RESAAS SERVICES INC.
Management Discussion and Analysis
For the Quarter Ended June 30, 2012

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at August 29, 2012 and should be read in conjunction with the unaudited interim financial statements for the quarter ended June 30, 2012 of RESAAS Services Inc. (Real Estate Software As A Service Inc.) ("RESAAS" or the "Company") with the related notes thereto. Those unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Management's Responsibility for Financial Statements

The information provided in this MD&A, including the unaudited interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that RESAAS' assets are safeguarded and to facilitate the preparation of relevant and timely information.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on June 4, 2009 and began trading on the CNSX on February 3, 2011.

RESAAS is an enterprise social network for real estate professionals, mortgage specialists, home buyers and sellers to connect and communicate in real time.

RESAAS has developed an interactive, real time enterprise social platform of technologies to service the real estate industry, providing back office services and professional networking to realtors. The Corporation is a technology company engaged in the design, development and commercialization of an integrated online platform of technologies to service the real estate industry, including realtors and property hunters. With RESAAS, the Real Estate Agent gets their own true Enterprise Platform to create real time profile pages, upload and manage listings, connect to all the social networks and build selling communities with other Agents. Free flowing and immediate information across the platform connecting Agents and their content to other Agents and their content. RESAAS has developed a Smart Phone App to make it easy for Realtors to stay completely up to date with their content.

RESAAS Questions

RESAAS Questions allows general users to ask any type of real estate or mortgage related question from the most simple to the most complex and receive answers from qualified professionals in real time.

RESAAS Questions primary focus is bringing all the valuable knowledge, information and experience sitting inside the heads of real estate professionals and mortgage specialists, currently not available anywhere on the internet, to a place where it can be consumed by the masses. RESAAS Questions is an "encouragement platform" whereby authorities or experts are encouraged to come and respond to user questions with definitive professional answers for the purpose of developing leads that turn into real business relationships.

RESAAS Alerts

RESAAS Alerts give the user the ability to specify the types of events happening on the RESAAS platform that they would like to be notified about immediately, such as new listings, open houses, updated mortgage rates or listing updates. Notifications can be used to subscribe to specific updates from people within their network, or as a method for monitoring neighborhoods or entire metropolitan areas for relevant activities.

Overall Performance

At RESAAS, we have created the first interactive real time enterprise social platform built specifically for the hardest working sales professionals anywhere, the real estate agent. These professionals have dedicated their careers towards helping people navigate through arguably the most important purchase they will ever make in their lives…their homes.

RESAAS connects agents and their content to other agents and their content.

On February 3, 2011 RESAAS completed an IPO on the Canadian National Stock Exchange (CNSX).

Currently, RESAAS continues to move toward the commercial launch of the RESAAS platform. The launch date is currently set for Fall of 2012. RESAAS moved into the Soft Launch phase as of May 17, 2012.

After the completion of the IPO on February 3, 2011, management was focused on the completion of a non-brokered private placement. The private placement was originally announced on February 23, 2011 and proposed to raise $1,500,000 but was increased to $2,000,000 on February 25, 2011 due to high demand. Each unit was priced at $1.35 per unit and consisted of one common share of RESAAS plus one half of a share purchase warrant. Each whole warrant entitles the holder to acquire one additional share of RESAAS at an exercise price of $1.85 per share for a period of 18 months from the closing of the offering. The offering closed on March 15, 2011.

On September 16, 2011 RESAAS announced that it had achieved a Silver ISV/Software Competency in Microsoft's Partner Network. To earn a Microsoft Silver Competency, partners must complete a set of tests to prove their level of technology expertise, submit customer references and employ a required number of Microsoft Certified Professionals who are skilled on a current technology relevant for the competency.

On December 12, 2011 RESAAS announced the completion of its transition to Microsoft's Windows Azure Cloud hosting solution.

Windows Azure provides scalable hosting for high traffic websites and applications, and includes a cloud services operating system and a set of developer services. It is best suited for companies that need to support high numbers of users and grow into different countries and continents.

