Management's Responsibility for Financial Reporting

This Management's Discussion and Analysis ("MD&A") 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 7, 2018 and approved by Ortho RTI's Board of Directors on December 11, 2018 and should be read in conjunction with the unaudited interim condensed financial statements for the three and nine-month periods ended October 31, 2018. Unless otherwise noted, all amounts are presented in Canadian dollars.

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. The Corporation's shares are publicly traded on the Canadian Securities Exchange ("CSE") under the symbol "*ORTH*." The Corporation has 24,752,424 common shares that are issued and fully paid as of October 31, 2018, of which 6,905,329 shares are held in escrow.

The information contained in this MD&A 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 RTI has been 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 MD&A provides an overview of the Corporation's operations, performance and financial results for the three and nine-month periods ended October 31, 2018 and compares the 2018 results to those of the same periods in 2017.

Overview of the Business

The Corporation is a research and development biotechnology company, specializing in the development of biological therapeutic products designed for the repair and regeneration of damaged joint tissues, thereby helping restore motor function and prevent or delay the onset of osteoarthritis. Development of regenerative medicine products is inherently expensive and raising the required capital to continue research and development is a major focus of the management team.

The Corporation does not have any products approved for sale, consequently, has no revenue, nor does it foresee generating any revenue in the near term. All amounts paid to acquire technologies or know-how have been presented as intangible assets in the statement of financial position, and all costs related to ongoing research and development activities have been presented as research and development costs in the statement of loss and comprehensive loss.

Product	Indication	Stage	Timing of research and development costs		
			prior years	fiscal 2019	Total
Ortho-R	Rotator cuff tears	Pre-submission / Large animal studies (development)	944,000	452,459	1,396,459
Ortho-M	Meniscus tears	Large animal studies (development)	800,000	37,014	837,014
Ortho-C	Articular cartilage	Feasibility (research)	496,000	27,760	523,760
Ortho-V	Osteoarthritis pain	Feasibility (research)			
			2,240,000	**517,233**	**2,757,233**

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 desired by surgeons; 3) biopolymer-PRP mixtures that coagulate rapidly to form solid biopolymer-PRP hybrid implants; 4) biopolymer-PRP implants that are mechanically stable and resist platelet-mediated clot retraction; and 5) dispersion of the biopolymer in the implants that is homogenous for optimal biodegradability.

Biopolymer-PRP implants have been tested in vivo using a subcutaneous injection model in rabbits. They were resident for several weeks, while PRP-only controls degraded in one day. The biopolymer-PRP implants also induced cell recruitment and angiogenesis, both of which were not seen with PRP-only controls. The biopolymer-PRP implants were shown to be biodegradable, as the biopolymer was internalized and degraded by host cells. The biopolymer-PRP implants were also biocompatible, as they did not induce any deleterious effects in this model.

Ortho-R

Ortho-R for rotator cuff repair was tested in a small animal rabbit model and then in a larger animal sheep model. 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 trans-osseous suturing technique. On the treated side, Ortho-R was additionally injected at the repair site, into the bone tunnels and into the SSP tendon.

In the pilot study at 2 months, the Ortho-R treatment had 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 when compared to suture anchors.

The use of Ortho-R in conjunction with suturing techniques produced 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 a high level of safety.

Ortho-M, Meniscus program

Ortho-M is the same formulation as Ortho-R but used for the meniscus repair program. Ortho-M was tested in a bilateral meniscus repair model in 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 bearing weight 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.

As well, the performance of Ortho-M was assessed in combination with a meniscus wrapping technique in a unilateral complex tear model in sheep. Ortho-M implants showed superior regenerative effects 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- C, Cartilage program

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 need to be found 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, a 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 it into the bone marrow channels by open arthrotomy for maximum 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

Ortho-V is a freeze-dried biopolymer formulation tailored for intra-articular injections and visco-supplementation applications. Most visco-supplementation products use hyaluronic acid, but orthopaedic surgeons are also injecting PRP intra-articularly. Ortho-V consists of a freeze-dried biopolymer that will be solubilized in PRP for intra-articular injections. The biopolymer is expected to cross-link endogenous hyaluronic acid present in the joint and provide visco-supplementation, 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.

Intellectual Property Update

In August 2016, the Corporation received its first U.S. 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.

In March 2018, the Corporation received a Notice of Allowance from the European Patent Office for European Patent Application Number 10831000.4 entitled, "Novel Formulation of Physiological Chitosan-Inorganic Salt Solution/Blood Mixtures for Tissue Repair." The patent will remain in force until November 2030.

In May 2018, the Corporation received a Notice of Allowance from the European Patent Office for European Patent Application Number 10831011.1 entitled, "Soluble Physiological Chitosan Formulations Combined with Platelet-Rich Plasma (PRP) for Tissue Repair". The patent will remain in force until November 2030.

