlimited number of Class "B" preferred shares, redeemable, non-voting, non-cumulative dividends of 1%, no par value

Issued and fully paid:

12,966,666 Class A common shares	**1,020,617**

On February 5, 2015, the Corporation issued 10,000 Class A common shares for total proceeds of $1. The Corporation did not incur any costs related to the issuance of these common shares.

On May 5, 2015, the Corporation issued 2,212,222 Class A common shares for total proceeds of $221. The Corporation did not incur any costs related to the issuance of these common shares.

On June 19, 2015, the Corporation issued 9,444,444 Class A common shares for total proceeds of $500,395. The Corporation did not incur any costs related to the issuance of these common shares.

On June 19, 2015 a further 833,334 Class A common shares, for total proceeds of $75,757, were issued as fully paid with no par value. These shares have a put right associated to them allowing the shareholder to require that the Corporation redeem the shares if the Corporation has not gone public by June 19, 2022. As these shares include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset, they do not meet the criteria in IAS 32 *Financial Instruments: Presentation* for classification as equity and therefore are classified as a FVTPL liability. At January 31, 2016 the fair value of this liability was increased to $333,334 based on a value of $0.40 per common share, such value having been estimated by using a Relative Fair Value Method calculation based on the common share pricing of the private placements concluded in January 2016. Details of the assumptions used are as follows:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	0.90%
Weighted average volatility factor	125%
Weighted average expected life	2 years
Weighted fair value of options	$0.40

Volatility is determined based on the historical share price of comparable companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

In January 2016, the Corporation closed a private placement of $650,000 through the issuance of 1,300,000 units at $0.50 per unit, each unit comprising of one common share and one-half (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one common share at $0.70 per share. The warrants have a life of twenty-four (24) months and expire on January 28, 2017. If, during the twenty-four (24) months period 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 remaining Warrants within a period of 30 days from the date of receipt of the notice. Using the Black-Scholes option valuation model, the unit was valued at $0.40 for the common share and $0.10 for the warrant. The share issue costs associated with the private placements were $14,000.

6. Share Capital *(Continued from previous page)*

***(a) Authorized** (Continued from previous page):*

The following schedules the common shares issuable on exercise of the warrants and share-based payment transactions granted during the current fiscal year:

	Shares issuable on exercise of			
	Warrants		***Share options***	
	Number of shares	***Weighted exercise price***	***Number***	***Weighted exercise price***
Balance, beginning of year	**-**	**-**	**-**	**-**
Granted during the year	**650,000**	**0.70**	**1,025,000**	**0.16**
Expired during the year	**-**	**-**	**-**	**-**
Cancelled during the year	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**
Balance, January 31, 2016	**650,000**	**0.70**	**1,025,000**	**0.16**

(b) Share option issuances and compensation expense:

On June 19, 2015, the Corporation implemented an incentive stock option plan for directors, officers, employees and consultants to participate in the growth and development of the Corporation by providing such person with the opportunity, through stock options, to purchase common shares of the Corporation.

On July 1, 2015, the Board granted 100,000 options at an exercise price of $0.10, expiring on July 1, 2020. Following that, on August 1, 2015, the Board granted 300,000 options at an exercise price of $0.10, expiring on August 1, 2020. Each of these grants vests evenly over a four year period. The total compensation cost of these stock options is estimated to be $71,283, which will be recognized on a gradual basis over the vesting period of the stock options.

On November 1, 2015, the Corporation adopted a revised Stock Option Plan which provides that the aggregate number of Shares reserved for issuance, set aside and made available for issuance may not exceed 10% of the number of issued Shares at the time the options are to be granted. The maximum number of options which may be granted to any one beneficiary shall not exceed 5% of the issued Shares, calculated at the date the option is granted.

The Stock Option Plan is administered by the Board of Directors of the Corporation and it has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of any options granted under the Stock Option Plan shall be determined by the Board of Directors, subject to any applicable regulations or policies. The term and vesting of any options granted under the Stock Option Plan shall be determined by the Board of Directors at the time of grant, however, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan may not exceed 5 years.