In addition, on December 12, 2011, RESAAS hosted the inaugural Vancouver Azure meet-up event co-sponsored by Microsoft. RESAAS is an advanced partner of Microsoft's Windows Azure cloud hosting platform and at the event shared insightful information to all levels of Azure customers, from prospective through to experienced.

In December 2011 RESAAS achieved a Gold Certified Partner status in Microsoft's Partner Network. The announcement of this achievement was in early January 2012. The Microsoft Gold Competency signifies to the market that a company has demonstrated the highest level of skill and achievement within a given technology specialization. All 29 Microsoft competencies are designed to help differentiate a partner's specific technology capabilities, helping customers find solution providers quickly and easily. Each competency has a unique set of requirements and benefits, formulated to accurately represent the specific skills and services that partners bring to the industry.

Use of Proceeds

We have not generated revenues to date and have experienced negative operating cash flow for the financial year ended December 31, 2011 and the period ended June 30, 2012. We currently intend, subject to our discretion to change such allocation after the date of this MD&A, to use the estimated net proceeds of our most recent financing to commercially launch the Platform, including the implementation of a marketing and advertising campaign, for general working capital purposes, and to fund any negative operating cash flow until a user base for the Platform has been established, as follows:

Use of Net Proceeds	
Net Proceeds to RESAAS from the Offering	$1,380,000
Estimated Expenses of the Offering	($140,000)
Working capital as at March 7, 2012	$4,399,441
Total Funds Available	**$5,639,441**
To fund the commercial launch of the Platform and a marketing and advertising campaign to generate a user base over the next 12 months	$2,000,000
For administrative and overhead expenses for the next 24 months, including salaries, benefits, rent and general office expenses, as well as to support anticipated growth in the user base of the Platform, which will result in additional development costs to continue to upgrade the Platform and hiring additional engineering and marketing staff	$3,340,000
For general corporate and working capital purposes	$299,441
	$5,639,441

Future Plans and Outlook

The Company continues to move toward the commercial launch of the RESAAS platform – the launch date is currently set for Fall of 2012. RESAAS has been prudent in regard to its overhead expenditures. The Company is dependent on its ability to finance its operations and platform development through financing activities, which may include issuances of additional debt or equity securities prior to reaching a strong revenue position. These measures will enable RESAAS to maintain operations and, at the same time, maintain and grow its management, public relations, sales and marketing team.

RESAAS is preparing for the commercial launch of the enterprise platform and a major marketing campaign is going to be implemented in Fall of 2012.

We are confident that the platform will be well received by the Real Estate Industry / Real Estate Agents and the general public (RESAAS Questions & Alerts) and are expecting strong sign ups once the commercial launch is complete. We anticipate that many social selling communities will be developed and that RESAAS will be a tool that will be well embraced by the Real Estate Community and general public.

Selected Quarterly Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Interim Consolidated Financial Statements for the six months ended June 30, 2012.

Statement of Financial Position

	June 30, 2012 $	December 31, 2011 $
Total Current Assets	5,350,479	4,527,443
Total Assets	7,121,005	5,665,772
Total Current Liabilities	62,438	38,705
Working Capital	5,288,041	4,488,738

Statement of Operations

	Three Months Ended June 30, 2012 $	Three Months Ended June 30, 2011 $	Six Months Ended June 30, 2012 $	Six Months Ended June 30, 2011 $
Interest and other income	17,052	31	24,028	42
Loss for the period	(420,554)	(695,634)	(859,685)	(1,356,772)
Basic and diluted loss per share	(0.02)	(0.03)	(0.04)	(0.07)
Cash dividends	-	-	-	-

Results of Operations

The Company recorded a loss of $859,685 for the six months ended June 30, 2012 compared to a loss of $1,356,772 for the six months ended June 30, 2011. The decrease in loss of $497,087 from the prior comparative period was due mainly to a large decrease in stock based compensation. The decrease was partially offset by an increase of $128,530 in professional fees as a result of legal and accounting fees relating to the private placement and prospectus offering, and an increase of $98,428 in general and administrative costs as RESAAS increased the amount of overhead costs incurred during the quarter.

