



**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
(FORMERLY UNIQUE RESOURCES CORP.)**

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS**

May 26, 2016

The following analysis concerns the financial situation, operating results and cash flows of Bee Vectoring Technologies International Inc. (formerly Unique Resources Corp.) ("BVT" or the "Company") for the three and six months ended March 31, 2016, and the comparable periods ended March 31, 2015. The discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended March 31 2016 and related notes thereto and the annual audited financial statements for the year ended September 30, 2015 and 2014. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedar.com.

Forward-Looking Statements

This document may contain forward-looking statements relating to the Company's operations or to the environment in which it operates, which are based on the Company's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict or are beyond the Company's control. A number of important factors including those set forth in other public filings could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made.

Forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this MD&A in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the forecasted demand for the Company's imaging services; the Company's success in obtaining patents for key technologies; the Company's success in expanding its product offerings; the Company's success in building differentiated applications and products; the ability of the Company to achieve rapid incremental customer growth; the Company's ability to retain key members of its management and development teams; and the Company's ability to access the capital markets. Although the Company has attempted to identify important factors that could 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 to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this MD&A and, other than as required by law, the Company's disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. 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.

Company History and Business Overview

The Company was incorporated as Unique Resources Inc. pursuant to the provisions of the Business Corporations Act (British Columbia) on May 20, 2011. On June 1, 2015, the Company entered into a share exchange agreement with Bee Vectoring Technologies Inc. ("BEE") pursuant to which the Company would acquire all of the issued and outstanding shares of BEE (the "Transaction") in exchange for 19,200,000 post-consolidated common shares of the Company at a deemed issue price of \$0.25. The Transaction closed on June 30, 2015 and upon completion of the Transaction, BEE became a wholly owned legal subsidiary of the Company. The acquisition was classified as a Reverse Take-over defined in Policy 5.2 by the TSX Venture Exchange Inc. (the "Exchange"). The combined entity continues to carry out the business of BEE.

On June 30, 2015 the Company changed its name to Bee Vectoring Technologies International Inc. The common shares of the Company commenced trading on the Exchange under the stock symbol "BEE.V" on July 7, 2015.

BVT is a development stage company which owns the patent pending technology specifically designed to utilize bees as natural delivery mechanisms for a variety of powdered mixtures comprised of organic compounds or currently used products which inhibit or eliminate common crop diseases, while at the same time promoting the growth of the same crops. This application process is without the use of water which might be beneficial to areas under strict water management practices. In addition independent companies can deliver their biocontrol's through the BVT platform allowing a broad spectrum of applications.

The bees walk through the powder mixtures as they exit their hive and the mixture become temporarily attached to their legs en-route to the flowers containing the crops of interest. The BVT System consists of a dispenser tray that is incorporated into the lid of commercially reared bumblebee hives. The dispenser has a removable tray that contains non-toxic, organic, pesticides and fertilizers in powdered form, including BVT's proprietary carrier Vectorite™. Vectorite allows the bumblebees to effectively pick up the inoculums on their way out of the hive. Multiple inoculums for a variety of different pathogens can be mixed in the Vectorite™ in a process called "stacking". BVT has its own bio control organic inoculant fungi, BVT-CR7, used to inhibit and control pathogens in high value crops such as strawberries, blueberries, Tomatoes, Canola, Sunflowers.

The trays are changed approximately every three to nine days in order to replenish the depleted inoculum, ensure the freshness of the inoculant fungi, prevent infections to the bees which may result from bee waste, and avoid packing or clumping of the inoculum in the trays. No special skills are required to replace the trays and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum are placed in the tray as well as other kinds of inoculum for certain applications. BVT has custom designed machinery to precisely fill these sealed trays called Vectorpaks™

Summary

BVT was established with a view to providing effective protection of crops against disease organisms and insect pests, which is critical for achieving high yield and quality in many pollinated crops. Inadequate protection of crops can lead to major losses in yield and quality of fruit and seed. BVT possesses a patent pending organic crop control and delivery system that has numerous competitive advantages over commercial pesticides and their applications.

