BREAKING DATA CORP.
(formerly Sprylogics International Corp.)

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 month periods ended
October 31, 2015 and 2014

Notice Pursuant to National Instrument 51-102 – Continuous Disclosure Obligations

The accompanying interim condensed consolidated financial statements of Breaking Data Corp. (formerly Sprylogics International Corp.) have been prepared by and are the responsibility of management. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for review of interim financial statements.

Breaking Data Corp.
(Formerly Sprylogics International Corp.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	As at October 31, 2015 (Unaudited)	As at January 31, 2015 (Audited)
ASSETS	$	$
Current assets		
Cash	**794,884**	379,996
Trade and other receivables (Note 14)	**277,383**	219,573
Prepaid expenses, deposits and other assets	**638,008**	11,801
	1,710,275	611,370
Intangible assets (Notes 3 and 4)	**1,752,792**	1,967,501
	3,463,067	2,578,871
LIABILITIES		
Current liabilities		
Trade payables and other payables (Notes, 12 and 14)	**311,262**	726,671
Deferred revenue	**66,016**	100,884
Debentures (Notes 3, 5 and 14)	**751,397**	1,391,009
	1,128,675	2,218,564
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	**15,341,054**	12,079,086
Warrants (Note 8)	**1,895,079**	225,048
Contributed surplus (Notes 7 and 9)	**6,885,436**	6,122,139
Deficit	**(21,787,177)**	(18,065,966)
	3,334,392	360,307
	3,463,067	2,578,871

GOING CONCERN (Note 1)

COMMITMENTS (Note 15)

ON BEHALF OF THE BOARD:

"Marvin Igelman" 'Michael Kron"

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

Breaking Data Corp.
(Formerly Sprylogics International Corp.)

CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Expressed in Canadian Dollars)	**3 months ended October 31, 2015 (Unaudited)**	3 months ended October 31, 2014 (Unaudited)	**9 months ended October 31, 2015 (Unaudited)**	9 months ended October 31, 2014 (Unaudited)
	$	$	**$**	$
Revenue	**282,895**	276,335	**968,838**	1,549,242
Expenses				
Promotion and marketing	**645,116**	19,692	**1,533,756**	95,015
Stock-based compensation (Note 7)	**205,399**	412,181	**638,119**	1,371,543
Business development consultants compensation (Note 12)	**124,523**	62,560	**445,834**	229,960
Employee salary and benefits expense	**225,411**	140,619	**623,905**	436,752
Research and development consultants compensation (Note 12)	**183,959**	163,612	**480,805**	632,982
Management consulting compensation (Note 12)	**105,000**	105,000	**315,000**	315,000
Administration and operations	**88,116**	123,488	**268,049**	355,613
Amortization of intangibles (Note 4)	**81,250**	81,250	**243,750**	243,750
Application content expense	**42,537**	48,101	**137,808**	159,422
Accretion on debentures (Note 5)	**17,734**	15,798	**91,295**	34,088
Interest on debentures (Note 5)	**-**	24,856	**17,272**	54,902
Professional fees	**3,503**	1,469	**21,667**	15,499
Total Expenses	**1,722,548**	1,198,626	**4,817,260**	3,944,526
NET LOSS BEFORE GAIN ON SALE OF ASSETS AND INTEREST EARNED	**(1,439,653)**	(922,291)	**(3,848,422)**	(2,395,284)
Gain on sale of asset (Note 4)	**2,436**	-	**127,211**	-
Interest earned	**-**	-	**-**	1,669
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(1,437,217)**	(922,291)	**(3,721,211)**	(2,393,615)
Basic and diluted loss per share (Note 10)	**(0.03)**	(0.03)	**(0.09)**	(0.09)
Weighted average number of shares	**41,109,919**	27,934,635	**40,620,643**	27,598,372

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

Breaking Data Corp.
(Formerly Sprylogics International Corp.)