The Corporation continues to extend and defend its intellectual property. Two other patent families covering specific freeze-dried formulations have now entered the national phase in several jurisdictions.

Product Development Update

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

In 2016, a teleconference was held between the Center for Biologics Evaluation and Research ("CBER") and the Corporation. It was been determined that Ortho-R would be regulated as a single-entity biologic through CBER. The specific implications of this determination have been quantified and include requirements for additional preclinical testing. Following completion of such testing which are currently underway, the Corporation intends to file an Investigational New Drug ("IND") submission with the FDA to commence human clinical trials of Ortho-R before the end of the next fiscal year.

As with any product in the development phase, value will be created by proving: a) the functional efficacy of the product principally through clinical development, and; b) the commercial viability of such a product in specific marketplaces by obtaining regulatory approvals, generating health economic data and developing a 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 its products. The value ascribed to each product is expected to increase significantly as it moves through the development phase and will reach the maximum pre-revenue value at the point where it has proven clinical efficacy and has obtained the required regulatory approvals.

The Corporation's management is working actively on ensuring that the funds required to execute its development plans are secured in order to avoid any potential delays in creating shareholder value.

Selected Financial Data

The following table sets forth financial information for the Corporation for the periods indicated and should be read in conjunction with the interim condensed financial statements for the three and nine-month periods ended October 31, 2018 and 2017.

	Three months ended October 31		
	2018	2017	**Variance**
	$	$	**$**
Research and development costs	**403,410**	260,858	142,552
General and administrative expenses	**345,487**	335,244	10,243
Financial charges	**29,145**	47,897	(18,752)
Change in fair value of Class A shares	**-**	-	-
Derecognition of liabilities on Class A Share	**-**	(246,842)	246,842
Operating expenses for the period	**748,897**	596,102	152,795
Loss per share			
Weighted average number of common shares outstanding	**24,717,641**	17,658,722	
Basic and diluted	**0.03**	0.02	

	Nine months ended October 31		
	2018	2017	**Variance**
	$	$	**$**
Research and development costs	**663,226**	413,619	249,607
General and administrative expenses	**938,011**	798,163	139,848
Financial charges	**112,566**	61,691	50,875
Change in fair value of Class A shares	**-**	(10,734)	10,734
Derecognition of liabilities on Class A Share	**-**	(246,842)	246,842
Operating expenses for the period	**1,601,237**	1,211,782	389,455
Loss per share			
Weighted average number of common shares outstanding	**22,825,373**	16,452,770	
Basic and diluted	**0.08**	0.06	

The number of options and full warrants outstanding as at October 31, 2018 and 2017 is not included in the calculation because the effect is anti-dilutive.

Revenue

There was no revenue generated for the three-month and nine-month period ended October 31, 2018 and 2017.

Expenses

Operating expenses increased by approximately $153,000 in the third quarter of 2018 as compared to the prior year comparable period, and on a year-to-date basis expenses increased from $1,212,000 to $1,601,000. Research and development expenses increased due to the initiation of c-GMP manufacturing and animal studies, which were conducted in accordance with the Corporation's preclinical development plan. General and administrative expenses have been stable when comparing the three-month period ending October 31, 2018 to the previous year three-month period. For the year-to-date comparison, general and administrative expenses increased as a result of increased professional and consulting fees,

specifically for investor relations consulting services in the periods after the Corporation became a public company.

Research and development costs

For the respective periods, research and development costs consisted of:

	Three months ended		Nine months ended			
	October 31, 2018	October 31, 2017	**October 31, 2018**	October 31, 2017	**Variance Q3**	**Variance YTD**
	$	$	**$**	$	$	$
Salaries and employee benefits	**34,469**	34,675	**100,696**	40,456	(206)	60,240
Research costs	**-**	20,820	**27,760**	99,324	(20,820)	(71,564)
Development costs	**388,607**	187,427	**489,472**	459,829	201,180	29,643
Patent prosecution costs	**34,960**	9,526	**84,134**	32,269	25,434	51,865
Amortization – intangible asset	**8,076**	8,410	**24,228**	16,819	(334)	7,409
Depreciation – equipment	**26,298**	-	**26,298**	-	26,298	26,298
	492,410	260,858	**752,588**	648,697	231,552	103,891
Investment tax credit	**(89,000)**	-	**(89,362)**	(235,078)	(89,000)	145,716
	403,410	260,858	**663,226**	413,619	142,552	249,607

While we have four products in our development pipeline, the bulk of the expenses has been committed to the advancement of Ortho-R. Some funds have been committed to Ortho-M which is also in the development stage, while nominal funds have been committed to Ortho-C, and Ortho-V which are in the research phase. Research costs includes monthly payments related to the contract with Ecole Polytechnique ("Polytechnique"). Development costs includes monthly costs related to the contracts with Polytechnique and expenses related to studies completed during the period.