Options granted under the Stock Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession to a qualified successor. In the event of death of an option holder, options granted under the Stock Option Plan expire upon the earlier of the normal expiry date of the options or one year from the date of death of the option holder. Subject to certain exceptions, in the event that an employee, director, officer, consultant or individual conducting investor relations activities ceases to hold office, options granted to such a holder under the Stock Option Plan will expire 90 days after the holder ceases to hold office or such earlier date as the Board of Directors may decide at the date the options were granted. Notwithstanding the foregoing, in the event of a termination for cause of an option holder, all unexercised options held by such option holder shall immediately terminate.

On November 26, 2015, the Board granted 625,000 options at an exercise price of $0.20, expiring on November 25, 2020. The options vest as follows: 125,000 options vest on the grant date; 125,000 vest on each of June 1, 2016, November 30, 2016 and June 1, 2017; and 62,500 options vest on each of November 30, 2017 and June 1, 2018. The total compensation cost of these stock options is estimate to be $75,779, which will be recognized on a gradual basis over the vesting period of the stock options.

6. Share Capital *(Continued from previous page)*

(b) Share option issuances and compensation expenses *(Continued from previous page)*

All share-based payments will be settled in equity. The Corporation has no legal or contractual obligation to repurchase or settle the options in cash.

The following options to purchase common shares were outstanding as at January 31, 2016:

Options outstanding	***Options Exercisable***	***Exercise price***	***Remaining contractual life***
400,000	**100,000**	**$0.10**	**4.5 years**
625,000	**125,000**	**$0.20**	**4.8 years**

Under the Black-Scholes option-pricing model, the following assumptions were used when the options were granted:

	July 2015 option grant	*August 2015 option grant*	*November 2015 option grant*
Weighted average risk-free interest rate	0.81%	0.76%	0.90%
Weighted average volatility factor	125%	125%	125%
Weighted average expected life	5 years	5 years	5 years
Weighted fair value of options	$0.371	$0.371	$0.356
Forfeiture rate	Nil	Nil	Nil

Volatility is determined based on the historical share price of comparable companies.

(c) Warrants

In January 2016, the Corporation issued 1,300,000 share purchase half-warrants as part of the private placements (Note 6a). Each full warrant shall entitle the holder to acquire one common share of the Corporation at an exercise price of $0.70 per common share. The half-warrants expire on January 28, 2018. The warrants were valued at $0.10 using the Black-Scholes option valuation model with the following assumptions:

Methods	***Rate, period and dollar***
Weighted average risk-free interest rate	$0.90
Weighted average volatility factor	125%
Weighted average expected life	2 years
Expected dividend yield	Nil

Volatility is determined based on the historical share price of comparable companies.

(d) Earnings per share:

The weighted average number of shares outstanding used in the calculation of earnings per share is as follows:

Weighted average number of common shares outstanding	**8,150,084**
Basic and diluted loss per common shares	**(0.11)**

The number of options outstanding as at January 31, 2016 is not included in the calculation because the effect is anti-dilutive.

7. Income Taxes

(a) Details of the components of income taxes are as follows:

Loss before income taxes	**(927,880)**
Basic income tax rate	**26.9%**
Computed income tax recovery	**(249,600)**
Decrease resulting from:	
Permanent differences	**139,299**
Change in deferred tax assets not recognized	**110,301**
	249,600
Provision for income taxes	**-**

(b) The tax effects of significant items comprising the Corporation's net deferred tax assets and liabilities are as follows:

Non-capital losses carried forward	**259,910**
R&D federal investment credit	**(39,182)**
Intangible assets	**(109,682)**
Deferred share issue costs	**(745)**
	110,301
Deferred tax assets not recognized	**(110,301)**
	-

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets and liabilities will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and tax planning strategies.

