



LISTING STATEMENT

FORM 2A

DATED: JUNE 20, 2014

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Listing Statement that are not historical facts are “*forward-looking statements*” or “*forward-looking information*” (collectively, “**Forward-Looking Information**”) (within the meaning of applicable Canadian securities legislation).

Forward-Looking Information includes, but is not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; the acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Company’s properties; success of exploration activities; permitting time lines and requirements for additional capital. In certain cases, Forward-Looking Information can be identified by the use of words such as “*plans*”, “*expects*”, or “*does not expect*”, “*is expected*”, “*budget*”, “*scheduled*”, “*estimates*”, “*forecasts*”, “*intended*”, “*anticipates*”, or “*does not anticipate*”, or “*believes*” or variations of such words and phrases or statements that certain actions, events or results “*may*”, “*could*”, “*would*”, “*might*” or “*will be taken*”, “*occur*”, or “*be achieved*”.

In making the Forward-Looking Information in this Listing Statement, the Company has applied several material assumptions, including, but not limited to, the assumption that additional financings needed will be available on reasonable terms, that the current exploration and other objectives concerning its properties can be achieved, that general business and economic conditions will not change in a materially adverse manner, and that all necessary governmental approvals for the planned exploration on its properties will be obtained in a timely manner and on acceptable terms. Other assumptions are discussed throughout this Listing Statement and, in particular, in the “*Risk Factors*” found in this Listing Statement.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks related to the completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing; as well as those factors discussed in the “*Risk Factors*” found in this Listing Statement.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information.

The Forward Looking Information contained in this Listing Statement are made as of the date hereof and, unless so required by applicable law, the Company undertakes no obligation to update publicly or revise any Forward Looking Information, whether as a result of new information future events or otherwise. The Forward Looking Information contained in this Listing Statement is expressly qualified by this cautionary statement.

1. Table of Contents

| | | |
|-----|--|----|
| 1. | Table of Contents | 1 |
| 2. | Corporate Structure..... | 4 |
| 3. | General Development of the Business..... | 4 |
| 4. | Narrative Description of the Business | 5 |
| 5. | Selected Consolidated Financial Information | 7 |
| 6. | Management's Discussion and Analysis | 10 |
| | Annual MD&A..... | 10 |
| | Interim MD&A..... | 19 |
| 7. | Market for Securities | 31 |
| 8. | Consolidated Capitalization..... | 31 |
| 9. | Options to Purchase Securities..... | 31 |
| 10. | Description of the Securities | 34 |
| 11. | Escrowed Securities..... | 35 |
| 12. | Principal Shareholders | 35 |
| 13. | Directors and Officers | 35 |
| 14. | Capitalization..... | 39 |
| 15. | Executive Compensation | 42 |
| 16. | Indebtedness of Directors and Executive Officers | 43 |
| 17. | Risk Factors | 44 |
| 18. | Promoters..... | 45 |
| 19. | Legal Proceedings | 45 |
| 20. | Interest of Management and Others in Material Transactions | 45 |
| 21. | Auditors, Transfer Agents and Registrars | 45 |
| 22. | Material Contracts | 46 |
| 23. | Interest of Experts | 45 |
| 24. | Other Material Facts..... | 46 |
| 25. | Financial Statements..... | 46 |

2. Corporate Structure

2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.

Innovative Properties Inc. ("Innovative" or the "Company") operates under its legal name of Innovative Properties Inc. and maintains its registered and record office and head offices at: Second Floor, 8338, 120th Street, Surrey, British Columbia, V3W 3N4.

2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the Issuer.

The Company was incorporated under the *Canada Business Corporations Act* On October 31, 2002, at which time it amalgamated with Performance Property Capital Inc., a publicly traded entity on the TSX.V. Innovative is the continuing filing issuer.

2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries. For each subsidiary state

Innovative does not have any subsidiaries.

2.4 If the Issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these inter-corporate relationships both before and after the completion of the proposed transaction. **This is not applicable.**

Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4. **Not Applicable**

3. General Development of the Business

3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

The Company's shares commenced trading on the TSX.V on October 31, 2002 under the name of Innovative Properties Inc. Over the past three fiscal years the Company has secured long term property management contracts as well as both long term and short term business management contracts. The Company continues its primary business as a property and business management service provider. At this time the Company does not anticipate any changes to occur for the current fiscal year of 2014.

3.2 Disclose:

(1) (a) any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus; and **Not Applicable**

(b) any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus. **Not Applicable**

(2) Under paragraph (1) include particulars of **Not Applicable**

3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

Management is not aware of any trends, events or otherwise that may reasonably be expected to have a material effect on the Company's business.

4 Narrative Description of the Business

4.1 General

(1) Describe the business of the Issuer with reference to the reportable operating segments as defined in the Handbook and the Issuer's business in general. Include the following for each reportable operating segment of the Issuer:

The Company is in the business of providing property management services including but not limited to leasing, expense management and streamline operational workflow. The Company also provides packaged office services for its current office location. Currently, the latter has been the Company's main source of revenue with many companies not wanting to take on the overhead of having its own office, the Company provides the basic essentials with any specific needs at competitive market rates. The

Company still maintains its property management department as with every contract comes good cash.

Currently, the Company has negotiated almost a dozen package office services management contracts. Each contract automatically renews annually unless notice to terminate has been provided in accordance with each contract's terms and conditions. Annual cash flow from these business management contracts is a minimum of \$330,000.00 CAD. We expect these revenues to grow, anywhere from 3-5% with the demand for office space in Greater Vancouver continuing to grow, high demand space with efficient management technique providing worry-free operation will take front row to other ancillary options.

(2) For principal products or services describe: Please see 4.1(1) above.

(3) Concerning production and sales, disclose: **Not Applicable**

(4) Describe the competitive conditions in the principal markets and geographic areas in which the Issuer operates, including, if reasonably possible, an assessment of the Issuer's competitive position.

The Company is in competition with other property and business management companies. In respect to property management the Company's market is primarily the greater Vancouver regional district in British Columbia. Property Management is extremely competitive in this region at this time.

The Company enjoys a competitive edge in regard to management of public companies and extends this service across Canada.

(5) With respect to lending operations of an Issuer's business, describe the investment policies and lending and investment restrictions. **Not Applicable**

(6) Disclose the nature and results of any bankruptcy, or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year. **Not Applicable**

Disclose the nature and results of any material restructuring transaction of the Issuer within the three most recently completed financial years or completed during or proposed for the current financial year. **Not Applicable**

If the Issuer has implemented social or environmental policies that are fundamental to the Issuer's operations, such as policies regarding the Issuer's relationship with the environment or with the communities in which the Issuer does business, or human rights policies, describe them and the steps the Issuer has taken to implement them.

Not Applicable

4.2 In respect of any outstanding asset-backed securities, disclose the following information: **Not Applicable.**

4.3 For Issuers with a mineral project, disclose and insert here the information required by Appendix A for each property material to the Issuer. **Not Applicable**

4.4 For Issuers with Oil and Gas Operations disclose and insert here the information required by Appendix B (in tabular form, if appropriate). **Not Applicable**

5. Selected Consolidated Financial Information**5.1 Annual Information
(Year End October 31)**

(a)

| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
|---------------------|---------|---------|---------|--------|------|
| Net Service Revenue | 93,500 | 137,550 | 309,676 | 28,170 | Nil |

The Company is in the Service Industry. It generates revenue from four types of fees. They are: Property Management Fees, Recovery of Accounting Fees, Consulting Fees and Administration Fees. The total above is for all Service Revenue.