In August 2018, the Corporation signed a letter of agreement with Ecole Polytechnique for a three-year research contract for a total amount of $886,650 payable over 3 years for an annual amount of $295,550 commencing September 1, 2018, paid equally on a quarterly basis until the end of February 2021. On December 4th, 2018, the letter of agreement was amended. The total amount of the agreement was increased to $996,920 and the term extended from three (3) to four (4) years. Annual amounts payable by the Corporation under the agreement is now $286,615.

Salaries and employee benefits increased for the quarter were consistent we the year ago period as no new research and development personnel were added while on a year-to-date basis, expenses increased by $60,000 in due to the hire of the VP of Product Development in July 2017.

Research costs were nil for the quarter as there were no expenditures related to work on Ortho C and Ortho V. For the year-to-date period, costs decreased by $72,000 as the Ortho C contract was completed in May 2018, which represents four months in fiscal 2019 compared to nine months in fiscal 2018.

Development costs represent the research contracts paid to Polytechnique for Ortho R and Ortho M and costs related to the ongoing pilot studies. Development costs decreased by $201,000 in the quarter ended October 31, 2018 as compared to the year-ago period and is mostly explained by a decrease in payments to Polytechnique for Ortho R ($75,000 in 2019-Q3 vs $130,000 in 2018-Q3) and Ortho M (nil in 2019-Q3 vs $ 28,000 in 2018-Q3) offset by increased costs related to c-GMP manufacturing for supporting our

preclinical and clinical studies for Ortho-R and Ortho-C ($72,000 in 2019-Q3 vs $ nil in 2018-Q3) and the initiation of our preclinical studies required for the filing of our IND next year ($232,000 in 2019-Q3 vs $ 7,000 in 2018-Q3).
Patent prosecution costs increased by $25,000 in the quarter ended October 31, 2018 compared to the year ago period and increased by $52,000 on a year to date basis as fees for prosecution of our patents have increased while two of our patents have entered National Phases in Europe. .

Depreciation costs increased by $26,000 for the both the quarter and year-to-date periods as scientific equipments previously purchased by the company are now in use.

Investment tax credits increased by $89,000 in the quarter as compared to the year-ago period as refundable costs became material enough to warrant recording. In the comparative year-to-date period the amounts for tax credits as compared to previous year comparable periods has decreased as there were significantly more research expenditures incurred in the previous year.

General and administrative expenses
For the respective periods, general and administrative expenses consisted of:

	Three months ended		**Nine months ended**			
	October 31, 2018	October 31, 2017	**October 31, 2018**	October 31, 2017	**Variance Q3**	**Variance YTD**
	$	$	**$**	$	**$**	**$**
Professional and consulting	**199,600**	197,380	**586,622**	433,709	2,220	152,913
Office and administrative	**81,294**	76,650	**227,234**	186,221	4,644	41,013
Travel and promotion	**14,886**	10,414	**26,212**	22,079	4,472	4,133
Share-based compensation	**49,707**	51,073	**97,943**	156,154	(1,366)	(58,211)
Total	**345,487**	335,517	**938,011**	798,163	9,970	139,848

Overall general and administrative expenses increased by approximately $10,000 in the quarter compared to the year-ago period and $140,000 in the year-to-date period.

Professional and consulting fees were consistent in the quarter as compared to the year-ago period mainly due to a decrease in investor relations fees ($59,000 in 2019-Q3 compared to $88,000 in 2018-Q3) offset by an increase in audit fees ($11,000 in 2091-Q3 compared to nil in 2018-Q3) and consulting fees ($102,000 in 2091-Q3 compared to $88,000 in 2018-Q3). For the year-to-date period, professional and consulting fees increased by $153,000 largely explained by an increase in investor relations fees, due to the company being public the majority of the period, ($207,000 in 2019-Q3 compared to $126,000 in 2018-Q3) and by an increase in consulting fees ($263,000 in 2019-Q3 compared to $192,000 in 2018-Q3). Investor relations fees increased as the Corporation retained the services of these firms to seek guidance and assistance from various firms to create awareness, build shareholder relations, and develop business and market strategies to attract new investors. The increase in consulting fees is primarily explained by the increase in fees paid to senior management acting as contractors as opposed to staff.

Legal fees decreased from $21,000 in 2018-Q3 to $15,500 in 2019-Q3 but increased from $33,000 for year to date 2018 compared to $49,000 for year to date2019 mainly due to increased work with corporate legal matter as the company being public for the period as compared to the previous period.