(c) The Corporation has accumulated non-capital losses of approximately $968,779 and $962,967 for income tax purposes for Federal and Quebec governments, respectively, which are available to be applied against future taxable income and expire in 2035.

The Corporation has not recognized the tax benefit of the losses and will recognize them when future profits are probable in the respective jurisdictions.

8. Financial Instruments

The classification of financial instruments at their carrying and fair values is as follows:

	Carrying Value FVTPL	***Fair Value***
Financial Assets		
Cash	**646,246**	**646,246**

	Carrying Value		**Fair Value**
	FVTPL	***Other financial liabilities***	
Financial Liabilities			
Accounts payable and accrued liabilities	**-**	**858,139**	**858,139**
Operating loan	**-**	**240,000**	**240,000**
Class A shares liability	**333,334**	**-**	**333,334**
	333,334	**1,098,139**	**1,431,473**

9. Financial Risk Factors

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

(i) 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.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities in US$ currency. The Corporation does not hold financial derivatives to manage the fluctuation of these risks.

The following presents the accounts that are exposed to foreign exchange volatility:

	US$	***Total CDN $ Equivalent***
Cash	**200**	**280**
Accounts and accrued liabilities	**(46,122)**	**(64,598)**

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The following are the contractual maturities of financial liabilities as at January 31, 2016.

	Carrying Value	***Less than 30 days***	***30 days to 3 months***	***3 months to 12 months***	***More than 12 months***
Financial Liabilities					
Accounts payable and accrued liabilities	**858,139**	**-**	**858,139**	**-**	**-**
Operating loan	**240,000**	**-**	**-**	**240,000**	**-**
Class A shares liability	**333,334**	**-**	**-**	**-**	**333,334**
	1,431,473	**-**	**858,139**	**240,000**	**333,334**

(c) Fair value risk

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities, operating loan and Class A shares liability. The fair value of these financial instruments approximated the carrying value disclosed in Note 8 due to the short-term maturity of the instruments.

(d) 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's 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 will attempt 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.

10. Related party transactions

Included in accounts payable and accrued liabilities is an amount of $140,566 due to Manitex for reimbursement of various expenses that Manitex has paid on behalf of the Corporation. Included in administrative and office expenses are the salary and benefits associated with the President's compensation. This compensation is broken down into $71,809 for salary and employer taxes, and $74,780 of stock option compensation. All other related party transactions have been disclosed in these financial statements.

11. Commitments

a) On June 19, 2015 the Corporation entered into three long-term Research Service Agreements with Polytechnique, requiring disbursements for a total of $2,100,000.
   i) Agreement 1: $17,500 monthly for 36 months for a total of $630,000. The Corporation has recorded eight of the monthly payments in the current period for a total of $140,000.
   ii) Agreement 2: $23,333.33 monthly for 36 months for a total of $840,000. The Corporation has recorded eight of the monthly payments in the current period for a total of $186,667.
   iii) Agreement 3: $17,500 monthly for 36 months for a total of $630,000. The Corporation has recorded eight of the monthly payments in the current period for a total of $140,000.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor. Payments remaining under this Agreement are as follows:
   i) A non-refundable fee of $35,000 payable on February 28, 2016. This amount was paid subsequent to year-end.
   ii) A non-refundable fee of $36,410 payable on October 31, 2016
   iii) A non-refundable fee of $100,000 payable on or before May 31, 2016

When the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

In the event that the Corporation fails to perform any of the payments provided in this Agreement, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In addition, by February 28, 2016 the Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $1,470,000 (identified as Round 1), which includes the amount of $500,000 paid by Manitex for its common shares and the operating loan of $240,000 (Note 5). As at January 31, 2016, financing amounting to $1,390,000 was raised. By May 31, 2016, the Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $2,600,000 (identified as Round 2), which includes the $1,470,000 financing in Round 1. In the event that the Corporation is not able to obtain financing as described, the Corporation will have a period of three (3) months from each date of the Rounds to find alternative financing solutions, which will require approval by an investment committee. If such approval is not obtained nor the financing secured, the Agreement can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of one dollar.