(b)

| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
|-------------------------|---------|---------|------|------|------|
| Income Operations Total | n/a | n/a | n/a | n/a | n/a |
| EPS | n/a | n/a | n/a | n/a | n/a |
| Diluted EPS | n/a | n/a | n/a | n/a | n/a |

The Company doesn't have operating income separate from its Net Income /(Loss).

(c)

| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
|-------------------|---------|---------|---------|----------|---------|
| Net Income (loss) | 1,430 | 33,237 | (8,378) | (43,177) | 693,134 |

| | | | | | |
|-------------|------|------|--------|--------|------|
| EPS | 0.00 | 0.00 | (0.00) | (0.01) | 0.21 |
| Diluted EPS | 0.00 | 0.00 | (0.00) | (0.01) | 0.21 |

At October 31, 2011 the Loss before other items was (\$168.240). In Other items there was a line item Gain on transfer of Dime. Dime was a subsidiary of Innovative. The Gain was \$861,374.

There were no outstanding options outstanding during the period covered by the schedule.

(d)

| | | | | | |
|--------------|---------|---------|---------|---------|-------|
| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
| Total Assets | 342,279 | 356,453 | 339,190 | 172,899 | 7,077 |

(e)

| | | | | | |
|----------------------|---------|---------|------|------|------|
| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
| Total LT Liabilities | Nil | Nil | Nil | Nil | Nil |

(f)

| | | | | | |
|-------------------------|---------|---------|------|------|------|
| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
| Cash Dividends Declared | Nil | Nil | Nil | Nil | Nil |

(g)

| | | | | | |
|-----------------|---------|---------|---------|---------|-----------|
| | 2014 Q2 | 2014 Q1 | 2013 | 2012 | 2011 |
| Working Capital | 319,749 | 312,461 | 297,314 | 155,692 | (301,131) |

Fluctuations in the Company's Working Capital are driven by Fees Received or Fees Receivable.

5.2 Quarterly Information:

(a)

| | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|------|
| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - |
|--|---------|---------|---------|---------|---------|---------|---------|------|

| | | | | | | | | |
|-----------------|--------|--------|---------|--------|--------|-----|-----|-----|
| | | | | | | | | 12 |
| Service Revenue | 63,309 | 75,782 | 107,585 | 63,000 | 28,170 | Nil | Nil | Nil |

The Company is in the Service Industry. It generates revenue from four types of fees. They are: Property Management Fees, Recovery of Accounting Fees, Consulting Fees and Administration Fees. The total above is for all Service Revenue.

(b)

| | | | | | | | | |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - 12 |
| Ops Income Total | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| ESP | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Diluted ESP | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

The Company doesn't have operating income separate from its Net Income / (Loss).

(c)

| | | | | | | | | |
|--------------|----------|---------|---------|---------|----------|---------|----------|---------|
| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - 12 |
| Income(Loss) | (44,476) | (1,004) | 15,198 | 21,904 | (17,193) | (3,183) | (22,801) | (2,040) |
| ESP | 0.00 | (0.00) | 0.00 | 0.00 | (0.00) | (0.00) | (0.00) | (0.00) |
| Diluted ESP | 0.00 | (0.00) | 0.00 | 0.00 | (0.00) | (0.00) | (0.00) | (0.00) |

In Q3 - 12 the Loss before other items was (\$48,691). In other items there was a line item, Gain on liabilities. The gain was \$20,667.

(d)

| | | | | | | | | |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - 12 |
| Total Assets | 339,190 | 203,030 | 210,519 | 206,474 | 172,899 | 175,359 | 97,463 | 11,714 |

(e)

| | | | | | | | | |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - 12 |
| Total LT Liabilities | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

(f)

| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - 12 |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cash Dividends | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

(g)

| | Q4 - 13 | Q3 - 13 | Q2 - 13 | Q1 - 13 | Q4 - 12 | Q3 - 12 | Q2 - 12 | Q1 - 12 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Working Capital | 280,050 | 189,503 | 190,111 | 178,455 | 155,692 | 170,845 | 62,917 | (303,711) |

Fluctuations in the Company's Working Capital are driven by Fees Received or Fees Receivable.

6. Management's Discussion and Analysis

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED OCTOBER 31, 2013 AND 2012

1. Date of this report: February 28, 2014

The following Management Discussion and Analysis ("MD&A") has been prepared by the management and is provided to enable readers to assess Innovative's results of operations and financial condition for the year ended October 31, 2013. This MD&A should be read in conjunction with our Audited Financial Statements dated October 31, 2013, our Audited Financial Statements and related notes dated October 31, 2012, and related MD&A dated February 27, 2013, and is based on known risks and uncertainties. The terms "Innovative," the "Corporation," "we," "us," and "our" in the following MD&A refer to Innovative Properties Inc. All amounts, unless noted otherwise, are in Canadian dollars and are based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

The Financial Statements, along with additional information on the Corporation, are available on SEDAR at www.sedar.com, or on the Corporation's website at www.innovativeproperties.com. The Board of Directors of the Corporation under recommendation of the Audit Committee has

approved the contents of this MD&A, and this report covers other relevant information available up to the date of this report.

2. Overall Performance

Description of Business

Innovative Properties Inc. (the “Corporation”) was formed by amalgamation under the *Canada Business Corporations Act* on October 31, 2002. The amalgamated entity was named “Innovative Properties Inc.” and its common shares became listed and posted for trading on the TSX Venture Exchange under the symbol “INR”.

The Corporation’s principal business is providing property management products and services to residential and commercial property owners. The Corporation disposed of its operating subsidiaries during 2011. During the year ended October 31, 2012, the company’s activities were concentrated on seeking new business opportunities.

In June 2012 the Company signed two commercial property management contracts to provide comprehensive property and project management for the Fleetwood Shopping Center and A & A Plaza, both located in Surrey, British Columbia. The contracts commenced immediately and on a pro-rata fee basis.

The Company would collect all rents and other income related items on behalf of the landlords in a managerial capacity and further provide project management services for all development, redevelopment or construction related projects on the Properties. The Company has negotiated an annual fee amounting to a minimum of Seventy Eight Thousand (\$78,000.00 CAD) Dollars per year for the term of the contracts.

On November 1, 2012 the Company announced that it had entered into eight commercial property management contracts with eight separate real estate holding companies. The sum of approximately \$168,000.00 (CDN) per annum is anticipated as gross management fees over the term of the contracts

3. Earnings

Management reports that in the year ended October 31, 2013, the Corporation reported a Net Comprehensive Loss of \$8,378.

4. Results of Operations

Selected Annual Information

| | 2013 | 2012 | 2011 | 2010 |
|------------|---------|----------|---------|-----------|
| | \$ | \$ | \$ | \$ |
| | IFRS | IFRS | IFRS | CGAAP |
| Revenue | 309,676 | 28,170 | - | 530,552 |
| Net Income | (8,378) | (43,177) | 693,134 | (749,349) |

| | | | | |
|---|---------|---------|-------|---------|
| (Loss) | | | | |
| Total Assets | 339,190 | 172,899 | 7,077 | 280,606 |
| Basic and diluted EPS ¹ | (0.00) | (0.01) | 0.21 | (0.22) |
| ¹ Exercise of options would be anti-dilutive | | | | |

During the year ended October 31, 2011 the Company divested itself of its subsidiary Dime Inc. and realized a gain on disposal of \$861,374.