CONDENSDED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

For the 9 month periods ended October 31, 2015 and 2014
(Expressed in Canadian Dollars)

	Common Shares					
	Number	Amount $	Warrants $	Contributed Surplus $	Deficit $	Total Shareholders' Equity $
Balance, February 1, 2014	**27,347,707**	**10,972,213**	**1,351,082**	**4,244,020**	**(13,954,329)**	**2,612,986**
Issuance of shares for interest on debenture (Note 6a)	79,682	39,044	-	-	-	39,044
Share issued for Debenture (Note 6(b))	666,666	33,898	-	-	-	33,898
Stock-based compensation (Notes 7(a) and 9)	-	-	-	1,371,543	-	1,371,543
Net loss for the period	-	-	-	-	(2,393,615)	(2,393,615)
Balance, October 31, 2014	**28,094,055**	**11,045,155**	**1,351,082**	**5,615,563**	**(16,347,944)**	**1,663,856**

	Common Shares					
	Number	Amount $	Warrants $	Contributed Surplus $	Deficit $	Total Shareholders' Equity $
Balance, February 1, 2015	**29,095,634**	**12,079,086**	**225,048**	**6,122,139**	**(18,065,966)**	**360,307**
Shares and warrants issued related to private placement on February 12, 2015, net of issue costs (Note 6(f))	4,285,714	1,467,737	-	-	-	1,467,737
Warrants for 4,285,714 shares issued related to private placement on February 12, 2015 (Notes 6(f) and 8(b))	-	(710,949)	710,949	-	-	-
Shares issued for debt (Note 6(g))	428,571	150,000	-	-	-	150,000
Equity portion of convertible debt (Notes 5(c) and 6(h))	-	-	-	140,908	-	140,908
Shares and warrants issued related to private placement on March 12, 2015, net of issue costs (Note 6(i))	8,125,000	3,215,282	-	-	-	3,215,282
Warrants for 8,125,000 shares issued related to private placement on March 12, 2015 (Notes 6(i) and 8(b))	-	(1,008,402)	1,008,402	-	-	-
Exercise of options (Notes 6(j) and 7(c))	25,000	31,480	-	(15,730)	-	15,750
Exercise of warrants (Note 6(k) and 8(a))	150,000	116,820	(49,320)	-		67,500
Stock-based compensation (Notes 7(a) and 9)	-	-	-	638,119	-	638,119
Net loss for the period	-	-	-	-	(3,721,211)	(3,721,211)
Balance, October 31, 2015	**42,109,919**	**15,341,054**	**1,895,079**	**6,885,436**	**(21,787,177)**	**2,334,392**

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

Breaking Data Corp.
(Formerly Sprylogics International Corp.)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars)	9 months ended October 31, 2015 (Unaudited)	9 months ended October 31,2014 (Unaudited)
CASH FLOWS FROM:	**$**	$
OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	**(3,721,211)**	(2,393,615)
Items not affecting cash		
Amortization of intangible assets (Note 4)	**243,750**	243,750
Accretion of debentures (Note 5)	**91,296**	34,088
Stock-based compensation (Note 7)	**638,119**	1,371,543
Common shares issued for debt	**150,000**	-
Net change in non-cash working capital items related to operations (Note 11)	**(1,134,294)**	108,860
Cash used for operating activities	**(3,732,340)**	(635,374)
FINANCING ACTIVITIES		
Proceeds from debenture (Note 5)	**500,000**	466,102
Repayment of debentures (Note 5)	**(1,090,000)**	-
Proceeds from exercised options and warrants (Notes 6 and 7)	**83,250**	-
Proceeds from the issuance of common shares and share purchase warrants, net of issuance costs (Note 6)	**4,683,019**	72,942
Cash provided by financing activities	**4,176,269**	539,044
INVESTING ACTIVITIES		
Increase in intangible assets (Note 4)	**(29,041)**	(90,323)
Proceeds from redemption of term deposit	**-**	300,000
Cash provided by (used) in investing activities	**(29,041)**	209,677
INCREASE IN CASH FOR THE PERIOD	**414,888**	113,347
CASH, BEGINNING OF PERIOD	**379,996**	181,735
CASH, END OF PERIOD	**794,884**	295,082

The accompanying notes are an integral part of these interim unaudited condensed consolidated financial statements.