The current technology used for protecting the flowers of crops relies heavily on the use of chemical pesticides (fungicides and insecticides) applied as sprays while the crops are in bloom. Problems with current spray technology include:

- Limited effectiveness because many flowers may open and die during spray intervals and therefore remain untreated. Sprays generally protect flowers for only 3-4 days. As many as half of the flowers during the entire bloom period of a crop may remain untreated by spray programs.
- Most of the pesticide is deposited on non-targets, such as soil and leaves.
- Pesticide sprays often kill or inactivate many beneficial organisms present in crops.
- Pesticide use risks contamination of the environment, such as soil and water resources.
- Pesticides can contaminate foods and feeds, such as fruits and seeds.
- With many crops, such as greenhouse tomatoes, workers cannot re-enter the crop for hours or days after pesticides are applied, which is disruptive to crop production practices and labour use.

- Many pesticides lose their effectiveness with repeated use as disease organisms, as pests and plants become resistant and insensitive to the repeated use of certain chemicals.
- Many chemicals require substantial amounts of water to be used as part of the delivery system and result in issues of run-off to the water table.
- Current chemicals are suspected of killing insects and bees and other organisms long after application with possible long-term detrimental effects on the environment.

BVT's patent pending technology uses predominantly bumblebees but also can use honey bees as a system to deliver naturally-occurring beneficial fungus and other beneficial microbes to flowering plants. BVT offers an organic means to control diseases and pests and provide plant enhancing properties while requiring zero water for delivery. The delivery method allows for delivery of BVT inoculums either individually or together with other bio controls. Multiple bio controls could be mixed together for delivery by bees to solve a range of problems. The platform can deliver many inoculums or pathogen controlling products effectively. The flower is an effective portal to deliver these controls to crops and bees are the ideal natural way to get to the majority of the blooms. Bees will touch almost all flowers that are in bloom thereby delivering inoculum consistently throughout a bloom period.

Prior to 1990 virtually no bees were used for pollination in greenhouses, however today greenhouses worldwide use bees to pollinate vegetable crops and fruits. The process of using bees as a delivery system is called "bee vectoring". BVT will employ these same bees to deliver inoculants on outbound trips to assist in crop pest control and to deliver a fertilizer or plant enhancer products in greenhouse crops and outdoor crops.

BVT currently targets two primary diseases with its own bio control BVT-CR7, Botrytis and Sclerotinia.

Botrytis

Strawberries, blueberries or raspberries often grow grey fuzz, which appears over time as the berries are stored or refrigerated resulting in waste. This is Botrytis and it becomes more active as the produce ripens in shipment or storage. The fungal pathogen, Botrytis cinerea, causes blossom blight and berry rot. It overwinters as mycelium in dead leaves and mummified berries of affected crops and as minute black bodies (sclerotia) such as on raspberry canes. Under humid conditions throughout the growing season, spores (conidia) are produced on minute tree-like structures (conidiophores) that grow on the dead foliage, old berries and on sclerotia. In mass they appear greyish hence the name "grey mold". The spores are dispersed in their millions by wind, rain, and overhead irrigation, many to new leaves, flowers and berries. Under favorable conditions of moisture and temperature the spores can germinate and infect these aerial parts of the crop.

The fungus can infect leaves of almost any age but it remains quiescent and latent inside the leaves until they senesce and turn yellow. Young canes (primocanes) of raspberries can be infected via the leaf petioles and may wilt, die and be covered with grey mold. Flowers of all berry crops are highly susceptible to Botrytis infection. Germinating spores of the fungus can readily infect and colonize all flower parts throughout the bloom period, often turning the blossoms brown. It is from this important entry point that the fungus is able to grow and establish latent infections within the young fruit. Fruit infections generally remain quiescent and without symptoms until the berries are nearly ripe or have been harvested. In strawberries and raspberries, spores produced on unpicked, leaky, or overripe fruit may lead to further flower and fruit infections in the crop.

Sclerotinia

The soil borne pathogen Sclerotinia causes white mold diseases can seriously damage and in some cases quickly and completely destroy a crop. Numerous kinds of crops can be attacked, including canola, sunflowers, blueberries and strawberries.