Summary of Quarterly Results

| | 31-October, 2013 | 31-July, 2013 | 30-April, 2013 | 31-January, 2013 |
|-------------------------|---------------------|------------------|-------------------|---------------------|
| | IFRS | IFRS | IFRS | IFRS |
| Service revenue | 63,309 | 107,585 | 63,000 | 75,782 |
| Expenses | 56,493 | 92,387 | 76,787 | 92,387 |
| Other income (expenses) | - | - | - | - |
| Net Income (Loss) | (44,476) | 15,198 | 21,904 | (1,004) |

| | | | | |
|---------------------------------------|------------|-----------|-----------|-----------|
| Wt. Avg. Number of Shares Outstanding | 10,450,378 | 9,244,899 | 9,244,899 | 9,244,899 |
| EPS | (0.00) | 0.00 | 0.00 | (0.00) |

| | 31-October, 2012 | 31-July, 2012 | 30-April, 2012 | 31-January, 2012 |
|-------------------------|---------------------|------------------|-------------------|---------------------|
| | IFRS | IFRS | IFRS | IFRS |
| Service revenue | 28,170 | - | - | - |
| Expenses | 22,801 | 37,345 | 23,850 | 2,040 |
| Other income (expenses) | - | - | 1,585 | - |
| Net Income (Loss) | (3,183) | (22,801) | (15,153) | (2,040) |

| | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Wt. Avg. Number of Shares Outstanding | 9,244,899 | 9,244,899 | 9,244,899 | 3,362,546 |
| EPS | (0.00) | (0.00) | (0.00) | (0.00) |

Results for the three month period ended October 31, 2013

Service revenue for the fourth quarter was \$63,309 (October, 2012 - \$28,170).

During the three month period ended October 31, 2013, the Corporation paid \$nil (October 31, 2012 - \$3,000) in management fees, \$7,500 (October 31, 2012 - \$7,500) in rent, \$44,777

(October 31, 2012 - \$Nil) in salaries and benefits and \$913 (October 31, 2012 - \$6,898) for filing fees.

Total expenses increased by \$33,692 as compared with the same period in 2012. This is mostly attributable to a bad debt expense and salary expense.

EPS were \$(0.00) for the period ended October 31, 2013 and (October 31, 2012 - \$(0.002)).

Results for the year ended October 31, 2013

During 2013, the Company finalized negotiations aimed at adding additional property management contracts to its portfolio and signed eight new contracts.

Service revenue for the year was \$309,676 (October 31, 2012 - \$28,170). Other income for the year ended October 31, 2013 was \$nil (October 31, 2012 - \$1,585).

During the year ended October 31, 2013, the Corporation paid \$18,000 (October 31, 2012 - \$9,000) in management fees, \$30,000 (October 31, 2012 - \$24,300) in rent, \$144,601 (October 31, 2012 - \$Nil) in salaries and benefits and \$17,724 (October 31, 2012 - \$27,775) for filing fees.

Total expenses increased by \$218,734 as compared with the year ending in 2012, due principally to salaries.

EPS were \$(0.00) for the year ended October 31, 2013 and (October 31, 2012 - \$(0.01)).

5. Liquidity

At October 31, 2013, the Corporation had \$41,876 in liabilities (October 31, 2012 - \$17,207). In addition, the Corporation had a working capital surplus of \$280,050 and at (October 31, 2012 - \$\$155,102).

The Company had net loss of \$8,378 for the year ended October 31, 2013, and net loss of \$43,177 at October 31, 2012. In addition, it had an accumulated deficit of \$1,752,664 (October 31 2012 - \$1,744,286). The Corporation's ability to continue as a going concern is dependent upon its ability to finance operations with revenue derived from new business opportunities.

6. Capital Resources

The Corporation does not have any capital expenditure commitments for 2013 beyond an office lease at \$2,500 per month.

The Corporation anticipates that any acquisitions will be financed by a combination of the issuance of common shares and some form of subordinated debt.

7. Off-Balance Sheet Arrangements

There are no off-balance sheet financing arrangements.

8. Transactions with Related Parties

As at October 31, 2013, the Company owed \$nil (October 31, 2012 - \$2,800) to a company controlled by a relative of the Chief Executive Officer (“CEO”) and \$2,200 to a relative of the CEO. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at October 31, 2013, \$48,072 (October 31, 2012 - \$12,133) of trade receivables from companies controlled by a relatives of the Chief Executive Officer (“CEO”).

The Company incurred the following transactions with officers, directors or relatives or with companies that are controlled by directors or officers of the Company.

| | October 31, 2013 | October 31, 2012 |
|-----------------|---------------------|---------------------|
| | \$ | \$ |
| Management fees | 18,000 | 9,000 |
| Rent | 30,000 | 22,500 |
| Revenue | 295,139 | 10,833 |
| | \$ 343,139 | \$ 42,333 |

Key management personnel compensation

| | October 31, 2013 | October 31, 2012 |
|-------------------|---------------------|---------------------|
| | \$ | \$ |
| Professional fees | 3,780 | 3,780 |

9. Gain on debt settlement

During the year ended October 31, 2012, the Company entered into an agreement to assign certain accounts payable to a third party for a \$45,000 note payable which bears interest at 6% per year, is due on demand and unsecured and a \$5,000 note payable which bears interest at 5% per year, is due on demand and unsecured. The Company recorded a gain of \$13,104 on the transaction.

The \$45,000 note was repaid during the year ended October 31, 2012. The \$5,000 note was repaid during the year ended October 31, 2013.

10. Critical Accounting Estimates

Not applicable to a venture issuer.

11. Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2013 or later periods.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, is not expected to have a material effect on the Company's future results and financial position:

- a) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
- b) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12);
- c) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13);
- d) IFRS 12 Disclosure of Interest in Other Entities;
- e) IFRS 13 Fair Value Measurement; and
- f) IAS 1 Presentation of Financial Statements (Amendments regarding Presentation of Items of Other Comprehensive Income).

12. Financial Instruments and Other Instruments

The Corporation's financial instruments are cash, accounts receivable, and accounts payable and accrued liabilities, and short term debt.

The Corporation's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates fair value due to the immediate or short term maturity of these instruments.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation may be exposed to interest rate price risk through fixed rate debt and interest rate cash flow risk through floating interest rate bank indebtedness and credit facilities.

13. Share Capital

Common Shares:

Authorized:

Unlimited Common voting shares without nominal or par value

Issued:

19,244,899 Common shares – at October 31, 2013 and report date \$1,558,082

Warrants:

There were 15,882,353 warrants outstanding at the report date with a weighted average exercise price of \$0.09 and a weighted average life of 1.2 of a year.

Options:

As the report date, there were nil stock options outstanding.

14. Financing

On September 17, 2013 the Company completed a private placement of 10,000,000 units at \$0.015 per unit for gross proceeds of \$150,000. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.05 for a period of one year from the issuance date and at \$0.10 for a period of one year subsequently. The fair value of the warrants issued was \$50,000.

On March 12, 2012 the Company issued 5,882,353 units at \$0.085 per unit. Each unit consists of one common share and one share purchase warrant exercisable at \$0.10 for a period of two years from the issuance date. The fair value of the warrants issued was \$Nil.