1. BASIS OF PRESENTATION

Nature of operations -
Breaking Data Corp. (formerly Sprylogics International Corp.) ("BDC" or the "Company") is a technology provider of semantic search, machine learned language and Natural Language Processing ("NLP"). The Company's newest app, BreakingSports utilizes semantic, machine learned language and NLP to track social media in fully automated, real-time manner, for significant sports information and events and distributes summarized information through real-time push notifications to consumers. The Company also enables mobile application providers to generate revenue into their apps via its "Poynt-Enabled" SDK and owns Poynt, an award winning, all-in-one local mobile search app that has garnered over 20 million downloads.

Breaking Data completed the acquisition of Poynt Inc. ("Poynt") on July 30, 2013. Poynt markets its Poynt App.

In addition, through its wholly-owned subsidiary, Devesys Technologies, Inc. ("DTI"), the Company develops case management, tracking and reporting systems for Fortune 500 companies. DTI's product line consists of TrakBasic(R), TrakEnterprise(R), and TrakWeb(TM).

The registered address, head office, principal address and records office of the Company is located at 64 Jardin Drive, Suite 2A, Concord, Ontario L4K 3P3.

Going concern -
The Company incurred a loss of $3,721,211 for the 9 month period ended October 31, 2015 ($2,393,615 – October 31, 2014), had an accumulated deficit at October 31, 2015 of $21,787,177 ($18,065,966 – January 31, 2015) and has yet to generate positive cash flows from operations. During this period, the Company was able to meet its required operating expenses. In addition, on February 12 and March 12, 2015, the Company completed two financings and issued a total of 12,410,714 shares (4,285,714 at $0.35 and 8,125,000 at $0.40) for gross proceeds $4,750,000 (net proceeds of $4,683,019). As well, on February 12, 2015, the Company completed a $500,000 convertible debenture financing with a conversion price of $0.38. The Debenture bears no interest and matures 24 months from closing. The holder of the Debenture received 1,315,789 warrants exercisable into one common share of the Company at $0.50 for 24 months in connection with the issuance of the Debenture. The Company also received $83,250 during the period for the exercise of share purchase options and broker warrants.

Additionally, during the 9 month period ended October 31, 2015, using the proceeds from the financings, the Company fully repaid $500,000 relating to two pre-existing debentures for $250,000 each that were issued on August 22, 2014 and $590,000 lump sum payment relating to the debentures issued on the acquisition of Poynt Inc. on July 30, 2013.

While the Company completed two financings during the period end and issued shares for debt of $150,000 in order to provide working capital and fund operations, there still remains significant doubt that the Company will be able to continue as a going concern in the future. Consequently, the Company will be required to seek further non-operational sources of financing, and succeed in making its operations profitable. Nevertheless, the Company believes the use of the going concern assumption is appropriate; the accompanying consolidated financial statements do not include any adjustments or disclosures that may be necessary should the Company not be able to continue as a going concern. If this were the case, these adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company's principal accounting policies are outlined in the Company's annual audited consolidated financial statements for the year ended January 31, 2015 and have been applied consistently to all periods presented in these unaudited interim condensed consolidated financial statements, except as described below in new standards and interpretations adopted. These interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended January 31, 2015.

Statement of compliance -

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 34 "Interim Financial Reporting" ("IAS 34"). The notes presented in these unaudited interim condensed financial statements include only significant events and transactions occurring since our last fiscal year end and are not fully inclusive of all matters required to be disclosed in the Company's annual audited consolidated financial statements.

The policies applied in the unaudited interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved the interim condensed consolidated financial statements on September 29, 2015.

Basis of presentation -

The accompanying unaudited interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency, and include the accounts of DTI, translated into Canadian dollars, and Poynt Inc. All significant intercompany accounts and transactions have been eliminated.