Sclerotinia white mold is a significant risk in all fields of canola and sunflowers in Canada and in many other regions of the world. No viable solution exists for sunflowers as spraying is impractical due to height of the flowers and the frequency of applications needed for adequate control. In many areas, fungicides are no longer effective against Sclerotinia on account of pathogen resistance.

These two diseases, Botrytis and Sclerotinia, are very closely related and part of the reason BVT's patent pending bio works on both pathogens. BVT's patent pending bio controls diseases by spatial occupation of plant tissues and

preempting tissue invasion by pathogens. As soon as bees deliver BVT's patent pending bio to flowers, the fungus germinates and colonizes the flower tissues without causing any harm or symptoms. It colonizes earlier and faster than disease organisms and thereby occupies space the disease organisms would normally use while attacking the plant.

Principal Products

BVT has patents pending for the following technologies:

1. a bio-control called "BVT-CR7": a particular strain of fungus acting as a beneficial endophyte controlling targeted crop diseases and increasing crop yield;
2. Vectorite™: a recipe of ingredients that allows bees to carry BVT-CR7 and other beneficial fungi or bacteria in their outbound flights to the crops; and
3. An integrated dispenser and removable and sealable tray system in which the Vectorite containing BVT-CR7 is placed through which the bees pass and pick up the BVT-CR7.

BVT-CR7, is an organic strain of a natural occurring endophytic fungus. It has not been genetically modified or altered in any way. Bees and plants are well accustomed to this kind of fungus and it is harmless to humans. After delivery by the bees to the crops it dies out naturally within 24-48 hours if it is unable to find suitable host plants. BVT-CR7 is a selected strain of a fungus that is common found in a large diversity of plants and soils all around the world. It grows harmlessly in the inside of plant tissue. BVT-CR7 is able to control numerous diseases but is especially effective for controlling those caused by the fungal pathogens, such as Botrytis and Sclerotinia discussed above. BVT-CR7 is endophytic in flowers, fruits, leaves, stems, and roots of plant hosts. It does not cause disease or substances toxic to plant tissue. Other microbial agents are not endophytic or have very limited endophytic ability.

As an endophyte, BVT-CR7 also enhances plant growth by organically increasing nutritional uptake, improving root size and structure, improving vegetative growth and size of plants, increasing the number of flowers and flower size, increasing resistance to diseases and environmental stresses, and preventing Botrytis and Sclerotinia development. BVT-CR7 has no re-entry issues (i.e. the time workers have to be excluded from the greenhouse to allow conventional pesticides to dissipate), it can be used up to the day of harvest, it's organic, and its beneficial effects last longer than traditional chemical fungicides.

Berries developing from BVT-CR7 treated flowers have natural built-in protection against diseases and consequently last longer and have a longer shelf life. This gives growers additional valuable time to get the fruit to market and consumers more time to enjoy the fruit. Blueberries, for example, sometimes require 14 days just to get to market.

One of the significant benefits to this system is the fact that many bio controls can be used together to cover more diseases and pests than just those targeted by BVT-CR7, thereby reducing costs and making this system more effective. For example, Thrips are present in almost all greenhouses in the world and a significant issue to the grower. The additional bio control BVT will use will likely be Beauveria, a fungus already registered and produced by third parties for use in spraying applications but at significant cost. Beauveria is used to control Thrips which either spread a virus that kills crops or lays their eggs in fruit like strawberries rendering them useless. Most if not all greenhouses, including flowering or ornamental greenhouses, in the world, suffer from Thrips.

BVT has developed an inoculum dispenser system that is incorporated into the lid of the commercial bumble bee hive. In the dispenser is a removable tray that contains, in powder form, the inoculant fungi and a mixture of products (being, Vectorite) that allows the bees to effectively pick up the product on their way out of the hive. The trays are changed every three to nine days in order to replenish the depleted inoculum, ensure the freshness of the inoculant fungi, prevent infections to the bees which may result from bee waste, and avoid packing or clumping of the inoculum in the trays. No special skills are required to replace the trays and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum can be placed in the tray as well as other kinds of inoculum for certain applications. Vectorite allows the inoculant to get attached to the bee's hairy legs and bodies as they walk through the tray on their way out of the hive.

