MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED OCTOBER 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 December 15, 2017 and approved by Ortho RTI's Board of Directors on December 15, 2017 and should be read in conjunction with the unaudited interim condensed financial statements ("financial statements") for the three-month and nine-month periods ended October 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 is publicly trading on the Canadian Securities Exchange ("CSE") under the symbol "ORTH". The Corporation has 20,610,612 common shares that are issued and fully paid as of December 15, 2017, of which 10,357,972 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 nine-month periods ended October 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, have been presented as Intangible Assets on the Statement of Financial Position and all costs related to ongoing research and development activities are presented as Research and development costs 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 2030.

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. Therefore, a master service agreement has been signed with KABS Laboratories Inc. ("KABS"). KABS 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, KABS appears to have all the necessary quality systems that are required for our purposes. 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.

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.

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

- On October 31, 2017 the Corporation closed a tranche of its private placement of $905,000, less a cash fee of $30,000 and brokers warrants of $6,000, for 1,810,000 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 October 10, 2017, the Corporation shares began trading on the CSE.
- On October 10, 2017, with an effective date of August 1, 2017, the Corporation and the Polytechnique revised its monthly payments on the three research agreements from $58,333 to $23,133. With this change, it resulted in a saving on the contracts of $352,000.
- On September 26, 2017, the Board granted 100,000 options to a new board member at an exercise price of $0.50.
- On September 15, 2017, The Corporation signed a short-term loan agreement to finance its investment tax credits in the amount of $278,700, bearing interest at 1.5% per month.
- On September 12, 2017, the Board extended the expiry date of the warrants issued in January and February 2016 to January 29 and March 9, 2019 respectively.
- 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 $397,000 compared to approximately $474,000 for the comparative period.
- Net loss from operations for the nine-month period is approximately $1,016,000 compared to approximately $1,420,000 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 nine-month periods ending October 31, 2017 and 2016.

	Three-month period ending October 31,		Nine-month period ending October 31,	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Professional and consulting fees	**197,380**	83,365	**433,709**	203,970
Research and development costs	**217,773**	236,109	**356,344**	657,274
Office and administrative	**92,613**	72,737	**194,268**	309,813
Travel and promotion	**10,141**	13,755	**22,079**	40,340
Transfer agent filing fees	**18,710**	16,386	**32,408**	35,259
Share-based compensation	**51,073**	40,473	**156,154**	149,058
Financial expenses (income)	**47,897**	10,727	**105,421**	24,688
Amortization – intangible asset	**8,409**	-	**16,819**	-
Gain on settlement of debt	**-**	-	**(24,000)**	-
Change in fair value Class A shares	**-**	-	**(10,734)**	-
Derecognition of liabilities on Class A shares	**(246,842)**	-	**(246,842)**	-
Net loss for the period	**397,154**	473,552	**1,015,896**	1,420,402
Loss per share:				
Weighted average number of common share outstanding	**17,658,722**	14,082,749	**16,452,770**	13,538,898
Basic and diluted	**0.02**	0.03	**0.06**	0.11

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

Financial Position Highlights	October31, 2017 $	January 31, 2017 $ (Restated)
Cash	**1,031,498**	7,366
Investment tax credits	**160,000**	345,005
Sales tax receivable and other assets	**51,490**	26,150
Current assets	**1,242,988**	378,521
Investment tax credits	**242,716**	-
Intangible asset	**487,741**	368,150
Non-current asset	**730,457**	368,150
Total assets	**1,973,445**	746,671
Liabilities-current	**811,678**	1,680,161
Convertible loan	**582,389**	-
Class A shares liability	**-**	333,334
Liabilities-non-current	**582,389**	333,334
Common shares	**3,291,369**	1,200,031
Warrants	**785,545**	238,000
Contributed Surplus	**499,330**	276,115
Deficit	**(3,996,866)**	(2,980,970)