Office and administration costs were consistent in the quarter compared to the year-ago period and increased by $41,000 in the comparative year-to-date period. This increase is explained principally by an increase in rent ($18,000 in 2019-Q3 compared to nil in 2018-Q3) and a severance paid to the former chief financial officer on departure. Transfer agent, press release and filing fees decreased from approximately $19,000 in 2018-Q3 to $4,000 in 2019-Q3 and from $32,000 for 2018 year-to-date compared to $29,000

for 2019 year-to-date. The decrease was due to lower securities commissions, transfer agent and reporting costs since the Corporation's shares have been publicly traded and for less press releases during the reporting period.

Travel and promotion costs increased from $10,000 in 2018-Q3 to $15,000 in 2019-Q3 and from $22,000 for year to date 2018 compared to $26,000 for year to date 2019 mainly due to increased travel undertaken by the CEO on behalf of the corporation for the purposes of promoting the public company and working to raise additional capital.

Share-based compensation was consistent when comparing the current quarter with the year-ago period ($50,000 in 2019-Q3 compared to $51,000 in 2018-Q3) but decreased by approximately $58,000 when comparing the year-to-date periods. The decrease in the period was due to the fact that fewer options were granted in the current period and prior grants were mainly amortized by the end of the past quarter.

Financial charges
For the respective periods, financial charges consisted of:

	Three months ended		**Nine months ended**			
	October 31, 2018 $	October 31, 2017 $	**October 31, 2018 $**	October 31, 2017 $	**Variance Q3 $**	**Variance YTD $**
Interest - short-term debt	**4,295**	20,911	**35,279**	32,445	(16,616)	2,834
Interest - convertible loan	**24,637**	24,637	**73,125**	50,523	-	22,602
Amortization – transaction costs	**213**	2,348	**4,162**	2,723	(2,135)	1,439
Gain – debt settlement	**-**	(246,842)	**-**	(281,576)	246,842	281,576
	29,145	(198,945)	**112,566**	(195,885)	228,090	308,451

Excluding the gain recorded last related to the derecognition of a liability on the Corporations class A shares, financial charges decreased in the quarter to $29,000 from $48,000 in the year ago period. This decrease is a result of a decreased in the amount of short- term debt that the Corporation was carrying as a short-term loan related to investment tax credit financing was paid off in the previous quarter.

In the comparative year-to-date period, excluding the gain, financial charges increased from $86,000 in 2018 to $113,000 in 2019 principally due to more interest recorded on the convertible loan due to Manitex which was outstanding for a longer period.

For the respective periods, interest on short term debt consisted of:

	Three months ended		Nine months ended			
	October 31, 2018 $	October 31, 2017 $	**October 31, 2018 $**	October 31, 2017 $	**Variance Q3 $**	**Variance YTD $**
Interest - Short-term debt	**-**	10,739	**19,156**	10,739	(10,739)	8,417
Interest – Manitex	**3,970**	7,096	**16,774**	24,690	(3,126)	(7,916)
Interest – Ecole Polytechnique	**-**	-	**-**	(6,215)	-	6,215
Others financial charges (income)	**325**	3,076	**(651)**	3,231	(2,751)	(3,882)
	4,295	20,911	**35,279**	32,445	(16,616)	2,834

Interest on short term debt was nil in the quarter as compared to $11,000 in the year-ago period. This decrease is explained by the fact that the loan related to this interest, investment tax credit financing, was repaid in the previous quarter, resulting in no charge in the current quarter. The year-to-date period saw an increase in $8,000 as the current year-to date period contained two quarters of charges against one in the last year-to-date period.

Interest on the Manitex note was $4,000 in the quarter as compared to $7,000 in the year-ago period and $17,000 in the year-to-date period as compared to $24,000 in the last year-to-date period. This represents interest charged by Manitex on the note payable which bears interest at 12%. This decrease is explained by the fact that there was a partial settlement of this note in the previous quarter of $120,000 resulting in a reduced interest charge.

In the comparative quarter, the Corporation reversed an interest charge in an amount of $35,402 or, on a year-to-date basis, $6,215 for the unpaid contract with Ecole Polytechnique which was never paid.

Other financial charges decreased by $2,751 in the quarter compared to the year-ago period and $3,882 compared to the year to date period. This decrease in mainly explained by foreign exchange variation on the company's foreign currency denominated payables during the period and also a decrease in other finance charges related to our short-term loans and bank charges.

Balance Sheet Highlights

The following table sets forth financial information related to the Corporation's statements of financial position for the periods indicated and should be read in conjunction with the interim condensed financial statements for the three-month period ended October 31, 2018.