Bumblebees, as opposed to honeybees, are used because of their efficiency and effectiveness in distributing BVT-CR7. Bumble bee hives are produced commercially and are approximately 14 x14 x10 inches in dimension. Each hive holds up to 300 bumble bees and the bees live for live for approximately 5-6 weeks then die out naturally. At the end of this cycle, the hives are destroyed. Bumble bees are natural pollinators making thousands of trips a day each and visiting approximately 10 flowers per minute. Bumble bees fly in colder temperatures than honey bees do (12 C° versus 17 C° for honey bees). In addition, they carry 10 times more pollen and inoculant than honey bees up to 100% of their body weight. Bumblebees are much less aggressive and agricultural workers can stay in the greenhouses and continue their duties when the bees are present.

Factors Concerning the Company's Financial Performance and Results of Operations

The key performance indicators for the Company are revenue growth, EBITDA and net income.

The success of the Company to expand will be measured by revenue growth. Revenue growth will be dependent on the Company being able to penetrate new markets and gain new customers through acquisitions, and continued development of its technologies.

Management believes that net income is a measure of how efficiently and effectively the business is running. The Company is in a period of expansion and growth. Therefore, selling and general administration costs will increase over the next twelve months. To achieve an acceptable net income, management will need to balance the increase in selling and general administration costs and revenue growth. Net income is also viewed as an important measure for determining the value created for shareholders.

Management believes that in addition to revenue and net income, earnings from continuing operations before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses (for the purposes of the Company's MD&A, EBITDA) as derived from information reported in the statements of operations and comprehensive income is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments but also factors in the administrative expenses incurred during the period. It is believed that EBITDA will become a more meaningful metric in the future when it has had a chance to benefit from the planned marketing and development activities and the building of the required infrastructure to support recurring sales.

Summary of activities

- The Company commenced production of its Bio Control products at its Mississauga laboratory and production facility to have product available for demonstrations and sales.
- Additional personnel were been appointed to quality control and production management positions to ensure quality standards of production and enable the Company to meet the elevated demand from North American & the EU growers for demonstrations to be carried out during the spring and summer growing seasons.

During the quarter the Company closed a private placement financing in two tranches (October 22, 2015 and November 5, 2015) through the sale and issuance of 3,973,575 common shares of the Company at a price of \$0.27 per share for gross proceeds of \$1,072,865. \$351,000 of the proceeds were received prior to October 1, 2015.

- In December 2015, BVT, in conjunction with one of the largest global bee producers, started demonstrations of its crop inoculation system with leading strawberry growers in six US locations - two in North Carolina, two in South Carolina and two in Florida - in an effort to prove its viability, effectiveness and economic value to growers.

The Carolina demonstrations were all carried out within indoor hoop house growing environments, a growing segment of fruit production implemented to capitalize on lucrative demand for fruit during winter months. During peak winter season growers can realize USD\$3 a pound at the peak and around USD\$1 at low season.

The Florida demonstrations were carried out in an open field environment. This method of growing strawberries accounts for the bulk of acreage in the USA, estimated to be around 60,000 acres. These demonstrations were conducted in segregated plots using current fungicide programs and non-fungicide - BVT only - plots. All plots were planted with identical plant species and experienced identical weather conditions. Comparisons were therefore made against current processes under verifiable conditions.

Results

Yield and Plant Quality

The use of BVT products resulted in improvements to plant quality resulting in fewer diseases like Botrytis and anthracnose. BVT was found to typically save 15 fungicide sprayings in each site. Each spray has an approximate cost of USD\$40/acre. Plots treated with the BVT system were found to have a 30+% higher fruit yield than those treated with fungicide. These findings were gathered by third-party personnel and were independently verified by plant pathologist, John Sutton, PhD.

Economic Value

Each strawberry acre has approximately 17,000 plants that can commonly produce approximately 35,000lbs of fruit. With prices reaching USD\$3 per pound during peak periods, each acre has a market value of up to USD\$60,000. A 30% increase in yield through utilization of the BVT system would therefore have the potential to increase revenue by up to USD\$18,000/acre. The current cost of fungicide treatment ranges from USD\$600-1200 per acre. The BVT system is comparable in price but carries with it, compelling ancillary benefits of, among others, higher yields and organic processes.