12. Subsequent Events

During the month of February 2016, the Corporation closed a private placement of $80,000 for 160,000 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.

On April 25, 2016, Manitex Capital Inc. 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 May 31, 2016. The additional financing will be under the same terms and conditions as the loan agreement entered into on June 19, 2015 and amended on January 31, 2016 (note 5).

12. Subsequent Events *(Continued from previous page)*

On April 29, 2016 the Corporation filed a preliminary prospectus with specific security regulatory authorities in connection with an initial public offering of its shares by way of Manitex Capital Inc. distributing a dividend-in-kind of Ortho Class A Common Shares to the holders of Manitex shares. Manitex is an existing shareholder of the Corporation and currently holds 5,109,000 shares of Ortho. The dividend-in-kind of Class A Common Shares of Ortho will be paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date, to be set by Manitex's Board of Directors. On March 24, 2016 Manitex has 12,561,276 shares that are issued and outstanding. Manitex will cause the distribution of 1,256,127 Ortho shares to holders of Manitex shares, pursuant to the prospectus, at a deemed value of $0.50 per share.

Appendix 14

Management Discussion & Analysis for the 359-day fiscal year ended January 31, 2016

ORTHO REGENERATIVE TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FROM DATE OF INCORPORATION (FEBRUARY 5, 2015) TO JANUARY 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's Discussion and Analysis for Ortho Regenerative Technologies Inc. ("the Corporation) is the responsibility of management and 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.

This report was reviewed and approved by the Corporation's Board of Directors on April 29, 2016 and should be read in conjunction with the audited financial statements for the 359-day fiscal year ended January 31, 2016. Unless otherwise noted, all amounts are presented in Canadian dollars.

Additional information relating to the Corporation can also be obtained by going to www.sedar.com.

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.

OVERVIEW

This management's discussion and analysis provides an overview of the Corporation's operations, performance and financial condition for the 359-day fiscal year ended January 31, 2016.

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

The Corporation is a research and development biotechnology company, specializing in regenerative medical devices that repair and regenerate damaged joints thereby helping to prevent or delay the onset of osteoarthritis. The currrent 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.

Statement of compliance

These financial statements of the Corporation have been prepared for the period from date of incorporation of February 5, 2015 to January 31, 2016 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

The preparation of the Corporation's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Corporation's accounting policies, management has made judgments and estimates which have the most significant effect on the amounts recognized in the financial statements.

USE OF ESTIMATES AND JUDGEMENTS

The application of the Corporation's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Management's budget and strategic plans are fundamental information used as a basis for estimates necessary to prepare financial information. The Management tracks performance as compared to the budget and significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

The following areas require management's critical estimates and judgements:

Valuation of deferred tax assets and liabilities

To determine the extent to which deferred tax assets can be recognized, management estimates the amount of probable future taxable profits that will be available against which deductible temporary differences and unused tax losses can be utilized. Such estimates are made as part of the budget process on an undiscounted basis and are reviewed on a quarterly basis. Management exercises judgment to determine the extent to which realization of future taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized. To the extent that management's assessment of the Corporation's ability to utilize future tax deductions changes, the Corporation would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Financial liabilities

The classification of Class A shares as a liability requires management to use its judgement in determining that these shares are actually in substance a liability and not an equity instrument. Class A shares liability also requires management to make estimates and assumptions that affect the reported amount of the liabilities and the corresponding gain or loss on changes in fair value. Estimates and assumptions used in determining the fair value of these liabilities include the expected life of the instruments and the volatility of the underlying share price.

Share-based payments

The Corporation measures the cost of share-based payments, either equity or cash-settled, with employees by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. In valuing certain types of stock-based payments and warrants granted, the Corporation uses the Black-Scholes option pricing model. Several assumptions are used in the underlying calculation of fair values of the Corporation's stock options and warrants granted using the Black-Scholes option pricing model, including the expected life of the option or warrant, stock price volatility and forfeiture rates.