Effective September 4, 2013 the Company consolidated its common shares issuing 1 new common share for every 10 old common shares. The current issued and outstanding common shares are 42,109,919. All issuances of common shares, stock options, share purchase warrants, and earnings per share in current and previous accounting periods presented herein have been adjusted retroactively to reflect this share consolidation.

Effective September 9, 2015, at an Annual and Special Meeting of Shareholders, the Company approved a change of its name to Breaking Data Corp., effective immediately.

Comparative figures -

For comparative purposes certain prior period balances have been reclassified in order to conform to the current presentation. There has been no change to prior period losses or adjustment to retained earnings as a result of these reclassifications.

Recently Adopted Standards –

Unless otherwise noted, the following revised standards and amendments are effective for the Company on or after February 1, 2014.

IAS 36 - Impairment of Assets

IAS 36 - Impairment of Assets was amended to clarify the disclosure requirements for the recoverable amount for an individual asset (including goodwill) or CGU when an impairment loss has been recognized or reversed. The amendment is effective for annual periods beginning on or after January 1, 2014.

Effective February 1, 2014, the Corporation adopted amended IAS 36 – Impairment of Assets. The adoption of this standard had no material impact on the interim condensed consolidated financial statements of the Company.

Issued standards not yet adopted –

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers - is effective for annual periods beginning on or after January 1, 2018, and provides new requirements for recognizing revenue. The new standard's core principle is for a company to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard sets out enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively and improves guidance for multiple-element arrangements.

IFRS 9 – Financial Instruments

IFRS 9 – Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting. This standard is mandatorily effective from January 1, 2018, with early adoption permitted.

The Company intends to adopt these new standards on their effective dates and has yet to consider the impact on its financial reporting.

3. BUSINESS ACQUISITION

On July 30, 2013, the Company completed the acquisition of all the outstanding shares of Poynt Inc. ("Poynt"). Poynt offers a mobile application which provides targeted local search. At the time of the acquisition, Poynt held 6 contextual based patents with several more patent applications, some of which have now been granted. It has established many sources of data feeds worldwide. The addition of Poynt enables the Company to integrate its advanced search and semantic technology and overlap and complement its software development kit ("SDK") for local search with a "Poynt enabled" version of the SDK moving forward.

The purchase price of $3,235,312 consisted of debentures of $2,324,712, share consideration of $600,000 and payment of $310,600 for operational expenses net of revenues collected attributable to the vendor of Poynt. The purchase price allocation to the fair value of assets and liabilities acquired and presented below is based on external valuations.

Details of the business acquisition, accounted for by using the acquisition method, are as follows:

Assets acquired:		
Cash	$	20,612
Accounts receivable		175,809
Intangible assets:		
Intellectual Property		1,205,000
Poynt user base		745,000
Poynt brand and trade name		185,000
Goodwill		1,094,023
Total intangible assets		3,229,023
Total assets		3,425,444
Liabilities assumed:		
Accounts payable and accrued liabilities		(56,157)
Loans payable		(133,975)
Fair value of net assets acquired	**$**	**3,235,312**
Financed by:		
Debentures	$	2,324,712
Share consideration (Note 6 (b))		600,000
Cash		310,600
Total consideration	**$**	**3,235,312**

The goodwill represents the expected operational and development synergies with other activities of the Company and the economic value of the workforce acquired that do not meet the criteria for separate recognition. The goodwill is not deductible for tax purposes. At January 31, 2015, in performing their annual impairment assessment, the Company recorded a full impairment charge for good will of $1,094,023 (see note 4).