	October 31, 2018	January 31, 2018
	$	$
Cash	**357,681**	449,720
Investment tax credits	**242,711**	160,005
Sales tax receivable and other assets	**55,196**	39,002
Current assets	**655,588**	648,727
Investment tax credits	**89,000**	242,711
Intangible asset	**436,104**	460,332
Equipment	**209,008**	159,707
Non-current assets	**734,112**	862,750
Total assets	**1,389,700**	1,511,477
Liabilities - current	**1,127,678**	757,890
Liabilities - non-current	**135,405**	607,239
Common shares	**5,429,588**	3,842,500
Warrants	**801,000**	758,380
Contributed surplus	**612,461**	548,097
Deficit	**(6,716,432)**	(5,002,629)

Investment Tax Credits
The amounts and the timing of the recognition of investment tax credits receivable involve a certain degree of estimation and judgment with regards to the eligibility of the research and development expenditures giving rise to the tax credit refunds and to the probability of receiving the amounts. The amounts claimed by the Corporation are subject to review and approval by the tax authorities. The amounts granted may differ from the amounts claimed.

The Corporation recognized investment tax credits on expenditures related to research and development costs. As at October 31, 2018 and January 31, 2018, the amounts receivable was $331,711 and

$402,716respectively. These amounts represent federal and provincial tax credits. In May 2018, the Corporation received an amount of $160,005 related to the tax credit for the year ended January 31, 2017.

Intangible Assets
INTELLECTUAL PROPERTY
Ortho RTI is the owner of 4 patent applications filed since 2009. It also owns improvements to the technology discovered through work it funded at École Polytechnique. The current patent portfolio includes the following:

Patent Family No.1: Clot-activated polymer composition for repairing the tissue of the subject, where the polymer composition adheres to the tissue and promotes cell proliferation, comprising 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;

During the third quarter of 2019 there were no additional costs incurred on the intellectual property. The change of $8,076 represents amortization for the quarter, compared to $8,410 in the year-ago period.

Current Liabilities
Current liabilities are comprised of accounts payable in the amount of $446,674 compared to $245,942 as at January 31, 2018, short-term debt in the amount of nil compared to $511,948 as at January 31, 2018, and the convertible loan in the amount of $681,004 compared to nil as at January 31, 2018.

Short-term debt was comprised of:

(a) Note payable
On July 28, 2017, the Corporation and Manitex signed an unsecured note payable in the amount of $224,737 bearing interest at 12% and maturing on October 31, 2018. The amounts owed on the note payable as at October 31, 2018 and January 31, 2018 were $135,405 and $238,628, respectively. On July 19, 2018, the Corporation issued 300,000 shares at the deemed price of $0.40 per share in conjunction with a private placement that closed on the same date. In addition, there were charges of $16,744 for accrued interest on the note payable. At maturity the amount to be paid to Manitex will be $135,405.

On October 31, 2018, the Corporation and Manitex extended the maturity date of the note to February 1, 2020. All outstanding principal and interest shall be due and payable, and the Corporation does reserve the right to repay the Note (in whole or in part) prior to the maturity date with no penalty. Effective November 1, 2018, notwithstanding the extended maturity date, the note shall also be payable upon closing of a private placements or other equity or loan financings with aggregate net proceeds of $2.5 million.

(b) Short-term loan
On September 12, 2017, the Corporation signed a short-term loan agreement to finance its investment tax credits in an amount of $278,700. The loan is secured by a first-rank moveable hypothec on all of its assets, and bears interest at a fixed rate of 1.5% per month. As at October 31, 2018, the Corporation had repaid the entire loan to the creditor.

Convertible loan
During the period, the convertible loan was reclassified to short-term due to its maturity date of February 1, 2019. As at January 31, 2018, the loan was presented as a non-current liability.

The convertible loan due to Manitex as at October 31, 2018 amounted to $681,004 compared to $607,239 as at January 31, 2018. The change was due to the accretion of interest in an amount of $73,765. At maturity the amount to be paid to Manitex will be $705,863, which is based on a principal of $600,000 and 10% interest.

Summary of Quarterly Results

The following table sets out the Corporation's selected unaudited quarterly financial information for the eight quarters ended October 31, 2018. This information is derived from unaudited quarterly financial statements prepared by management and in accordance with IFRS and is 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 those statements and their accompanying notes.

	FY 2019 Q3 $	FY 2019 Q2 $	FY 2019 Q1 $	FY 2018 Q4 $	FY 2018 Q3 $	FY 2018 Q2 $	FY 2018 Q1 $	FY 2017 Q4 $
Research and development costs	492,410	146,736	113,441	238,197	260,858	361,301	26,537	41,608
Investment tax credits	(89,000)	(362)	-	-	-	(212,908)	(22,170)	-
Net research and development costs	**403,410**	**146,374**	**113,441**	**238,197**	**260,858**	**148,393**	**4,367**	**41,608**
General & Administrative Costs								
Professional and consulting fees	199,600	197,822	189,200	178,464	197,380	130,445	105,884	124,903
Office and administrative	81,294	67,791	78,149	102,985	76,650	65,938	43,633	44,869
Travel and promotion	14,886	2,344	8,982	7,271	10,141	5,664	6,274	7,557
Share-based compensation	49,707	22,704	25,532	48,768	51,073	99,425	5,656	(19,003)
Total G&A	**345,487**	**290,661**	**301,863**	**337,488**	**335,244**	**301,472**	**161,447**	**158,326**
Financial expenses (income)	**29,145**	**45,655**	**37,766**	**65,169**	**47,897**	**(10,160)**	**47,954**	**40,712**
Change in fair value of Class A shares	-	-	-	10,734	-	(10,734)	-	-
Derecognition of liability – A shares				354,175	(246,842)	-	(24,000)	-
Net loss for the quarter	**778,042**	**482,690**	**453,070**	**1,005,763**	**397,157**	**428,971**	**189,768**	**240,646**
Loss per share Basic and diluted:	0.03	0.02	0.02	0.04	0.02	0.02	0.01	0.02