OPERATING EXPENSES

For the nine-month period ended October 31, 2017 compared to the same period ended in 2016, overall expenses decreased by approximately $405,000. The primary reasons for the overall decrease in expenses were:

- Professional and consulting fees increased by approximately by $230,000, mainly due to the consulting fees charged by the acting CEO and a consulting agreement signed in March 2017 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 $116,000, 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 $301,000. The decrease is explained by the accrual of the investment tax credits (“ITC’s”) in the estimated amount of approximately $235,000 compare to Nil in the previous period. Included in this caption includes the three agreements signed with the Polytechnique for a monthly revised payment of $23,133 compared to $58,333 for a saving of $105,600 for the third quarter and approximately $137, 000 paid to consultants for services provided on direct relation to the pre-clinicals studies for the Ortho-R projects of .
- Other costs such as travel and promotion, transfer agent and filing fees decreased by approximately $21,000. The decrease relates to the expenses of the travel and promotion, due to less travelling by the CEO.
- The amortization of the intangible asset in the amount of $17,354, 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 $61,000. 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. In addition, the Corporation paid approximately $11,000 of interest on its new short-term loan for the financing of its investment tax credits.

- 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 10 of the interim financial statements.
- Share based compensation slightly increased by approximately $7,000 compared with the comparative period. During the third quarter, the Board granted 100,000 options for which share based compensation was recorded over the vesting period.
- On October 10, 2017, the Corporation shares were listed on the CSE and therefore derecognized the liability of the shares held by Polyvalor, which resulted into a gain on derecognition of a liability in the amount of $ 246,242.
- 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 period:
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 $194,000 of office and administrative expenses was recorded of which, $172,000 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 $105,000 of which approximately $75,200 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. In addition, the Corporation paid approximately $11,000 of interest on its new short-term loan.

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. Effective August 1, 2017, the new monthly payments for the three services agreements are $23,133. The total amount of $419,000 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 $172,000.

Other expenses in the amount of $54,000 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 October 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.

SHORT-TERM LOAN

On September 12, 2017, The Corporation signed a short-term loan agreement to finance its investment tax credits in the amount of $278,700. The loan is secured by a first rank moveable hypothec on its investment tax credits, bears interest at a fix rate of 1.5% per month. The amounts are due upon receiving the refunds by the respective governments. The amount is presented net of financing costs of $8,851.

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 $50,524

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. On October 10th, 2017, the Corporation listed its shares on the CSE and therefore has derecognized the liability. Polyvalor held 1,073,334, and as per IAS 39, $171,758 was credited to share capital and the difference between the fair value and the accounting value is charged to comprehensive loss on the date of derecognition, which resulted into a gain on derecognition of a liability in the amount of $ 246,242.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Corporation for the eight quarters ended October 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 Q3 $	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)
Professional and consulting fees	197,380	130,445	105,884	124,903	83,365	97,160	23,445	121,595
R&D costs	217,773	72,963	65,073	41,608	236,109	219,068	202,097	45,867
Office and administration	92,613	55,138	46,517	39,693	72,737	121,264	115,812	74,877
Travel and promotion	10,141	5,664	6,274	7,557	13,755	14,565	12,020	15,156
Transfer agent and filing fees	18,710	10,800	6,685	5,176	16,386	18,876	-	-
Share based compensation	51,073	99,425	6,656	(19,003)	40,473	68,122	40,463	138,165
Amortization – Intangible assets	8,409	8,410	-	-	-	-	-	-
Financial expenses (income)	47,897	(10,166)	23,960	40,712	10,727	11,499	2,462	4,722
Change in fair value on Class A shares	-	(10,734)	-	-	-	-	-	257,577
Derecognition of liabilities on Class A shares	(246,842)	-	-	-	-	-	-	-
Net loss for the quarter	397,154	361,945	261,049	240,646	473,552	550,551	396,299	657,959
Loss per share Basic and diluted:	0.02	0.01	0.01	0.01	0.03	0.04	0.03	0.06