4. INTANGIBLE ASSETS AND GOODWILL

	Total Deferred Patent Costs $	Intellectual Property (Note 4) $	Poynt user base (Note 4) $	Poynt brand and trade name (Note 4) $	Goodwill (Note 4) $	Total $
As at January 31, 2015	**346,951**	**1,205,000**	**745,000**	**185,000**	**1,094,023**	**3,575,974**
Additions	29,041	-	-	-	-	29,041
As at October 31, 2015	**375,992**	**1,205,000**	**745,000**	**185,000**	**1,094,023**	**3,605,015**
Amortization and impairment						
As at January 31, 2015	**26,950**	**301,250**	**186,250**	**-**	**1,094,023**	**1,608,473**
Amortization	-	150,625	93,125	-	-	243,750
Impairment	-	-	-	-		-
As at October 31, 2015	**26,950**	**451,875**	**279,375**	**-**	**1,094,023**	**1,852,223**
Net Book Value						
As at January 31, 2015	**320,001**	**903,750**	**558,750**	**185,000**	**-**	**1,967,501**
As at October 31, 2015	**349,042**	**753,125**	**465,625**	**185,000**	**-**	**1,752,792**

Poynt Inc. is regarded as its own Cash Generating Unit, as it is the smallest identifiable group of assets that generates cash inflows, which consists of the Poynt user base, brand and trade name and goodwill as listed above. Upon the acquisition of Poynt, see Note 3, management expected to achieve certain operational and developmental synergies with other activities of the Company as well as benefit from the economic value of the workforce acquired, none of which met the criteria for separate recognition and thus had been recognized as goodwill. In performing their annual impairment assessment, as at January 31, 2015, specifically for the goodwill and the indefinite life intangibles in the Poynt CGU, management determined that due to recent developments the Company was planning to focus on developing other applications. Consequently, some of the underlying significant estimates inherent in the initial recognition and measurement of the intangibles were determined to no longer be appropriate. Specifically, in performing the annual impairment test it was found that the growth in revenues and users projected at the time of the acquisition were no longer substantiated by actual and forecast financial results.

Using a five year (and related terminal value) discounted future cash flow model, the Company determined the recoverable amount by calculating its value in use. The recoverable amount of the CGU was determined to be below its carrying value as at January 31, 2015. The Company recorded a full impairment charge for goodwill of $1,094,023 on that date.

On July 14, 2015, the Company entered into a Domain name assignment agreement, thereby transferring all rights, title and interests in certain URLs owned by the Company for $100,000US ($127,211CAD). There was no cost base associated with these domain names and the transaction was recorded as a gain on sale of assets. There is no impact on the Company's business resulting from this sale of these domain names, beyond the receipt of a cash payment.

5. DEBENTURES

Debenture Date	July 30, 2013 (a)	August 22, 2014 (b)	February 12, 2015 (c)	Total
Face value of debenture upon issuance	$2,500,000	$		$2,500,000
Less: Discount	(175,288)	-	-	(175,288)
Book value of the debenture on initial recognition	2,324,712	-	-	2,324,712
Accretion expense during the year	116,272	-	-	116,272
Balance of the debenture prior to repayments	2,440,984	-	-	2,440,984
Repayments during the year	(1,568,006)	-	-	(1,568,006)
Balance, January 31, 2014	**$872,978**	**$ -**	**-**	**$872,978**
Face value of debenture upon issuance	$ -	$500,000	-	$500,000
Less: Discount	-	(33,898)	-	(33,898)
Book value of the debenture on initial recognition	-	466,102	-	466,102
Accretion expense during the year	36,884	15,045	-	51,929
Balance of the debenture prior to repayments	909,862	481,147	-	1,391,009
Repayments during the year	-	-	-	-
Balance, January 31, 2015	**$909,862**	**$481,147**	**-**	**$1,391,009**
Face value of debenture upon issuance	$ -	-	500,000	500,000
Less: Discount	-	-	140,908	140,908
Book value of the debenture on initial recognition	-	-	359,092	359,092
Accretion expense during the period	22,132	18,853	50,311	91,296
Balance of debenture prior to repayments	931,994	500,000	409,403	1,841,397
Repayments during the period	(590,000)	(500,000)	-	(1,090,000)
Balance, October 31, 2015	**341,994**	**-**	**409,403**	**751,397**