There are three main categories of expenses: Research and development costs, general and administrative expenses and financial expenses.

Research and development costs have fluctuated from quarter to quarter depending on the timing of contractual payments with our partners. The total amount for fiscal 2019 year-to-date was $663,225 compared with $413,619 in the previous year to date period.

For year-to-date fiscal 2019 amounts paid to Polytechnique for the research agreements amounted to $140,000 while in year-to-date fiscal 2018 this amount was $200,000 as a result of the ending of agreements signed in previous years. With a new agreement in place, these costs are expected to rise. Expenses for preclinical work rose from $7,000 to $244,000 when comparing the year-to-date fiscal periods.

Research and development costs for the current year-to-date period also include the salary of the Vice-president of product development who join the Corporation at the end of the second quarter of fiscal 2018.

In the third quarter of fiscal 2018, the Corporation commenced three preclinical studies in order to solidify its IND submission to the FDA. Two of the three studies were completed in the fourth quarter of 2018 and the six-month pilot study was completed in the second quarter of fiscal 2019.

General and administrative expenses have fluctuated from quarter to quarter. Included in professional and consulting fees are recurring expenses for audit and tax related matters, in-house counsel, fees paid to investor relations firms and fees paid to the CEO. The fluctuation was due to fees paid to other consultants for assistance with financing, business strategies and corporate advisory functions and additional fees paid to the CEO based on the capital raised. With the company having gone public in the second quarter of fiscal 2018, investor relation fees increased due to increased work done to develop business and market strategies to attract new investors.

Office and administrative expenses include salaries and benefits paid to a former employee and were higher than in comparable periods due to departure amounts paid. Transfer agent and filing fees have been consistent over the comparable periods. Occupancy costs were new in the amount of $18,000 for the year-to-date period, there was no charge in the previous fiscal period. Other expenses, such as insurance, office and telecommunications expenses, have been relatively stable and had no significant impact on the overall amount.

Share-based compensation decreased from $156,000 for year-to date fiscal 2018 to $98,000 for year-to-date fiscal 2019. This was primarily due to the options granted to the new CEO in second quarter of fiscal 2018 and to a new employee and members of the board and the advisory board, which form part of their compensation. In the second quarter of fiscal 2019, the Corporation granted options to two consultants for services to be rendered over the next 18 months and granted options to the new Chief Financial Officer who joined in September 2018.

Financial expenses decreased significantly in year-to date fiscal 2019 as compared to 2018, due to the repayment of the short-term loan agreement secured by investment tax credits and by the partial repayment of the unsecured note payable due to Manitex.

In addition, the non-cash item, that being a net change in the fair value of Class "A" shares in a net amount of $107,333, resulted from the shares being reclassified from a liability to equity. An equity instrument shall be measured at the carrying value of the financial liability at the date of reclassification. As of the third quarter of fiscal 2018, the shares have been reclassified as equity at fair value.

Cash Flows, Liquidity and Capital Resources

Sources and Uses of Cash

For the nine-month periods ended October 31	2018 $	2017 $
Provided by (used in):		
Operating activities	**(1,192,566)**	(1,338,738)
Investing activities	**(54,781)**	(36,410)
Decrease in cash before financing activities	**(1,247,347)**	(1,375,148)
Cash received from operating loan	**-**	81,100
Payment of interest on short term debt	**(19,156)**	-
Proceeds from short term debt	**-**	278,700
Repayment of short-term debt	**(278,700)**	-
Issuance of shares	**1,504,000**	2,137,500
Proceeds from exercised warrants	**9,863**	-
Proceeds from exercised options	**6,500**	-
Payment of debt issue costs	**-**	(12,647)
Payment of share issue costs	**(67,200)**	(85,375)
(Decrease) increase in cash	**(92,039)**	1,024,130
Cash, beginning of period	**449,720**	7,367
Cash, end of period	**357,681**	1,031,497

At the end of third quarter of fiscal 2019, the Corporation had cash resources of $357,681 compared to $1,031,497 at the end of the third quarter of fiscal 20118. During the 2019 year-to-date period, the Corporation closed a financing in the amount of approximately $1,437,000, net of issue costs of $67,000, received proceeds from the exercise of equity instruments in the amount of $16,300, and used approximately $1,193,000 to fund operating activities and another $55,000 to purchase equipment. In addition, the Corporation repaid the short-term loan of $278,700 and paid interest of $19,156.