15. Management's Report on Internal Control over Financial Reporting

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

16. Financial risk management and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its trade receivables. Cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

16. Financial risk management (continued)

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

| | October 31, 2013 | October 31, 2012 |
|------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Cash and equivalents | 268,926 | 134,702 |
| Loans and receivables: | | |
| Trade receivables | 53,000 | 32,252 |
| | 321,926 | 166,954 |

Financial liabilities included in the statement of financial position are as follows:

| | October 31, 2013 | October 31, 2012 |
|------------------------|------------------|------------------|
| | \$ | \$ |
| Trade payables | 20,534 | - |
| Due to related parties | 2,200 | 2,800 |
| Loans payable | - | 5,447 |
| | 22,734 | 8,247 |

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

| | As at October 31, 2013 | | |
|---------------------------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Cash and cash equivalents | 268,926 | - | - |
| Trade receivables | - | - | 53,000 |

| | As at October 30, 2012 | | |
|---------------------------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Cash and cash equivalents | 134,702 | - | - |
| Trade receivables | - | - | 32,252 |

Interim MD&A**FORM 51-102F1****MANAGEMENT DISCUSSION AND ANALYSIS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31,
2013 AND 2012****1. Date of this report: March 24, 2014**

The following Management Discussion and Analysis (“MD&A”) has been prepared by the management and is provided to enable readers to assess Innovative’s results of operations and financial condition for the three month period ended January 31, 2014. This MD&A should be read in conjunction with our Condensed Interim Financial Statements dated January 31, 2014, our Audited Financial Statements and related notes dated October 31, 2013, and related MD&A dated February 28, 2013, and is based on known risks and uncertainties. The terms “Innovative,” the “Corporation,” “we,” “us,” and “our” in the following MD&A refer to Innovative Properties Inc. All amounts, unless noted otherwise, are in Canadian dollars and are based on financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Financial Statements, along with additional information on the Corporation, are available on SEDAR at www.sedar.com, or on the Corporation’s website at www.innovativeproperties.com. The Board of Directors of the Corporation under recommendation of the Audit Committee has approved the contents of this MD&A, and this report covers other relevant information available up to the date of this report.

2. Overall Performance*Description of Business*

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

3. Earnings

Management reports that in the three month period ended January 31, 2014, the Corporation reported a Net Comprehensive Income of \$33,237.

4. Results of Operations

Selected Annual Information

| | 2013 | 2012 | 2011 | 2010 |
|--------------------------|---------|----------|---------|-----------|
| | \$ | \$ | \$ | \$ |
| | IFRS | IFRS | IFRS | CGAAP |
| Revenue | 309,676 | 28,170 | - | 530,552 |
| Net Income | | | | |
| (Loss) | (8,378) | (43,177) | 693,134 | (749,349) |
| Total Assets | 339,190 | 172,899 | 7,077 | 280,606 |
| Basic and | | | | |
| diluted EPS ¹ | (0.00) | (0.01) | 0.21 | (0.22) |

¹ Exercise of options would be anti-dilutive

During the year ended October 31, 2011 the Company divested itself of its subsidiary Dime Inc and realized a gain on disposal of \$861,374.

Summary of Quarterly Results

| | 31-January, 2014 | 31-October, 2013 | 31-July, 2013 | 30-April, 2013 |
|--|---------------------|---------------------|------------------|-------------------|
| | IFRS | IFRS | IFRS | IFRS |
| Service revenue | 137,550 | 107,585 | 63,000 | 63,309 |
| Expenses | 104,388 | 92,387 | 56,493 | 92,387 |
| Other income (expenses) | 75 | - | - | - |
| Net Income (Loss) | 33,237 | 15,198 | 21,904 | (44,476) |
| Wt. Avg. Number of Shares Outstanding | 12,970,926 | 10,450,378 | 9,244,899 | 9,244,899 |
| EPS | 0.00 | 0.00 | 0.00 | (0.00) |

| | 31-January, 2013 | 31-October, 2012 | 31-July, 2012 | 30-April, 2012 |
|--|---------------------|---------------------|------------------|-------------------|
| | IFRS | IFRS | IFRS | IFRS |
| Service revenue | 75,782 | 28,170 | - | - |
| Expenses | 92,387 | 22,801 | 37,345 | 23,850 |
| Other income (expenses) | - | - | - | 1,585 |
| Net Income (Loss) | (1,004) | (3,183) | (22,801) | (15,153) |
| Wt. Avg. Number of Shares Outstanding | 9,244,899 | 9,244,899 | 9,244,899 | 9,244,899 |
| EPS | (0.00) | (0.00) | (0.00) | (0.00) |

Results for the three month period ended January 31, 2014

Service revenue for the first quarter was \$137,550 (January 31, 2013 - \$63,000).

During the three month period ended January 31, 2014, the Corporation paid \$nil (January 31, 2013 - \$3,000) in management fees, \$7,500 (January 31, 2013 - \$7,500) in rent, \$49,665 (January 31, 2013 - \$14,141) in salaries and benefits and \$3,164 (January 31, 2013 - \$11,014) for filing fees.

Total expenses increased by \$63,282 as compared with the same period in 2013. This is mostly attributable to office, professional fees and salary expense.

EPS were \$(0.00) for the period ended January 31, 2014 and (January 31, 2013 - \$(0.00)).

5. Liquidity

At January 31, 2014, the Corporation had \$29,503 in liabilities (October 31, 2013 - \$41,876). In addition, the Corporation had a working capital surplus of \$312,461 and at (October 31, 2012 - \$280,050).

The Company had net revenue of \$33,237 for the three month period ended January 31, 2014, and net revenue of 21,904 at January 31, 2013. In addition, it had an accumulated deficit of \$1,723,028 (October 31 2013 - \$1,752,664). The Corporation's ability to continue as a going concern is dependent upon its ability to finance operations with revenue derived from new business opportunities.

6. Capital Resources

The Corporation does not have any capital expenditure commitments for 2014 beyond an office lease at \$2,500 per month.

The Corporation anticipates that any acquisitions will be financed by a combination of the issuance of common shares and some form of subordinated debt.

7. Off-Balance Sheet Arrangements

There are no off-balance sheet financing arrangements.

8. Transactions with Related Parties

As at January 31, 2014, the Company owed \$nil (October 31, 2013 - \$2,200) to a relative of the CEO.

As at January 31, 2014, the Company was due \$140,435 (October 31, 2013 - \$53,000) of trade receivables from companies controlled by a relatives of the Chief Executive Officer ("CEO").

The Company incurred the following transactions with officers, directors or relatives or with companies that are controlled by directors or officers of the Company.

| | January 31, 2014 | January 31, 2013 |
|-----------------|---------------------|---------------------|
| | \$ | \$ |
| Management fees | - | 3,000 |
| Rent | 7,500 | 7,500 |
| Revenue | 137,550 | 63,000 |
| | \$ 145,050 | \$ 73,500 |

Key management personnel compensation

| | January 31, 2014 | January 31, 2013 |
|-------------------|---------------------|---------------------|
| | \$ | \$ |
| Professional fees | 1,335 | 1,485 |

9. Gain on debt settlement

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

10. Critical Accounting Estimates

Not applicable to a venture issuer.