Intangible assets

Development costs are capitalized as a part of intangible assets when the specific criteria related to technical, market and financial feasibility are met or when a regulatory filing is being prepared and approval is considered highly likely. The likelihood of regulatory approval is reviewed and adjusted for should facts and circumstances change. Technical, market and financial feasibility criteria are assessed annually based on management's experience, general economic conditions and assumptions regarding future outcomes. Future events could cause the assumptions on which the development costs are capitalized to change, which could affect the Corporation's results in the future.

FUTURE ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards issued by the IASB or IFRIC that are not yet effective up to the date of issuance of the Corporation's financial statements are listed below. The Corporation is assessing the impact of these pronouncements on its results and financial position. The Corporation intends to adopt these standards when they become effective.

- IFRS 9 - *Financial instruments* - effective for annual periods beginning on or after January 1, 2018
- IFRS 15 - *Revenue from contracts with customers* - effective for annual periods beginning on or after January 1, 2017.
- IAS 1 – *Presentation of financial statements*- effective for annual periods beginning on or after January 1, 2016.
- IAS 16 – *Leases* – effective for annual periods beginning on or after January 1, 2019.

SELECTED FINANCIAL DATA

The following table sets forth financial information relating to the Corporation from the date of incorporation (February 5, 2015) to January 31, 2016 and should be read in conjunction with the audited financial statements.

	February 5 2015- January 31, 2016 $
General & administrative expenses	**(497,193)**
Stock based compensation	**(146,060)**
Financial expenses	**(7,957)**
Fair value adjustment on Class A shares liability	**(257,577)**
Filing fees	**(19,093)**
Net loss for the period	**(927,880)**
Loss per share	
Basic and diluted	**(0.11)**

The weighted average number of shares outstanding used in the calculation of loss per share at January 31, 2016 is is 8,150,084.

Balance Sheet Highlights	**January 31, 2016 $**
Current assets	**907,204**
Total assets	**1,786,270**
Liabilities – current	**1,098,139**
Liability – long term	**333,334**
Share Capital	**1,006,617**
Warrants	**130,000**
Contributed Surplus	**146,060**
Deficit	**(927,880)**

FEBRUARY 5, 2015 – JANUARY 31, 2016 FINANCIAL OVERVIEW

- Net loss from operations is $927,880, which includes a fair value adjustment on the Class A shares liability of $257,577 and stock option compensation of $146,060.
- Cash provided by operating activities is $23,112 and cash provided by financing activities is $1,298,500. Cash used to fund development and acquire intangibles is $675,366.

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 sale of products that we are currently developing. 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 a) proving 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. We currently anticipate the first product to obtain proof of clinical efficacy and regulatory approval to be Ortho-R, in approximately 5 years.

OPERATING EXPENSES

General and administrative expenses are $662,346 for the period from date of incorporation of February 5, 2015 to January 31, 2016. Included are legal and audit fees of $169,276; research costs of $143,252; $146,060 of stock based compensation and $161,063 of salary and general office expenses.

Legal and audit fees are high in relation to what fees should be for normal operations; audit fees are $71,300 for the year as financial statements were prepared for various interim periods for submission with preliminary versions of the prospectus being filed with the security authorities; and legal fees are higher than what could be expected on an on-going basis as there were costs associated with initializing and completing various agreements in the initial set-up of transactions with Polytechnique.

Of the $143,242 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 to the project (i.e. salaries of researchers, materials used, lab fees, overhead costs). Netted against the current fiscal period's total cost of $140,000 on this agreement is an investment tax credit of $52,068. The Corporation also incurred a one-time fee paid to an outside contractor of approximately $55,000.