The Company recorded a loss of $420,554 for the three months ended June 30, 2012 compared to a loss of $695,634 for the three months ended June 30, 2011. The decrease in loss of $275,080 from the prior comparative period was due mainly to a large decrease in stock based compensation. The decrease was partially offset by an increase of $83,910 in professional fees as a result of legal and accounting fees relating to the private placement and prospectus offering.

Quarterly Information

Selected consolidated financial information for each of the last eight quarters (unaudited) as prepared in accordance with International Financial Reporting Standards:

	June 30, 2012 $	March 31, 2012 $	December 31, 2011 $	September 30, 2011 $
Total Assets	7,121,005	7,215,556	5,665,772	5,465,481
Working Capital (Deficiency)	5,288,041	5,808,372	4,488,738	4,787,754
Net Loss	(420,554)	(439,131)	(192,471)	(1,067,608)
Loss per Share	(0.02)	(0.02)	(0.01)	(0.05)

	June 30, 2011 $	March 31, 2011 $	December 31, 2010 $	September 30, 2010 $
Total Assets	4,143,280	3,604,675	281,839	237,711
Working Capital (Deficiency)	3,375,589	3,126,096	(3,045)	(71,283)
Net Loss	(695,634)	(661,138)	(105,756)	(104,195)
Loss per Share	(0.07)	(0.04)	(0.01)	(0.01)

Liquidity and Capital Resources

As at June 30, 2012, RESAAS had total assets of $7,121,005 compared with $5,665,772 as at December 31, 2011. The increase in assets is attributed to costs incurred with respect to the development of the website which will be used as the platform for RESAAS' future operating activities. Also, there was a large increase in cash and cash equivalents due to the fact that RESAAS has completed several private placement financings. The Company had a cash balance of $4,710,990 and working capital of $5,288,041 at June 30 2012 compared with a cash balance of $3,954,008 and a working capital of $4,488,738 at December 31, 2011. The changes in cash and working capital are attributed to the fact that RESAAS raised gross proceeds of over $2,000,000 in financings through the issuance of common shares, the exercise of warrants, plus the exercise of Broker Warrants.

Related party transactions

a) During the six months ended June 30, 2012, the Company incurred $nil (June 30, 2011 - $413,033) of website development and consulting costs to a company controlled by a director of the Company.

b) During the six months ended June 30, 2012, the Company incurred $59,063 (June 30, 2011 - $nil) of website development and consulting costs to the Vice President of Engineer of the Company.

c) During the six months ended June 30, 2012, the Company incurred $62,308 (June 30, 2011 - $nil) of website development and consulting costs to the Chief Technical Officer of the Company.

d) During the six months ended June 30, 2012, the Company incurred consulting fees of $59,883 (June 30, 2011 - $nil) to the Chief Operating Officer of the Company.

e) During the six months ended June 30, 2012, the Company incurred management fees of $42,000 to the Chief Executive Officer and Chief Financial Officer of the Company.

f) As of June 30, 2012, the Company was owed $37,000 for loans from the Company Chief Executive Officer and Chief Financial Officer of the Company. These amounts are unsecured, non-interest bearing, and have no specific terms for repayment.

g) During the six months ended June 30, 2012, the Company recognized stock-based compensation expense of $181,675 in relation to the grant of stock options to directors of the Company.

h) During the six months ended June 30, 2012, the Company recognized stock-based compensation expense of $336,165 in relation to the grant of stock options to directors of the Company.

The amounts incurred are in the normal course of operations and have been recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties.

Off Balance Sheet Arrangements

The Company has no off Balance Sheet arrangements.

Investor Relations

RESAAS retains a consultant to provide Investor Relation and Business Development services for $3,000 per month.