Although trial data pertaining to the shelf life of fruit grown using BVT is still being collated, typically, in the absence of disease, this is expected to increase. This has been observed in previous trials.

Issues addressed

Growers are compelled to use fungicides and chemical sprays on a regular basis in order to combat common diseases, such as Botrytis, associated with commercial strawberry production. Botrytis is the most common and costly disease in strawberries and can reduce crop value substantially and, in some cases, destroy the entire crop. This pathogenic fungi is hard to detect in the early stages and, whether Botrytis is visible or not, growers must spray fungicides consistently throughout the growing period to insure a healthy crop.

However, repeated and excessive use of chemical fungicides has two major issues. Each chemical application stalls the plant's growth reducing its size and that of its fruit. Secondly, over time, the pathogen being treated will build resistance to the chemical fungicide ultimately rendering the chemical ineffectual. In comparison, the BVT system assists and stimulates the plant in blocking disease and does not stunt growth. This results in larger, healthier plants which, in turn, produce healthier and larger strawberries. In addition, although not the key positioning of the company, the BVT system is entirely organic which in turn, typically attracts higher prices. According to a recently published TechSci Research report, "Global Organic Food Market Forecast & Opportunities, 2020", global organic food market is projected to register a CAGR of over 16% during 2015 - 2020.

- BVT received a notice of application approval from the U.S patent and trademark office for two of its three pending applications.

BVT has actively sought three patents in 40 countries around the world relating to its system for biological control of pathogens in crops and delivery system using bees. The notice of approval has been received from the U.S patent and trademark office on the two following applications:

Application 14/483,345 relates to a formulation comprising a particulate calcium silicate and can contain *clonostachys rosea* for treating plants (Vectorite™). BVT's Vectorite™ is a proprietary mixture of products that allows the inoculant to get attached to a bee's hairy legs and body as it walks through the tray on their way out of the hive. The Vectorite allows for delivery of BVT inoculums either individually or together with other bio-controls and crop controls.

Application 14/110,323 relates to specialist apparatus for the treatment of plants (inoculum dispenser and tray). The BVT inoculum dispenser system is incorporated into the lid of commercial bumble bee hives. In the dispenser is a removable tray that contains, in powder form, the inoculant crop control and a mixture of products (Vectorite™) that allows the bees to effectively pick up the product on their way out of the hive.

The third application, which relates to an active ingredient used in the BVT system, remains within the official process pending approval. This application was filed at a later date than the other two now approved.

Results of Operations

The following discussion of the Company's financial performance is based on the condensed interim consolidated financial statements for the three and six months ended March 31, 2016 and 2015.

The financial position as of March 31, 2016 indicate a cash and cash equivalents balance of \$875,839 (September 30, 2015 - \$1,590,627) and total current assets of \$1,339,927 (September 30, 2015 - \$1,853,179). The decrease in total current assets was mainly due to cash used in operating activities of \$1,303,443, offset by the cash received from the financing completed during the period. During the period, long term assets also increased due to the purchase of furniture and equipment, and registration of patents (included in intangible assets). Current liabilities at March 31, 2016 totalled \$96,292 (September 30, 2014 - \$118,342) and comprised of trade payables.

Working capital, which is comprised of current assets less current liabilities, is \$1,243,635 at March 31, 2016 compared to \$1,734,837 at September 30, 2015.

For the three and six months ended March 31, 2016, the Company has a net loss of \$619,343 and \$1,229,830, respectively, compared to a net loss of \$29,278 and \$80,818 for the three and six months ended March 31, 2015. As a result of closing the Transaction and related private placement, the Company had the funds to advance its business plan. As a result, all expense items increased. In the prior period, there was little activity in the Company as it had few funds available.

Revenue:

The Company is in the development stage and will not have any significant revenues until registration and regulatory approvals are received. No material revenues have been reported for the three and six months ended March 31, 2016 and 2015.