11. Accounting standards issued but not yet applied

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

12. Financial Instruments and Other Instruments

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

13. Share Capital

Common Shares:

Authorized:

Unlimited Common voting shares without nominal or par value

Issued:

19,244,899 Common shares – at January 31, 2014 and report date \$1,558,082

Warrants:

There were 10,000,000 warrants outstanding at the report date with a weighted average exercise price of \$0.08 and a weighted average life of 6 months.

Options:

As the report date, there were nil stock options outstanding.

14. Financing

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

15. Management's Report on Internal Control over Financial Reporting

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

16. Financial risk management and capital management

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Credit risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Liquidity risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Foreign exchange risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Interest rate risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Capital management

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

| | January 31, 2014 | October 31, 2013 |
|------------------------|------------------|------------------|
| | \$ | \$ |
| Cash and equivalents | 198,710 | 268,926 |
| Loans and receivables: | | |
| Trade receivables | 140,435 | 53,000 |
| | 339,145 | 321,926 |

Financial liabilities included in the statement of financial position are as follows:

| | January 31, 2014 | October 31, 2012 |
|------------------------|------------------|------------------|
| | \$ | \$ |
| Trade payables | 20,363 | 20,534 |
| Due to related parties | - | 2,200 |
| Audit accrual | 9,140 | - |
| | 29,503 | 22,734 |

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

| | As at October 31, 2013 | | |
|---------------------------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Cash and cash equivalents | 198,710 | - | - |
| Trade receivables | - | - | 140,435 |

| | As at October 30, 2013 | | |
|---------------------------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Cash and cash equivalents | 268,926 | - | - |
| Trade receivables | - | - | 53,000 |

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2013 AND 2012

1. Date of this report: June 09, 2014

The following Management Discussion and Analysis (“MD&A”) has been prepared by the management and is provided to enable readers to assess Innovative’s results of operations and financial condition for the three and six month periods ended April 30, 2014. This MD&A should be read in conjunction with our Condensed Interim Financial Statements dated April 30, 2014, our Audited Financial Statements and related notes dated October 31, 2013, and related MD&A dated February 28, 2013, and is based on known risks and uncertainties. The terms “Innovative,” the “Corporation,” “we,” “us,” and “our” in the following MD&A refer to Innovative Properties Inc. All amounts, unless noted otherwise, are in Canadian dollars and are based on financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Financial Statements, along with additional information on the Corporation, are available on SEDAR at www.sedar.com, or on the Corporation’s website at www.innovativeproperties.com. The Board of Directors of the Corporation under recommendation of the Audit Committee has approved the contents of this MD&A, and this report covers other relevant information available up to the date of this report.

2. Overall Performance

Description of Business

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

3. Earnings

Management reports that in the six month period ended April 30, 2014, the Corporation reported a Net Comprehensive Income of \$231,050.

4. Results of Operations

Selected Annual Information

| | | | |
|------|------|------|------|
| 2013 | 2012 | 2011 | 2010 |
|------|------|------|------|

| | \$ IFRS | \$ IFRS | \$ IFRS | \$ CGAAP |
|---|------------|------------|------------|-------------|
| Revenue | 309,676 | 28,170 | - | 530,552 |
| Net Income (Loss) | (8,378) | (43,177) | 693,134 | (749,349) |
| Total Assets | 339,190 | 172,899 | 7,077 | 280,606 |
| Basic and diluted EPS ¹ | (0.00) | (0.01) | 0.21 | (0.22) |
| ¹ Exercise of options would be anti-dilutive | | | | |

During the year ended October 31, 2011 the Company divested itself of its subsidiary Dime Inc. and realized a gain on disposal of \$861,374.

Summary of Quarterly Results

| | 30-April, 2014 | 31-January, 2014 | 31-October, 2013 | 31-July, 2013 |
|--|---------------------------|-----------------------------|-----------------------------|--------------------------|
| | IFRS | IFRS | IFRS | IFRS |
| Service revenue | 93,500 | 137,550 | 107,585 | 63,000 |
| Expenses | 92,070 | 92,387 | 92,387 | 56,493 |
| Other income (expenses) | - | 75 | - | - |
| Net Income (Loss) | 1,430 | 33,237 | 15,198 | 21,904 |
| Wt. Avg. Number of Shares Outstanding | 15,491,474 | 12,970,926 | 10,450,378 | 9,244,899 |
| EPS | 0.00 | 0.00 | 0.00 | 0.00 |

| | 30-April, 2013 | 31-January, 2013 | 31-October, 2012 | 31-July, 2012 |
|--|---------------------------|-----------------------------|-----------------------------|--------------------------|
| | IFRS | IFRS | IFRS | IFRS |
| Service revenue | 63,309 | 75,782 | 28,170 | - |
| Expenses | 92,387 | 92,387 | 22,801 | 37,345 |
| Other income (expenses) | - | - | - | - |
| Net Income (Loss) | (44,476) | (1,004) | (3,183) | (22,801) |
| Wt. Avg. Number of Shares Outstanding | 9,244,899 | 9,244,899 | 9,244,899 | 9,244,899 |
| EPS | (0.00) | (0.00) | (0.00) | (0.00) |

Results for the three month period ended April 30, 2014

Service revenue for the second quarter was \$93,500 (April 30, 2013 - \$63,309).

During the three month period ended April 30, 2014, the Corporation paid \$7,500 (April 30, 2013 – \$15,000) in management fees, \$7,500 (April 30, 2013 - \$7,500) in rent, \$42,113 (April 30, 2013 - \$41,379) in salaries and benefits and \$7,591 (April 30, 2013 - \$4,443) for filing fees.

Total expenses decreased by \$317 as compared with the same period in 2013. This is mostly attributable to office, professional fees and salary expense.

EPS were \$0.00 for the period ended April 30, 2014 (April 30, 2013 - \$0.00).

Results for the six month period ended April 30, 2014

Service revenue for the six month period was \$231,050 (April 30, 2013 - \$170,585).

During the six month period ended April 30, 2014, the Corporation paid \$12,500 (April 30, 2013 – \$18,000) in management fees, \$15,000 (April 30, 2013 - \$15,000) in rent, \$91,778 (April 30, 2013 - \$55,520) in salaries and benefits and \$10,754 (April 30, 2013 - \$15,457) for filing fees.

Total expenses increased by \$61,294 as compared with the same period in 2013. This is mostly attributable to office, professional fees and salary expense.

EPS were \$0.00 for the period ended April 30, 2014 and (April 30, 2013 - \$0.00).

5. Liquidity

At April 30, 2014, the Corporation had \$12,413 in liabilities (October 31, 2013 – \$41,876). In addition, the Corporation had a working capital surplus of \$312,461 and at (October 31, 2012 - \$280,050).

| | April 2014 | October 2013 |
|---------------------|------------|--------------|
| Current Assets | \$ 332,162 | \$ 321,926 |
| Current Liabilities | (12,413) | (41,876) |
| Working Capital | \$ 319,749 | \$ 280,050 |

The Company had net revenue of \$36,153 for the six month period ended April 30, 2014, and net revenue of 36,917 at April 30, 2013. In addition, it had an accumulated deficit of \$1,720,112 (October 31 2013 - \$1,752,664). The Corporation's ability to continue as a going concern is dependent upon its ability to finance operations with revenue derived from new business opportunities.