Commitments

a) On February 28, 2011, the Company entered into a consulting agreement for business development services, payable at $3,000 per month commencing April 15, 2011. Pursuant to the agreement, the Company also issued 150,000 stock options to the consultant.

b) On May 27, 2011, the Company entered into an agreement with a software engineer, payable at $6,000 per month commencing June 15, 2011. Pursuant to the agreement, the Company also issued 75,000 stock options to the consultant

c) The Company has entered into a one year office lease agreement and agreed to pay monthly rent of US$2,432 commencing April 1, 2012.

New Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2013 or later periods.

The following amendments revisions and new IFRSs, which have not been early adopted in these interim financial statements, will not have a material effect on the Company's future results and financial position:

i) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9)

ii) IFRS 10 Consolidated Financial Statements (New; to replace consolidation requirements in IAS 27 (as amended in 2008) and SIC-12)

iii) IFRS 11 Joint Arrangements (New; to replace IAS 31 and SIC-13)

iv) IFRS 12 Disclosure of Interests in Other Entities (New; to replace disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31)

v) IFRS 13 Fair Value Measurement (New; to replace fair value measurement guidance in other IFRSs)

vi) IAS 1 Presentation of Financial Statements, amendments regarding Presentation of Items of Other Comprehensive Income

vii) IAS 19 Employee Benefits (Amended in 2011)

viii) IAS 27 Separate Financial Statements (Amended in 2011)

ix) IAS 28 Investments in Associates and Joint Ventures (Amended in 2011)

x) IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (New)

Critical accounting policies

Use of Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the interim financial statements within the next financial year are discussed below.

(a) Website Development Costs

The application of the Company's accounting policy for website development costs requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written-off in the profit or loss in the period the new information becomes available.

(b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(c) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Company measures the cost of equity-settled transactions with parties other than employees by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent upon the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Subsequent Events

a) The Company issued 243,400 common shares for proceeds of $60,850 pursuant to the exercise of agent's warrants.

b) The Company issued 416,875 common shares for proceeds of $208,438 pursuant to the exercise of warrants outside of the exercise programme ("Programme").

c) On July 31, 2012, the Company completed the Programme described in Note 10 and issued a total of 2,371,925 common shares for gross proceeds of $1,185,962. The Company paid fees of $35,578.

d) Subsequent to June 30, 2012, 975,000 shares were released from escrow, leaving a balance of 7,800,000 shares held in escrow.

e) Subsequent to June 30, 2012, warrants to acquire 693,300 shares at $0.50 per share and 5,000 at $0.25 per share expired.

f) Subsequent to June 30, 2012, stock options to acquire 70,000 shares at $1.65 per share were cancelled.

Outstanding Share Data

On June 15, 2012, the Company announced a warrant exercise programme ("Programme") to promote the orderly and efficient exercise of certain common share purchase warrants. The Company has agreed to pay registrants that contact holders and facilitate the exercise of warrants a fee of 3% of warrant proceeds actually received through the Programme.

As at August 29, 2012, the Company has 28,103,261 common shares, 2,292,200 stock options and 2,517,461 warrants exercisable and outstanding.

As at August 29, 2012, RESAAS had no Class A preferred shares issued and outstanding.

Escrowed Shares

As at August 29, 2012, RESAAS had 7,800,000 common shares held in escrow.

Risk Factors

The activities of RESAAS are subject to the risks normally encountered in a start-up business, including: negative cash flow; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; dilution; no history of operations and revenues, and no history of earnings or dividends; competition; economic changes; and uninsured risks.

Although there are no other known Social Platforms for Real Estate Agents, there are many Real Estate aggregation sites and since the Real Estate Industry is so prominent, there are always other companies trying to develop the latest and best product to service the industry.

Directors and Officers: (as at August 29, 2012):

Cory Brandolini: Chief Executive Officer and Director
Cam Shippit: Chief Financial Officer and Director
Michael St. Hilaire: Chief Operating Officer
Tom Rossiter: Chief Technology Officer and Director
Andrew Thompson: VP of Engineering
Chris Morgando: Director
Adrian Barrett: Director

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On behalf of the Board of Directors

"Cam Shippit"

Cam Shippit –August 29, 2012