In the $161,063 of office and administrative expenses recorded in the fiscal period, $71,809 relate to the salary and benefits paid to the newly engaged President/Chief Executive Officer who has taken over the day to day operations of the Corporation. Other expenses incurred were Directors & Officers insurance of approximately $4,500, regulatory consulting of approximately $11,000, news wire fees for press releases of approximately $15,000 and one-time fees paid to a United States consultant for advise on entering the US market.

DEVELOPMENT COSTS

The development costs capitalized of $480,522 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. $338,872 has been spent on Ortho-M in the current fiscal year and $141,650 has been spent on Ortho-R. 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).

FINANCIAL EXPENSES

In the period from date of incorporation of February 5, 2015 to January 31, 2016 the financial expenses were $7,957, of which $7,366 relates to interest incurred on the operating loan from Manitex Capital Inc.

FAIR VALUE ADJUSTMENT ON CLASS A SHARES LIABILITY

The Class A shares liability was revalued to reflect the value of this liability based on a fair value method calculation that used the share unit price of the private placements closed in January 2016. This re-valuation necessitated management to make estimates and assumptions in the valuation model and the corresponding fair value adjustment was recorded to the statement of loss. This type of adjustment does not require a cash out-flow in the current year and has no tax impact.

INCOME TAXES

The Corporation has accumulated non-capital losses of approximately $968,779 and $962,967 for income tax purposes for Federal and Quebec governments respectively, which are available to be applied against future taxable income and expire in 2035. The Corporation has not recognized the tax benefit of the losses; they will be recognized when future profits are probable.

DEFERRED SHARE ISSUE COSTS

The Corporation has incurred deferred share issue costs of $153,874, which are composed of legal, other professional and filing fees regarding the preparation and filing of a 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.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS:

Sources and Uses of Cash	**February 5, 2015 – January 31, 2016**
	$
Operating activities:	
Net loss from operations	**(927,880)**
Share based compensation	**146,060**
Fair value adjustment on Class A shares liability	**257,577**
Net Change in non-cash operating working capital	**547,355**
Cash provided by operations	**23,112**
Investing activities:	
Increase in Intangible Assets	**(675,366)**
Financing activities:	
Cash provided by financing activities	**1,298,500**
Increase in cash	**646,246**
Cash, beginning of year	**-**
Cash, end of year	**646,246**

(a) Operating activities

Cash used in operations represents the cash flow from profit or 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 $146,060 recorded for share based compensation and the $257,577 fair value adjustment on the Class A shares liability. The net change in non-cash working capital was affected by the increase in accounts payable and accrued liabilities of $634,466, the increase in sales tax receivable and prepaid expenses of $35,043 and the increase in the investment tax credit of $52,068.

(b) Investing activities

The Corporation incurred costs of $899,039 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 $173,847.

Development costs incurred are based on the disbursements required under the two Polytechnique Agreements that involve development work and also a disbursement of $118,367 required under the Intellectual Property Assignment agreement that related to work done on Ortho-M.

Funds of $333,150 were used to acquire intellectual property, as required by the Intellectual Property Assignment agreement.

(c) Financing activities

During the current period the Corporation received $1,150,617 from the issuance of common shares; $75,757 from the issuance of share capital as debt; and $240,000 from its operating loan capacity. $167,874 of deferred and current share issuance costs were netted against these cash in-flows to give net cash of $1,298,500 being provided by financing activities.

LIQUIDITY AND CAPITAL RESOURCES:

	January 31, 2016 **$**
Cash	**646,246**
Working Capital [(i)]	**(190,935)**
Total assets	**1,786,270**

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

At January 31, 2016 the Corporation has used all of its operating loan capacity of $240,000. 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 Agreements to fund $58,333 on a monthly basis for the next 28 months. The Corporation also has a commitment to fund $171,410 in calendar 2016 under the Intellectual Property Assignment and Technology Transfer Agreement.

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 April 29,2016, the Corporation has raised $730,000 through private placements closed in January and February 2016.