a) On July 30, 2013 the Company issued two identical debentures for $1,250,000 as part of the consideration for the business acquisition of Poynt (see Business acquisition Note 3). The debentures bear interest at 6.5% per annum and mature in two years. The fair values of debentures were determined to be $2,324,712 based on the discounted cash flows using an estimated cost of borrowing of 18%. The Company repaid $590,000 during the 9 month period ended October 31, 2015. The debentures bear interest at 6.5% per annum and the balance of debenture was due October 31, 2015 with no requirements for prepayment and with interest payable semi-annually in either shares or cash at the Company's discretion. Prior to the maturity date the lender extended the debenture on a monthly basis with all other terms of repayment and interest remaining the same.

During the 9 month period ended October 31, 2015 accretion expense the debenture was $22,132 (October 31, 2014 - $27,587).

Interest expense on the debentures for the 9 month period ended October 31, 2015 was $14,566 (October 31, 2014 - $45,313).

b) On August 22, 2014 the Company issued two identical debentures for $250,000. The debentures bear interest at 10% per annum and were to mature on August 22, 2015. In connection with the issuance of the $500,000 secured debentures, the Company issued 666,666 common shares to the holder of the debenture. The Company allocated the total proceeds received between the debenture and the common shares (Note 6(e)). The fair value of debenture was determined to be $466,102 based on the discounted cash flows using an estimated cost of borrowing of 18%. The residual value of $33,898 was allocated to the share capital. On February 18, 2015, the Company fully repaid the $500,000 outstanding.

During the 9 month period ended October 31, 2015 accretion the debenture was $18,853 (October 31, 2014 – $6,501)

Interest expense and payable on the debentures for the 9 month period ended October 31, 2015 was $2,706 (October 31, 2014 – 9,589) and was paid in full on February 18, 2015

c) On February 12, 2015 the Company issued a convertible debenture for $500,000 which is convertible into common shares of the Company at a conversion price of $0.38 until maturity. The debenture bears no interest and matures in 24 months. In connection with the issuance of the $500,000 convertible debenture, the Company issued 1,315,789 warrants, with each warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company allocated the total proceeds received between the debenture and Contributed Surplus in order to account for the conversion feature and warrants (Note 6(h)). The fair value of the debenture was determined to be $359,092 based on the discounted cash flows using an estimated cost of borrowing of 18%. The residual value of $140,908 was allocated to Contributed Surplus.

Accretion expense on the debenture for the 9 month period ended October 31, 2015 was $50,311 (October 31, 2014 – nil) with a corresponding credit to the debenture.

6. SHARE CAPITAL

Authorized - Unlimited common shares	**October 31, 2015**	**January 31, 2015**
Issued – 42,109,919 common shares (January 31, 2015 - 29,095,634)	$ 15,341,054	$ 12,079,086

Effective September 4, 2013 the Company consolidated its common shares issuing 1 new common share for every 10 old common shares. All issuances of common shares, stock options, share purchase warrants, and earnings per share in current and previous accounting periods presented herein have been adjusted retroactively to reflect this share consolidation.

a) On February 3, 2014, with respect to debenture interest of $44,621 owing and outstanding on July 31, 2014, the Company issued 79,682 shares at $0.49, the fair value at issue date, to satisfy $39,044. The balance of interest owing of $5,577 was paid in cash.

b) On August 22, 2014 in connection with the issuance of two $250,000 secured debentures the Company issued 666,666 common shares to the holders of the debentures. The Company allocated the total proceeds received between the debenture and the common shares and the residual value of $33,898 was allocated to share capital.

c) On November 13, 2014, the Company issued 612,829 common shares for the exercise of 612,829 warrants at $0.40 for proceeds of $245,132. An additional credit to share capital of $387,492 was made to account for the original Black-Scholes value of these warrants with a corresponding reduction to warrants for the same amount.

d) On November 27, 2014, the Company issued 288,750 common shares for the exercise of 288,750 warrants at $0.40 for proceeds of $115,500. An additional credit to share capital of $182,577 was made to account for the original Black-Scholes value of these warrants with a corresponding reduction to warrants for the same amount.