Expenses:

Expenses for the three and six months ended March 31, 2016 and 2015 consisted of office and general, stock based compensation and trial expenses as follows:

	Three months ended March 31,		Six months ended March 31,	
	2016	2015	2016	2015
Expenses				
Office and general	\$ 499,146	\$ 29,278	\$ 1,012,531	\$ 80,818
Stock based compensation	-	-	91,575	-
Trial expenses	124,986	-	132,513	-
	\$ 624,132	\$ 29,278	\$ 1,236,619	\$ 80,818

Office and general:

Below is a breakdown of what comprised office and general for the three and six months ended March 31, 2016 and 2015:

	Three months ended March 31,		Six months ended March 31,	
	2016	2015	2016	2015
Warehouse supplies	\$ 5,910	\$ -	\$ 12,598	\$ -
Freight	1,069	-	2,521	-
Travel	34,205	-	83,906	-
Legal	20,832	-	61,426	-
Accounting and audit	13,345	27,566	22,355	46,295
Transfer agent	12,807	-	17,160	-
Advertising and marketing	93,267	-	183,625	-
Occupancy costs	23,315	-	39,191	16,909
Insurance	3,242	-	6,485	-
Salaries and benefits	76,225	-	119,316	-
Office and general	24,603	347	69,685	436
Amortization and depreciation	21,174	3,028	43,257	6,876
Interest and bank charges	54	(1,663)	1,507	10,302
Consulting	169,098	-	349,499	-
	\$ 499,146	\$ 29,278	\$ 1,012,531	\$ 80,818

Major changes in office and general expenses included:

- Accounting and audit – consisted mainly of audit accruals.
- Advertising and marketing – on closing the Transaction on June 30, 2015, the Company initiated different marketing initiatives to increase awareness of the Company and its products.
- Consulting – Upon closing the Transaction on June 30, 2015, the Company contracted various consultants in different capacities (ie Chief Financial Officer, VP Operation, Plant Health Consulting and others) to help run the business and advance the business plan.
- Insurance – Director and Officers insurance commenced on closing the Transaction.
- Legal – Includes general corporate as well as fees related to the Company's listing on the OTCQB.
- Occupancy costs – relates to the rental costs for the Company's office, laboratory and production facility.
- Transfer agent –In the prior period the company was not public and therefore did not require the services of a transfer agent.
- Salaries and benefits –The Company commenced employing personnel in August 2015.
- Amortization - related to equipment, moulds and dies.

Stock based compensation:

This expense relates to the value of stock options that vested during the period. This is a non-cash expense.

Trial costs:

This expense relates to trials and demonstrations of BVT's crop inoculation products and bee delivery platform.

Summary of quarterly results

Three Months Ended	Net Revenues (\$)	Net Loss	
		Total (\$)	Basic and Diluted Income (Loss) Per Share (\$)
31-Mar-16	4,789	\$ (619,344)	\$ (0.01)
31-Dec-15	2,000	(610,486)	(0.01)
30-Sep-15	-	(895,746)	(0.01)
30-Jun-15	-	(2,016,928)	(0.33)
31-Mar-15	-	(29,278)	(0.00)
31-Dec-14	-	(51,540)	(0.01)
30-Sep-14	-	(72,676)	(0.01)
30-Jun-14	-	(79,120)	(0.01)

Liquidity and Capital Resources

	March 31, 2016	September 30, 2015
Cash	\$ 875,839	\$ 1,590,627
Working capital	1,243,635	1,734,837

For the six months ended March 31:

	2016	2015
	\$	\$
Cash used in operating activities	(1,303,443)	32,518
Cash from (used) in investing activities	(91,239)	(108,332)
Cash from in financing activities	679,894	85,232

Cash used in operating activities

Cash used in operating activities for the six months ended March 31, 2016 increased by \$1,335,961 compared to the six months ended March 31, 2015. Cash used in operating activities for the six months ended March 31 2016 and 2015 were:

	2016	2015
Cash flow from operating activities		
Net loss for the period	\$ (1,229,830)	\$ (80,818)
Items not affecting cash		
Share based payments	91,575	-
Depreciation and amortization	43,255	6,876
	(1,095,000)	(73,942)
Net changes in non-cash working capital items		
Accounts receivable	(99,836)	(10,528)
Prepaid expenses and deposits	(87,801)	-
Inventory	(13,899)	-
Accounts payable and accrued liabilities	(6,907)	116,988
	(1,303,443)	32,518

Cash flows used in investing activities

Major components of this period included \$20,797 spent on patent registrations, and \$95,722 spent on machinery, equipment and furniture for the office and production facility. These expenditures were offset by a \$35,000 allowance received for leasehold improvements made in the summer of 2015.