6. Capital Resources

The Corporation does not have any capital expenditure commitments for 2014 beyond an office lease at \$2,500 per month.

The Corporation anticipates that any acquisitions will be financed by a combination of the issuance of common shares and some form of subordinated debt.

7. Off-Balance Sheet Arrangements

There are no off-balance sheet financing arrangements.

8. Transactions with Related Parties

As at April 30, 2014, the Company owed \$nil (October 31, 2013 - \$2,200) to a relative of the CEO.

As at April 30, 2014, the Company was due \$154,794 (October 31, 2013 - \$53,000) of trade receivables and \$2,818 (October 31, 2013 - \$nil) short term loans from companies controlled by a relatives of the Chief Executive Officer ("CEO"), Lucky Janda.

The Company incurred the following transactions with officers, directors or relatives or with companies that are controlled by directors or officers of the Company.

| | April 30, 2014 | April 30, 2013 |
|-----------------|----------------|----------------|
| | \$ | \$ |
| Management fees | 12,500 | 18,000 |
| Rent | 15,000 | 15,000 |
| Revenue | 231,050 | 170,585 |
| | \$ 203,550 | \$ 137,585 |

Key management personnel compensation

| | April 30, 2014 | April 30, 2013 |
|-------------------|----------------|----------------|
| | \$ | \$ |
| Professional fees | 2,400 | 2,565 |

9. Gain on debt settlement

10. *Substantially unchanged since the annual MD&A for the year ending October 31, 2013.*

11. Critical Accounting Estimates

Not applicable to a venture issuer.

12. Accounting standards issued but not yet applied

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

13. Financial Instruments and Other Instruments

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

14. Share Capital

Common Shares:

Authorized:

Unlimited Common voting shares without nominal or par value

Issued:

19,244,899 Common shares – at April 30, 2014 and report date \$1,508,082

Warrants:

There were 10,000,000 warrants outstanding at the report date with a weighted average exercise price of \$0.08 and a weighted average life of 18 months.

Options:

As the report date, there were nil stock options outstanding.

15. Financing

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

16. Management's Report on Internal Control over Financial Reporting

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

16. Financial risk management and capital management

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Credit risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Liquidity risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Foreign exchange risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Interest rate risk

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Capital management

Substantially unchanged since the annual MD&A for the year ending October 31, 2013.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

| | April 30, 2014 | October 31, 2013 |
|------------------------|----------------|------------------|
| | \$ | \$ |
| Cash and equivalents | 174,549 | 268,926 |
| Loans and receivables: | | |
| Trade receivables | 154,794 | 53,000 |
| | 329,343 | 321,926 |

Financial liabilities included in the statement of financial position are as follows:

| | April 30, 2014 | October 31, 2012 |
|---------------------------|----------------|------------------|
| | \$ | \$ |
| Trade payables & accruals | 10,051 | 39,066 |
| Due to related parties | - | 2,200 |
| GST payable | 2,362 | 610 |
| | 12,413 | 41,876 |

16. Financial risk management (continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

| | As at April 30, 2014 | | |
|---------------------------|----------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Cash and cash equivalents | 174,549 | - | - |
| Trade receivables | - | - | 154,794 |

| | As at October 30, 2013 | | |
|---------------------------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Cash and cash equivalents | 268,926 | - | - |
| Trade receivables | - | - | 53,000 |

**

7. Market for Securities

7.1 The Company's common shares are listed on the Toronto Venture Exchange under symbol "INR".

8. Consolidated Capitalization

8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement. **None**

9. Options to Purchase Securities: No options have been issued

9.1 The Company maintains a "fixed stock option plan". The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than 10 years after the issuance of such option. The number of Common Shares reserved for issuance under the Plan cannot exceed twenty percent (20%) of the issued and outstanding Common shares at the time the plan was implemented which was on May 11, 2009. The shares reserved for issuance under the Stock Option Plan on May 11, 2009 and as at the date hereof is: 4,707,565. No stock options are issued and outstanding as at the date hereof.

The following is a brief description of the principal terms of the Stock Option Plan, which description is qualified in its entirety by the terms of the Company's Stock Option Plan:

ADMINISTRATION

The Board of Directors shall administer the Plan from time to time, of the Corporation (the "Administrator"). No member of the Board of Directors shall by virtue of such appointment be disentitled or ineligible to receive options. The Administrator shall have full authority to interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of Plan, taking into consideration the recommendations of the

management, and the decision of the Administrator shall be binding and conclusive. The decision of the Administrator shall be binding, provided that notwithstanding anything herein contained, the Administrator may from time to time delegate the authority vested in it under this clause to the President who shall exercise all of the powers herein given to the Administrator, subject to any express direction by resolution of the Board of Directors in respect of any matters hereunder, and shall be binding and conclusive for all purposes upon all persons. The senior officers of the Corporation are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications, as they in their absolute discretion consider necessary for the implementation of the Plan.

NUMBER OF SHARES SUBJECT TO OPTIONS

The number of common shares reserved for issuance pursuant to this Plan at any given moment in time shall not exceed twenty percent of the currently issued and outstanding common shares of the Corporation and the number of common shares under option at any one time shall not exceed the number of common shares then reserved for issuance pursuant to this Plan.

PARTICIPATION

Options shall be granted under the Plan. The Administrator shall designate from time to time the Optionees and shall be subject to the approval of such regulatory authorities as may be required. The Administrator shall determine the number of shares available to each Optionee. Optionees who are consultants of the Corporation or an affiliate of the Corporation must either perform services for the Corporation on an ongoing basis or provide, or be expected to provide, a service of value to the Corporation or to an affiliate of the Corporation.

LIMITATIONS ON OPTIONS

No Options shall be issued pursuant to the Plan where such Options, together with all of the Corporation's other share compensation arrangements, could result at any time in:

- a) the number of shares reserved for issuance pursuant to arrangements granted to insiders exceeding 10% of the outstanding issue;
- b) the issuance to any individual, within a 12-month period, of a number of shares exceeding 5% of the outstanding issue, unless the requisite disinterested shareholder approval is granted;
- c) the issuance to any one consultant, within any 12-month period, of a number of shares exceeding 2% of the issued shares of the Issuer.
- d) the issuance to an employee, within any 12-month period, conducting Investor Relations Activities of a number of shares exceeding 2% of the issued shares of the Issuer.

e) the issuance to any one consultant performing Investor Relations Activities, within a 12-month period, where more than a ¼ of the options will vest in a three-month period.