e) On December 2, 2014, the Company issued 100,000 common shares for the exercise of 100,000 warrants at $0.40 for proceeds of $40,000. An additional credit to share capital of $63,230 was made to account for the original Black-Scholes value of these warrants with a corresponding reduction to warrants for the same amount.

f) On February 12, 2015, Company issued 4,285,714 units at $0.35 for gross proceeds of $1.5 million (net proceeds of $1,467,737). Each unit consists of one common share and one share purchase warrant at an exercise price of $0.45 for 24 months. An additional reduction to share capital of $710,949 was made to account for the original Black-Scholes value of these warrants with a corresponding credit to warrants for the same amount.

g) On February 12, 2015 the Company issued 428,571 shares at $0.35 to satisfy debt of $150,000 originally included in trade accounts payable.

h) On February 12, 2015, the Company repaid a debenture with a principal amount of $500,000 (Note 5(b)) and issued a new $500,000 convertible debenture that is convertible into common shares of the Company at a conversion price of $0.38 per share until maturity (Note 5(c)). The convertible debenture will mature in 24 months. In connection with the debenture the Company issued 1,315,789 warrants at an exercise price of $0.50 for 24 months. The Company allocated the total proceeds received between the debenture and the contributed surplus in order to account for the conversion feature and warrants the fair value of the debenture was determined to be $359,092 based on the discounted cash flows using an estimated cost of borrowing of 18%. The residual value of $140,908 was allocated to Contributed Surplus.

i) On March 12, 2015 the Company issued 8,125,000 units at $0.40 for gross proceeds of $3.25 million (net proceeds of $3,215,282). Each unit consists of one common share and one half of one share purchase warrant. Each whole warrant exercise price is $0.50 for 18 months. A reduction to share capital of $1,008,402 was made to account for the original Black-Scholes value of these warrants with a corresponding credit to warrants for the same amount.

j) On April 1, 2015 the Company issued 25,000 shares upon the exercise of 25,000 share purchase options at an exercise price of $0.63 for proceeds of $15,750. An additional credit to share capital of $15,730 was made to account for the original Black-Scholes value of these options with a corresponding reduction to contributed surplus for the same amount.

k) On July 2 and July 17, 2015, the Company issued 100,000 and 50,000 shares respectively upon the exercise of 150,000 broker warrants at an exercise price of $0.45 for total proceeds of $67,500. An additional credit to share capital of $49,320 was made to account for the original Black-Scholes value of these warrants with a corresponding reduction to warrants for the same amount.

7. COMMON SHARE PURCHASE OPTIONS

On September 10, 2015, the Company's shareholders approved and adopted a Fixed Stock Option Plan (the "2015 Plan") for directors, officers, employees and consultants to replace its previous Fixed Stock Option Plan, pursuant to which 8,420,000 Common Shares (being twenty percent (20%) of the issued and outstanding Common Shares as of the date of approval) are available for purchase upon the exercise of options awarded by the Company, including options previously awarded and outstanding under the former Stock Option Plans.

The Plan provides that other terms and conditions may be attached to particular stock options, such terms and conditions to be referred to in a schedule attached to the option certificate. The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

(i) the number of options awarded in a one-year period to any one consultant exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);

(ii) the aggregate number of options awarded in a one-year period to eligible persons undertaking investor relations activities exceeding two percent (2%) of the issued shares of the Company (calculated at the time of award);

(iii) the aggregate number of Common Shares reserved for issuance to any one individual upon the exercise of options awarded under the Plan or any previously established and outstanding stock option plans or grants, exceeding five percent (5%) of the issued shares of the Company (calculated at the time of award) in a one-year period; or options granted under the Plan will be for a term not to exceed five years from the date of their grant.