Cash flows from financing activities

Cash generated from financing activities for the six months ended March 31, 2016 included net proceeds of \$636,523 received from the issue of common shares and warrants from the closing of a private placement, and \$58,515 received from the exercise of warrants. These cash flows were offset by the repayment of related party loans in the amount of \$15,144.

Future Financing

Notwithstanding its cash position at March 31, 2016, the Company will need additional financing for costs related to operations and its growth strategy. Management recognizes the need for improved cash flow and liquidity for future operations and growth. Management closely monitors the Company's current cash position and the short-term and long-term cash requirements. The Company may be required to obtain additional funding to take advantage of the market opportunities. If additional funding is required, an issuance of common shares or a commitment to issue common shares will most likely be a component of the funding.

The Company's operations currently generate negative cash flow and may depend on future equity issuances or other means of financing to assist in financing its operations, cover administrative costs and finance growth.

The ability of the Company to continue operations will be dependent upon obtaining additional financing as required. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to small cap companies, in addition to the results of the Company's operation. There can be no guarantee that the Company will be able to secure any required financing.

Commitments

The Company leases office space for their headquarters in Mississauga Ontario. The lease is for five years with annual minimum lease payments as follows:

Year	Minimum lease payment
2016	\$ 26,741
2017	\$ 53,483
2018	\$ 55,064
2019	\$ 56,789
2020	\$ 58,515
thereafter	\$ 4,888

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Intrinsic including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

During the six months ended March 31, 2016, the Company was charged \$15,000 (plus HST) (2015 – \$nil), by CFO Advantage Inc., a Company owned by the Chief Financial Officer of the Company, for the services of the Chief Financial Officer.

Key management includes members of the board, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the six months ended March 31, 2016 and 2015:

	2016	2015
Salary, consulting fees and other short-term benefits	\$ 82,500	\$ -
Share based payments	91,575	-
	\$ 174,075	\$ -

Proposed Transactions

As at the date of this MD&A there are no proposed transactions.

Accounting Estimates and judgements

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Intangible assets valuation

The values associated with intangible assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life intangible assets recognized in future periods. The Company assesses impairment by comparing the recoverable amount of an intangible asset with its carrying value. There recoverable amount is defined as the higher of value in use, or fair value less cost to sell. The determination of the recoverable amount involves management estimates.

Useful life of moulds and dies

Significant estimates are made as to the useful lives of moulds and dies, which have been estimated to be five years.

Useful life of property plant and equipment

Significant estimates are made as to the useful lives of property, plant and equipment.

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate,

and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard is effective for period's beginning on or after January 1, 2018.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets were amended by the IASB in May 2014. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefit embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The effective date is for annual periods beginning January 1, 2016. Earlier application is permitted, but not required.

Financial Instruments

Fair Value

Financial instruments of the Company consist of cash, accounts receivable, accounts payable and accrued liabilities, due to related parties, promissory notes and convertible debentures. There are no significant differences between the carrying amounts of the items reported on the statements of financial position and their estimated fair values because of the short-term maturities of these items.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include deposits.

Interest rate risk

The Company is exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest bearing cash.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the end of the reporting period is the carrying value of its financial assets. Cash is held with large financial institution in Canada, and management believes that exposure to credit risk is not significant.

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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The Company's accounts payable and accrued liabilities are subject to normal trade terms and have contractual maturities payable within 30 days for 2016 and 2015. At March 31, 2016, the Company has current assets of \$1,339,927 (September 30, 2015 - \$1,853,179) and current liabilities of \$96,292 (September 30, 2015 - \$118,342) resulting in working capital of \$1,243,635 (September 30, 2015 - \$1,734,837).

Disclosure of Share Capital

As at the date of this report the Company had 45,088,193 common shares issued and outstanding.

As at the date of this report the Company had 3,626,418 share purchase warrants outstanding.

As at the date of this report the Company 3,542,433 stock options outstanding.

Risks

See risk section detailed in the Company's filing statement as filed on SEDAR on June 1st, 2015