R&D is defined by Research and development costs

In FY2018-Q3, the main expenses are professional, consulting fees, R&D costs, office and administrative expense, financial expenses and share based compensation. Professional and consulting fees include corporate legal and audit matter for a total amount of $38,500, consulting fees paid to new Acting CEO of

$88,100 and $70,400 on corporate services, regulatory and investor relations. Office and administration are comprised of approximately $84,000 of salaries and benefits for two employees and office expenses. Research and development costs represents the monthly costs of $23,133 associated to the three Research agreements for a total amount of $69,399 and approximately $139,000 of pre-clinical expenses incurred for the pre-clinical development plan. During the quarter 100,000 options was granted for a compensation cost of approximately $23,000 to be recognized on a gradual basis over the vesting period of these options. During the quarter, approximately $51,000 of share-based compensation was recognized for employees, consultants and directors' remuneration. The financial expenses relate to the accretion of the interest on the convertible loan and the note payable from Manitex in the amount of approximately $25,000 and $7,000 and approximately $14,000 of interest paid for the short-term loan. In addition to the expenses, the Corporation recognized a gain on the derecognition of the liability of the class A shares in the amount of $246,842.

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.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS:

Sources and Uses of Cash

For the nine-month period ended October 31:	**2017** $	2016 $ (Restated)
Operating activities:		
Net loss from operations	**(1,015,896)**	(1,420,402)
Items not affecting cash	**(13,261)**	149,058
Cash used in operations prior to changes in working capital	**(1,029,157)**	(1,271,344)
Changes in non-cash working capital	**(309,579)**	(85,816)
Cash used in operations	**(1,338,736)**	(1,357,160)
Investing activities:		
Cash used in for acquisition of intangible assets	**(36,410)**	(35,000)
Financing activities:		
Cash received from operating loan	**81,100**	314,150
Proceed from short term debt	**278,700**	-
Cash received from equity financing	**2,137,500**	540,000
Payment of debt issue costs	**(12,647)**	-
Payment of share issues costs	**(85,375)**	(23,250)
Payment for costs in relation to the long form prospectus	**-**	(61,462)
Cash provided by financing activities	**2,399,278**	769,438
Increase (decrease) in cash	**1,024,132**	(622,722)
Cash, beginning of period	**7,366**	646,246
Cash, end of period	**1,031,498**	23,524

(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 ($13,261) (2016 - $149,058). These amounts represent for the current period share based compensation of $156,154 (2016 - $149,058), consulting fees settled in shares of $ 15,000 (2016- Nil) financial interest $80,342, amortization of $16,819 (2016 – Nil), a gain on settlement of debt of $24,000 (2016 – Nil) and a net gain on the Class A shares of $257,576 (216 – nil) . The net change in non-cash working capital was affected by the decrease in accounts payable and accrued liabilities of $226,529 (2016 – $47,268), an increase in sales tax receivable and prepaid expenses of $25,340 (2016 – decrease of $5,542 and a decrease in the investment tax credits of $57,711 (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 $2,137,500 (2016 - $540,000) from the issuance of common shares, proceed of $278,700 for its short-term loan, with related share and debt issue costs of $98,022 (2016 - $23,250) and $81,100 (2016 - $314,150) 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 $2,399,278 (2016 – $769,438).

LIQUIDITY AND CAPITAL RESOURCES:

	October 31, 2017 $	January 31, 2017 $ (Restated)
Cash	**1,031,498**	**7,366**
Working Capital [(i)]	**431,310**	**(1,301,640)**
Total assets	**1,973,445**	**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 $161,931 under the three Polytechnique Research Agreements to fund $23,133 monthly for the next 7 months. As at October 31, 2017, the amount owed to Polytechnique under the Research Agreements is $23,133.

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 October 31, 2017, the Corporation has raised $4,447,975 through several private placements.