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 production/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 $20million

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 Q1 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 28 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 months. We are therefore assuming that pilot studies could start in approximately Q3 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 28 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 28 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.

TRANSACTIONS WITH RELATED PARTIES

Included in accounts payable and accrued liabilities is an amount of $140,566 due to Manitex Capital Inc. for reimbursement of expenses that were made on behalf of the Corporation. Included in administrative and office expenses are the salary and benefits associated with the President's compensation. This compensation is broken down into $71,809 for salary and employer taxes and $74,780 of stock option compensation. All other related party transactions have been disclosed in the financial statements.

FINANCIAL 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.

COMMITMENTS

a) On June 19, 2015 the Corporation entered into three long-term Research Service Agreements with La Corporation de l'École Polytechique ("Polytechnique") requiring disbursements for a total of $2,100,000.

i) Shoulder (Ortho-R): $17,500 monthly for 36 months for a total of $630,000. The Corporation has recorded eight of the monthly payments in the current year for a total of $140,000.

ii) Knee (Ortho-V and Ortho-M): $23,333.33 monthly for 36 months for a total of $840,000. The Corporation has recorded eight of the monthly payments in the current period for a total of $186,667.

iii) Cartilage Repair (Ortho-C): $17,500 monthly for 36 months for a total of $630,000. The Corporation has recorded eight of the monthly payments in the current period for a total of $140,000.

b) On June 19, 2015, the Corporation entered into an Intellectual Property Assignment and Technology Transfer Agreement with Polyvalor Limited Partnership. Payments remaining under this Agreement are as follows:

i) A non-refundable fee of $35,000 payable on February 28, 2016 . Paid subsequent to year end.

ii) A non-refundable fee of $36,410 payable on October 31, 2016

iii) A non-refundable fee of $100,000 payable on or before May 31, 2016

When the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of Net Sales.

In the event that the Corporation fails to perform any of the payments provided in this Agreement, compound interest at an annual rate of 12% will be applied on any unpaid balance at the end of each month.

In addition, by February 28, 2016 the Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $1,470,000 (identified as Round 1), which includes the amount of $500,000 paid by Manitex Capital Inc. for its common shares and the operating loan of $240,000. By May 31, 2016, the Corporation must obtain and conclude cumulative rounds of financing for a minimum amount of $2,600,000 (identified as Round 2), which includes the $1,470,000 financing in Round 1. In the event that the Corporation is not able to obtain financing as described, the Corporation will have a period of three (3) months from each date of the Rounds to find alternative financing solutions, which will require approval by an investment committee. If such approval is not obtained nor the financing secured, the Agreement can be unilaterally terminated by Polyvalor. Any and all amounts owed will become payable immediately and the assigned Intellectual Property will immediately and automatically revert back to Polyvalor for a nominal amount of $1.

SUBSEQUENT EVENTS

During the month of February 2016, the Corporation closed a private placement for 160,000 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.

On April 25, 2016, Manitex Capital Inc. signed an undertaking to provide $1,130,000 of additional financing to the Corporation upon written request from 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 May 31, 2016. The additional financing will be under the same terms and conditions as the loan agreement entered into on June 19, 2015 and amended on January 31, 2016.

On April 29, 2016 the Corporation filed a prospectus with specific security regulatory authorities in connection with an initial public offering of its shares by way of Manitex Capital Inc. distributing a dividend-in-kind of Ortho Class A Common Shares to the holders of Manitex shares. Manitex is an existing shareholder of the Corporation and currently holds 5,109,000 shares of Ortho. The dividend-in-kind of Class A Common Shares of Ortho will be paid on the basis of one share for every ten Manitex shares which are outstanding on the Record Date, to be set by Manitex's Board of Directors. On April 29, 2016 Manitex has 12,561,276 shares that are issued and outstanding. Manitex will cause the distribution of 1,256,127 Ortho shares to holders of Manitex shares, pursuant to the prospectus, at a deemed value of $0.50 per share.