During the year-to-date fiscal period of 2018, the Corporation completed a financing transaction in the amount of approximately $2,053,000, net of issue costs of $51,000. The Corporation used approximately $1,339,000 of this financing to fund operating activities and another $36,410 to pay for intellectual property as per the agreement with Polyvalor. In addition, the Corporation received $81,100 from Manitex Capital as an increase in its operating loan, which was subsequently converted into equity and a convertible debenture.

At the end of the quarter, these cash resources may be insufficient to sustain operations through the end of the fiscal year in terms of funding operating activities and continuing the preclinical development plan with the CMO and CRO. The Corporation continues to seek financing from institutional life science investors and, in addition to the Canadian market, is looking to penetrate the U.S. market.

Future financing

At the close of the business day on October 31, 2018, Ortho RTi had 4,211,713 warrants outstanding exercisable at $0.70 and 47,112 warrants outstanding exercisable at $0.50. These warrants are currently in-the-money. All of the warrants contain a trigger provision that provides the Corporation with the discretionary ability to accelerate the expiry date to a period of 30 days: if the Corporation's weighted average share price for 30 consecutive trading days equals or exceeds $1.00 per share, 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 such notice. Any warrants not exercised during this reduced exercise period will expire. The extent to which these warrants are exercised will be a function of the market price of the Corporation's underlying common shares and investors' view of the opportunity for shareholder value creation over the investment time for each individual investor. If the acceleration clause is exercised, the maximum inflow of cash to the Corporation would be approximately $2,972,000.

Since the extent and timing of warrant exercise as a source of financing are uncertain, management continues to look for alternative sources of financing to support operations going forward. The current focus in this regard is on private placements with accredited and institutional investors.

Liquidity and Capital Resources

	October 31, 2018 $	January 31, 2018 $
Cash	**357,681**	449,720
Working capital [(i)]	**(472,090)**	(109,163)
Total assets	**1,389,700**	1,511,477

(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 it has sufficient financial resources to meet its financial obligations. The current working capital deficiency is being addressed by the Corporation and its Board of Directors.

To secure the additional capital necessary to fund its working capital and development projects, the Corporation is actively attempting to raise funds through the issuance of equity or by securing strategic partners. Management continues to seek new investors from financial institutions and accredited investors.

Over the next 12 months, the Corporation has the obligation to repay short-term debt in the amount of approximately $841,268 including interest payments to be made at the contractual rate, and to pay its sublease in the amount $24,000.

Over the next 12 months, the Corporation's development activities will be focused on completing the manufacturing of the Ortho R product and commencing its animal pivotal preclinical trials following good laboratory practice, with a CRO. The Corporation's use of available funds over the coming year is of utmost 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 issues or debt be insufficient to fund the business plan.

These activities 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 the protection of its intellectual property, as the patent authorities have built in such delays into the patent regulations, and companies are afforded the opportunity to delay the prosecution of patents for confidentiality and strategic reasons.

Discussion of operating cash requirements

All four products in the Corporation's current portfolio will require a significant investment to increase their market value (through, for example, clinical trials) to attract a strategic partner. We currently estimate that significant investments would be required over time to complete the research and development process for each of the products, including regulatory approvals and manufacturing validations. Typical time frame for bringing a product through the clinical process range from 3-5 years and can either be accelerated or extended due to a series of factors.

There are several areas where duplication between products can be avoided, for example in the manufacture of the chitosan material, which is common across our product platform. We therefore do not need to replicate manufacturing capability, or the associated costs, for each of the four products. Same would apply for safety of Ortho-M which is the same formulation as Ortho-R.

Ortho-R is in a pure development phase and represents our lead product for commercialization. We anticipate that human pilot clinical trials may start in the third quarter of fiscal year 2020, once the Investigational New Drug ("IND") application has been approved. The current stage of the program is concentrated on ensuring that the last preclinical activities and the scale-up and cGMP grade manufacturing are complete. Preclinical activities have commenced, and manufacturing scale up in underway. We anticipate that another $2.0 million in expenditures up to the IND approval.

Ortho-M is the Corporation's second candidate and is also in a development phase. The large animal preclinical model studies are complete. We anticipate a pathway and plan similar to that for Ortho-R, and management is currently evaluating the estimated commencement of the pivotal animal efficacy study(ies). This will require an investment of approximately $1 million for submission of an IND application.