On April 27, 2017, the Corporation converted $600,000 into 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 the second quarter of 2019, 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, 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 $6,940 per month for the next 7 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 $9,253 per month for the next 7 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 $6,940 for the next 7 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. Over the next months, 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. On October 10, 2017, with an effective date of August 1, 2017, both parties revised the monthly payments as follows:
   i) Agreement 1: $6,940 monthly for the remaining 7 months for a total of $48,580
   ii) Agreement 2: $9,253 monthly for the remaining 7 months for a total of $64,771
   iii) Agreement 3: $6,940 monthly for the remaining 7 months for a total of $48,580

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 seven months under the Research agreements is $161,931

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 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:

	October 31, 2017 $	October 31, 2016 $
Transactions with key management and members of the Board of Directors:		
Salaries and expense for employee benefits	**130,421**	280,704
Share-based compensation to employees and directors	**165,609**	149,058
Consulting fees charged by a director and acting CEO	**145,000**	32,625
Consulting fees accrued for a director and acting CEO	**62,750**	**-**
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	**75,205**	23,834
Consulting fees charge by	**8,100**	-

Transaction with Polytechnique, a partner of Polyvalor :		
Reversal of interest accrued for	**(6,215)**	-
Research and development costs	**419,400**	524,997

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

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

	October 31, 2017 $	January 31, 2017 $
Accounts payable and accrued liabilities due to a director and acting CEO	**62,750**	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	**23,133**	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 second quarter, the Corporation changed its accounting policy with respect to its intangible assets, specifically its development 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 users of the financial statements 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 nine-month period ended October 31, 2016, have been reconciled to the previously reported amounts as follows:

October 31, 2016	Previously reported $	Adjustments $	Restated $
Three-month period			
General and administrative expenses			
Research and development costs	52,500	183,609	236,109
Total general and administrative expenses	279,216	183,609	462,825
Net loss and comprehensive loss for the period	289,943	183,609	473,552
Basic and diluted loss per common share	0.02	0.01	0.03
Nine-month period			
General and administrative expenses			
Research and development costs	159,893	497,381	657,274
Total general and administrative expenses	898,333	497,381	1,395,714
Net loss and comprehensive loss for the period	923,021	497,381	1,420,402
Basic and diluted loss per common share	0.07	0.04	0.11

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 nine-month period ended October 31, 2016, have been reconciled to the previously reported amounts as follows:

October 31, 2016	Previously reported $	Adjustments $	Restated $
Nine-month period			
Operating activities			
Net loss for the period	923,021	497,381	1,420,402
Cash used in operating activities	859,779	497,381	1,357,160
Investing activities			
Acquisition of intangible assets	532,381	(497,381)	35,000
Cash used in investing activities	532,381	(497,381)	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 October 31, 2016, have been reconciled to the previously reported amounts as follows:

October 31, 2016	Previously reported $	Adjustments $	Restated $
Shareholders' deficiency			
Deficit	1,850,901	889,423	2,740,324
Total shareholders' deficiency	117,752	889,423	1,007,175

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 14 of the interim financial statements.

SUBSEQUENT EVENTS

On December 11, 2017, the Corporation closed the second tranche of $160,000 for 320,000 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. An amount of $110,000 was completed by one authorized dealer, with a cash fees of $5,500 of the placement value and 11,000 of broker's warrants.

In addition, on December 11, 2017, the Corporation issued 19,112 shares by the exercised of 19,112 brokers warrants for gross proceeds of $9,556

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, its note payable, its short-term debt and its convertible 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:

October 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	**309,995**	**269,418**	**16,763**	**23,814**	**-**
Note payable	**231,833**	**-**	**-**	**231,833**	**-**
Convertible loan	**583,463**	**-**	**-**	**-**	**583,463**
Short-term loan	**278,700**	**-**	**-**	**126,700**	**152,000**
	1,403,991	**269,418**	**16,763**	**382,347**	**735,463**

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.