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of each Option granted under the Plan shall be set forth in written Stock Option Agreements between the Corporation and the Optionee. Such terms and conditions shall include the following as well as such other provisions not consistent with the Plan, as may be deemed available by the Administrator:

a) **Number of Shares Subject to Option:** The number of shares subject to an Option shall be determined from time to time by the Administrator.

b) **Option Price:** The Option Price of any shares in respect of which an Option may be granted under the Plan shall be not less than the fair market value of the shares at the time the Option is granted. For the purpose of this Paragraph 6, "fair market value" shall be deemed to be the average between the highest and lowest prices at which the Corporation's common shares are traded on the day the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day on which the Option is granted. In the resolution allocating an Option, the Administrator may determine that the date of grant aforesaid shall be future date determined in the manner specified by such resolution. The Administrator may also determine that the Option Price per share may escalate at a specified rate dependent upon the year in which any Option to purchase common shares may be exercised by the Optionee.

c) **Payment:** The full purchase price of the shares purchased under the Option shall be paid in cash upon the exercise thereof. A holder of an Option shall have none of the rights of a stockholder until the shares are issued to him. All common shares issued pursuant to the exercise of Options granted or deemed to be granted under the Plan will be so issued as fully paid and non-accessible common shares. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares subject to an Option under this Plan, unless and until certificates for such common shares are issued to him or them under the terms of the Plan.

d) **Term of Options:** Options may be granted under this Plan exercisable over a period not exceeding ten (10) years. Each Option shall be subject to earlier termination as provided in subparagraph (f) below.

e) **Exercise of Options:** The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of common shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such common shares with respect to which the Option is exercised. An Option may be exercised in full or in part during any year of the term of the Option as provided herein. This Plan shall not confer upon the Optionee any

right with respect to continuance as a director, officer, employee or consultant of the Corporation or of any affiliate of the Corporation.

f) Termination of Options: Any Option granted pursuant hereto, to the extent not validly exercised, and save as expressly otherwise provided herein, will terminate on the earlier of the following dates:

i. The date of expiration specified in the Stock Option Agreement, being not more than ten (10) years after the date the Option was granted;

ii. The date which is the first day on which the Optionee is not an employee, director, officer or consultant of the Corporation except as provided in subparagraph (iii);

iii. Six (6) months after the date of the Optionee's death during which period the Option may be exercised only by the Optionee's legal representative or the person or persons to whom the deceased Optionee's rights under the Options shall pass by will or the applicable laws of descent and distribution, and only to the extent the Optionee would have been entitled to exercise it at the time of his death.

10. Description of the Securities

10.1 The authorized share capital of the Company consists of an unlimited number of common shares without par value. There are no special rights or restrictions attached to the common shares of the Company. The holders of common shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per common share at the meetings of the shareholders of the Company and, upon dissolution, to share equally in such assets of the Company as are distributable to the holders of common shares.

10.2 Debt securities - If debt securities are being listed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including: **No debt securities will be issued.**

10.3 Intentionally deleted.

10.4 No other securities are being listed other than equity securities.

10.5 There are no modifications of any terms of any rights of the equity securities being listed.

10.6 Other attributes: None of the rights attaching to the equity shares being listed are limited by any other class of securities nor are there any securities ranking ahead of or equally with the securities being listed and none of the securities being listed may be partially redeemed or repurchased. There are no other rights attaching to the securities being listed other than as set out in section 10.1 hereinabove.

10.7 Prior Sales – In the 12 month period preceding the date of this Listing Statement there were no securities sold or issued. It is not proposed that there will be any

shares issued and sold by the Company as at the Listing Date.

10.8 Stock Exchange Price:

The following table sets out trading information for the Company's common shares on the TSX Venture Exchange for the periods indicated:

| Date | High \$ | Low \$ | Close \$ | Volume |
|--------------------------------|------------|-----------|-------------|------------|
| Period ended to June 19, 2014 | \$0.03 | \$0.03 | \$0.03 | negligible |
| Quarter ended April 30, 2014 | \$0.025 | \$0.02 | \$0.03 | negligible |
| Quarter ended January 31, 2014 | \$0.02 | \$0.017 | \$0.02 | 250,000 |
| Quarter ended October 31, 2013 | \$0.03 | \$0.02 | \$0.02 | 25,000 |
| Quarter ended July 31, 2013 | \$0.04 | \$0.02 | \$0.03 | 60,000 |
| Quarter ended April 30, 2013 | \$0.076 | \$0.065 | \$0.04 | 25,000 |
| Quarter ended January 31, 2013 | \$0.098 | \$0.076 | \$0.076 | 30,000 |
| Quarter ended October, 2012 | \$0.098 | \$0.095 | \$0.098 | Negligible |

11. ESCROWED SECURITIES

11.1 None of the Company's shares are in escrow.

12. Principal Shareholders

- 12.1 To the knowledge of the directors and officers of the Company, as at the Listing Date, no person will beneficially own or exercise control or direction over common shares carrying more than 10% of the votes attached to common shares.

13 Directors and Officers

- 13.1 The Directors and Officers of the Company are set out below. The information regarding the shares held directly or indirectly by the directors and officers has been provide to the Company by the named individuals.

| Name, Municipality of Residence and Position with Company | Present Principal Occupation | Director Since | Shares Owned |
|--|------------------------------|-------------------|-----------------|
|--|------------------------------|-------------------|-----------------|

| | | | |
|--|---|------|-----|
| Gurdeep Johal Vancouver, British Columbia, Canada | Mr. Johal completed his legal studies at University of Cardiff and graduated from the University of British Columbia. He is an independent corporate and financial consultant. He is a director of M.E. Resources Corp. and Chimata Gold Corp. both of which are venture exchange traded companies. | 2012 | Nil |
| Tony Gill Vancouver, British Columbia, Canada | Tony Gill works in the financial industry, more specifically, the retail bank TD Canada Trust, where he has been for the last nine years. Currently he is the Manager for Small Business Banking in one of the busiest retail TD branches in the country. | 2014 | Nil |
| Eugene Beukman North Vancouver British Columbia Canada | President of Pender Street Corporate Consulting. He graduated from the Rand University of Johannesburg, South Africa with a Bachelor of Law Degree. Mr. Beukman is the President and CEO of Bard Ventures Ltd., a TSX.V company. He has over twenty-five years of experience in the acquisition of assets and joint ventures. | 2012 | Nil |

13.2 Each director's term of office expires at the next annual general meeting of the Company or when their successors have been elected and qualified. The executive officers of the Company are appointed by the Company's Board of Directors and hold office until their death, resignation or removal from office.

13.3 Please see Number 13.1 above.

13.4 The Company has the following committees:

| <u>Name of Committee</u> | <u>Members</u> |
|--------------------------|--|
| Audit Committee | Tony Gill (Chair) Gurdeep Johal Eugene Beukman |

13.5 **Tony Gill's** primary occupation is as the Manager for Small Business Banking for the TD Bank in Surrey, B.C.

He does not sit on the boards of any other corporations.

Gurdeep Johal sits on the board of M.E.C. Resources Corp. and Chimata Gold Corp. His primary occupation is as a director of M.E.C. Resources Corp.

Eugene Beukman sits on the boards of the following companies:

Anergy Capital Inc.
Bard Ventures Inc.
Burnstone Ventures Ltd.
Emerge Resources Corp.

Innovative Properties Inc.
 NUVA Pharmaceuticals Inc.
 Orofino Minerals Inc.
 SLAM Exploration Ltd.

Mr. Beukman's primary occupation is a corporate consultant to public companies in Canada for the Pender Group of Companies and has been so since January 1994.

13.6 To the knowledge of the Company, no director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of this Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

13.7 To the knowledge of the Company no director or officer of the Company or a shareholder holding sufficient securities of the Company that affect materially the control of the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory

authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 Not Applicable

13.9 To the knowledge of the company no director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.

13.10 The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in a venture in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against approval of such participation or such terms. The directors of the Company are required to act honestly in good faith and in the best interests of the Company.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interest.

13.11 *Tony Gill, CEO/President and Director*

Mr. Gill is Manager for small business banking in the Surrey, B.C. branch of TD Bank, one of the busiest branches of the TD Bank. He has nine years experience in the financial banking industry.