Ortho-C is in the 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.

Ortho-V is a discovery and feasibility project whose funding will come from the same research agreement with École Polytechnique covering the development of Ortho-M. To date, minimal funds have been applied to this project.

In order to maintain the research and development activities for these four projects, we are currently in discussions with École Polytechnique to continue developing the projects over the next three years.

Commitments
The Corporation has entered into the following commitments:

As per the Intellectual Property Assignment and Technology Transfer Agreement, when the product is commercialized, the Corporation must make non-refundable payments to Polyvalor equal to 1.5% of net sales.

Effective January 1, 2018, the Corporation signed a sublease agreement for the period from January 1, 2018 to December 31, 2021. The sublease agreement does not contain a contingent rent clause, and both parties may terminate the sublease agreement by giving a two-month notice after the initial term of 6 months. The remaining amounts to be paid are $82,000 or $24,000 for the next 3 years and $10,000 for the fourth year.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Transactions with Related Parties

The following table details the related party transactions presented in the statements of loss for the periods ended:

	October 31, 2018 $	October 31, 2017 $
Transactions with key management members and members of the Board of Directors:		
Salaries and employee benefits	**146,699**	130,421
Share-based compensation to employees and directors	**64,014**	165,609
Consulting fees charged by a director and the CEO and the CFO	**217,580**	145,000
Transactions with a family member of a director and the CEO		
Consulting fees charged by the family member	**-**	15,000
Transactions with Manitex, a shareholder of the Corporation:		
Interest charged by Manitex	**85,929**	75,205
Consulting fees charged by Manitex	**-**	8,100
Transaction with École Polytechnique, a partner of Polyvalor:		
Reversal of interest accrued	**-**	(6,215)
Research and development costs	**146,714**	419,400

The following table details the related party transactions presented in the statements of financial position as at:

	October 31, 2018 $	October 31, 2017 $
Accounts payable and accrued liabilities due to a director and CEO	**-**	67,250
Accounts payable and accrued liabilities due to Polytechnique, a partner of Polyvalor	**-**	23,133
Transaction with Polyvalor, holder of 1,083,333 common shares		
Amounts included in Intellectual property	**-**	134,410

All other related party transactions are disclosed in the respective notes of the financial statements.

Use of Accounting 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 the 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

The IASB issued new standards that were effective for the Corporation's fiscal year beginning February 1, 2018. The following standards were adopted on February 1, 2018:

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 adoption of the amendment did not have a material impact on these financial statements.

This new standard is effective for annual periods beginning on or after January 1, 2018. The adoption of the amendment did not have a material impact on these financial statements.

IAS 16 – Property, plant and equipment
During the period ended October 31, 2018, the Company adopted a significant accounting policy for equipment in accordance with IAS 16 – Property, plant and equipment. Under the Company's policy, equipment is recorded at historical cost less accumulated depreciation and impairment charges. Equipment is depreciated using the declining balance method. The significant classes of equipment and their useful lives are as follows:

- Computer Equipment – 30% per annum
- Scientific Equipment – 20% per annum

An item of equipment is derecognized upon disposal, when held for sale, or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Standards Issued but not yet Effective
The information is provided in the interim condensed financial statements.

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 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 9 of the interim condensed financial statements.

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

***(a)* Credit risk**

Credit risk arises from cash deposited with a financial institution. The Corporation reduces this risk by dealing with creditworthy financial institutions.

***(b)* Market risk**

(i) Cash flow and fair value interest rate risk

The Corporation is exposed to fair value interest rate risk due to its note payable and convertible debenture negotiated at a fixed rate.

(ii) Currency risk

The Corporation has cash and accounts payable and accrued liabilities denominated in U.S. dollars. The Corporation does not hold financial derivatives to manage fluctuations in these risks. However, the amount is deemed to be immaterial for the presented periods.

***(c)* 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, 2018	Carrying Value $	Contractual cash flows	Less than 60 days $	60 days to 12 months $	More than 12 months $
Financial liabilities					
Accounts payable and accrued liabilities	446,674	446,674	403,808	42,866	-
Short term liabilities	135,405	155,139	-	-	155,139
Convertible loan	681,004	705,863	-	705,863	-
Total	1,263,083	1,307,676	403,808	748,729	155,139

(d) Capital risk management

The Corporation's 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 it has enough 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.

Subsequent Events

In August 2018, the Corporation signed a letter of agreement with Ecole Polytechnique for a three-year research contract for a total amount of $886,650 payable over 3 years for an annual amount of $295,550 commencing September 1, 2018, paid equally on a quarterly basis until the end of February 2021. On December 4th, 2018, the letter of agreement was amended. The total amount of the agreement was increased to $996,920 and the term extended from three (3) to four (4) years. Annual amounts payable by the Corporation under the agreement is now $286,615.