Jamie Lewin – CFO

Mr. Jamie Lewin has 20 years' experience in accounting and finance for private and public companies. They range from brokerage and investment through to manufacturing, distribution, resources and service. Operations have been both domestic and international.

Currently he is CFO for the Janda Group and Nuva Pharmaceuticals. In addition, he has been CFO of Abenteuer Resources and Dussault Apparel. Directorships include: Nuva Pharmaceuticals, Choice Gold, Innovative Properties, Abenteuer Resources and Lucky Minerals. These companies are listed on the TSX-V, CNSX and OTC BB.

Mr. Lewin is a professional accountant with a MBA, and a Certificate in Public Company administration. He completed a LLB at Laval University and a BA at Western University

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

| | Number of Securities (non-diluted) | Number of Securities (fully- diluted) | % of Issued (non- diluted) | % of Issued (fully diluted) |
|--|---|--|---|--|
| <u>Public Float</u> | | | | |
| Total outstanding (A) | 19,244,891 | 35,127,244 | 100% | 100% |
| Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion | 0 | 0 | 0 | 0 |

of other securities held) (B)

| | | | | |
|--------------------------|------------|------------|------|------|
| Total Public Float (A-B) | 19,244,891 | 35,127,244 | 100% | 100% |
|--------------------------|------------|------------|------|------|

Freely-Tradeable Float

Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)

0

| | | | | |
|-----------------------------|------------|------------|------|------|
| Total Tradeable Float (A-C) | 19,244,891 | 35,127,244 | 100% | 100% |
|-----------------------------|------------|------------|------|------|

Public Securityholders (Registered)-provided by Valiant Trust

Instruction: For the purposes of this report, "public security holders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding

Number of holders

Total number of securities

1 – 99 securities

100 – 499 securities

500 – 999 securities

1,000 – 1,999 securities

2,000 – 2,999 securities

3,000 – 3,999 securities

4,000 – 4,999 securities

2

47

2

359

23,500

2,500

| | | |
|--------------------------|-----------|-------------------|
| 5,000 or more securities | <u>33</u> | <u>14,287,817</u> |
| | <u>83</u> | <u>14,316,176</u> |

Public Securityholders (Beneficial)-Provided by Broadridge

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

| <u>Size of Holding</u> | <u>Number of holders</u> | <u>Total number of securities</u> |
|--------------------------|--------------------------|-----------------------------------|
| 1 – 99 securities | <u>4</u> | <u>165</u> |
| 100 – 499 securities | <u>56</u> | <u>14,981</u> |
| 500 – 999 securities | <u>66</u> | <u>61,806</u> |
| 1,000 – 1,999 securities | <u>33</u> | <u>41,335</u> |
| 2,000 – 2,999 securities | <u>15</u> | <u>34,280</u> |
| 3,000 – 3,999 securities | <u>8</u> | <u>28,674</u> |
| 4,000 – 4,999 securities | <u>5</u> | <u>21,919</u> |
| 5,000 or more securities | <u>118</u> | <u>19,010,427</u> |
| Unable to confirm | <u>unknown</u> | <u>31,304</u> |

Non-Public Securityholders (Registered) Not Applicable

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

| <u>Size of Holding</u> | <u>Number of holders</u> | <u>Total number of securities</u> |
|-------------------------------|---------------------------------|--|
| 1 – 99 securities | | |
| 100 – 499 securities | | |
| 500 – 999 securities | | |
| 1,000 – 1,999 securities | | |
| 2,000 – 2,999 securities | | |
| 3,000 – 3,999 securities | | |
| 4,000 – 4,999 securities | | |
| 5,000 or more securities | | |
| | | |

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities **None**

| Description of Security (include conversion / exercise terms, including conversion / exercise price) | Number of convertible / exchangeable securities outstanding | Number of listed securities issuable upon conversion / exercise |
|--|---|---|
| | | |

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2. **None**

15. Executive Compensation

15.1 The table below sets out certain information respecting the compensation earned by, paid to, or accrued and payable to each Named Executive Officers to date for the past three years. Amounts are below are in Canadian dollars. These individuals are referred to collectively as the "Named Executive Officers" or "NEOs".

| Name and Position | Year End | Salary/ Fees (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-Equity incentive plan compensation | | | | |
|--|--------------|-------------------------|-------------------------------|--------------------------------|--|---|-----------------------|-----------------------------------|-----------------|
| | | | | | Annual incentive plans (\$) | Long term incentive plans (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
| Sonny Janda (Former) President & CEO | 2013 2012 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| Jamie Lewin, CFO | 2013 2012 | Nil 3,966 | N/A N/A | N/A N/A | N/A N/A | N/A N/A | N/A N/A | N/A N/A | 2,485 3,966 |
| Leslie Fowler (former CFO) | 2012 2011 | 4,671 18,000 | N/A N/A | N/A 16,815 | N/A N/A | N/A N/A | N/A N/A | N/A N/A | 4,671 34,815 |
| Gordon Neal (former CEO & President) | 2012 2011 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| Tony Gill CEO and President | 2014 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

(1) Sonny Janda resigned his directorship and Officer positions on April 14, 2014. Tony Gill replaced Sonny Janda as director and CEO/President on April 14, 2014.

The Company does not intend to make any material changes to compensation at this time.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

None of the directors or officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

17. Risk Factors

17.1

The Company's economic performance is subject to downturns and trends in the national, regional and local economic conditions and the cyclical nature of real estate and business as well as changes in interest rates and the availability of financing, competition from other businesses in the same industry, changes in market rental rates and the ability to rent space on favorable terms, certain expenditures, such as staffing costs, technical equipment and software and the costs of service.

The Company may not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its trade receivables. Cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, a significant source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is

always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

18 Promoters

18.1 There are no promoters of the Company other than the Company's directors.

19 Legal Proceedings

19.1 **Not Applicable**

19.2 **Not Applicable**

20 Interest of Management and Others in Material Transactions

20.1 Except as otherwise disclosed in this Listing Statement, no director, executive Officer or principal shareholder (i.e. a person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued common shares) of the Company, or an associate or affiliate of a director, executive officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three fiscal years preceding this Listing Statement or during the current fiscal year, or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRAR

21.1 The Company's auditors is: Dale Matheson Carr Hilton Labonte, 1500-1140 W Pender Street, Vancouver, BC V6E 4G1

21.2 The Company's transfer agent and registrar is: Valiant Trust Company, Vancouver Officer, 600-750 Cambie Street, Vancouver, B.C., V6B 0A2

22. Material Contracts

22.1 The Company has not entered into any material contracts in the two years prior to this listing statement.

23 Interest of Experts

23.1 The audited financial statements of the Company included with this Listing Statement have been subject to audit by Dale Matheson Carr Hilton Labonte. Dale Matheson Carr Hilton Labonte has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

23.2 **Not Applicable**

23.3 **Not Applicable**

23.4 **Not Applicable**

24. Other Material Facts

24.1 There is no material fact about the Company and its securities that are not otherwise disclose in this Listing Statement.

25. Financial Statements

25.1 The following financial statements of the Company are on SEDAR at www.sedar.com:

- (a) The Company's audited financial statements for the years ended October 31, 2013 and October 31, 2012; and
- (b) The Company's unaudited financial statements for the quarters ended January 31, 2014 and April 30, 2014.

25.2 **Not Applicable**