The following table summarizes outstanding options as at October 31, 2015 and January 31, 2015:

	9 month period ended October 31, 2015			**Year ended January 31, 2015**		
	Number of Options Outstanding(1)	**Exercise Price(1)**	**Weighted-Average Remaining Life**	**Number of Options Outstanding(1)**	**Exercise Price(1)**	**Weighted-Average Remaining Life**
Directors and Officers	**2,460,000**	**$0.63 - $1.20**	**2.47 years**	2,460,000	$0.63 - $1.20	3.22 years
Other Consultants	**1,995,000**	**$0.36 - $0.62**	**4.09 years**	2,395,000	$0.36 - $0.57	3.61 years
Total	**4,455,000**	**$0.36 - $1.20**	**3.25 years**	4,855,000	$0.36 - $1.20	3.41 years

(1) Effective September 4, 2013 the Company consolidated its common shares issuing 1 new common share for every 10 old common shares. The current issued and outstanding common shares are 27,347,707. All issuances of common shares, stock options, share purchase warrants, and earnings per share in current and previous accounting periods presented herein, have been adjusted retroactively to reflect this share consolidation.

The following table summarizes the Company's stock options activity for the 9 month period ended October 31, 2015 and year ended January 31, 2015:

	9 month period ended October 31, 2015			Year ended January 31, 2015		
	Number of Options(1)	Exercise Price(1)	Weighted-Average Exercise Price(1)	Number of Options(1)	Exercise Price(1)	Weighted-Average Exercise Price(1)
Outstanding, beginning of the period/year	**4,855,000**	**$0.36 - $1.20**	**$0.68**	5,020,000	$0.54 - $1.20	$0.72
Granted (a)	**550,000**	**$0.45 - $0.62**	**$0.57**	900,000	$0.36 - $0.57	$0.45
Cancelled or expired (b)	**(925,000)**	**$0.54 - $0.63**	**$0.61**	(1,065,000)	$0.61 - $1.20	$0.69
Exercised (c)	**(25,000)**	**$0.63**	**$0.63**	-	-	-
Outstanding, end of the period/year (d)	**4,455,000**	**$0.36 - $1.20**	**$0.68**	4,855,000	$0.36 - $1.20	$0.68

(1) Effective September 4, 2013 the Company consolidated its common shares issuing 1 new common share for every 10 old common shares. The current issued and outstanding common shares are 27,347,707. All issuances of common shares, stock options, share purchase warrants, and earnings per share in current and previous accounting periods presented herein, have been adjusted retroactively to reflect this share consolidation.

(a) During the 9 month period ended October 31, 2015, 550,000 options were granted (January 31, 2015 – 900,000). For the 9 month period ended October 31, 2015, a total credit of $638,119 (October 31, 2014 - $1,371,543) was allocated to contributed surplus with a corresponding charge to stock-based compensation expense in respect of the vesting of all outstanding options. For the 9 month period ended October 31, 2015, the options granted were valued using the Black-Scholes option-pricing model with the following assumptions: expected life of five years, risk free rate of 0.75%, expected dividend yield of 0%, and expected volatility of 273-275%.

(b) 925,000 options were cancelled or expired during the 9 month period ended October 31, 2015 (January 31, 2015 – 1,065,000).

(c) 25,000 options were exercised at $0.63 for proceeds of $15,750 on April 1, 2015. An amount of $15,730 was credited to share capital for the Black-Scholes value of these options with a reduction to contributed surplus of the same amount.

(d) As at October 31, 2015 the cash amount the Company would receive if all options were exercised is $3,030,100.

8. WARRANTS

The following table summarizes activity of the Company's warrants, exercisable for common shares:

				Black-Scholes Valuation Inputs				
	Number of Warrants(1)	Exercise Price(1)	Weighted-Average Remaining Life	Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
February 1, 2014	**2,926,979**	**$0.40 - $1.00**	0.93 years					
Exercised (a)	(901,579)	$0.40		0%	1.59%	24 months	298%	0%
Cancelled or expired (c) (Note 9)	(2,025,400)	$1.00						
January 31, 2015	**-**	**-**	**-**					
Granted (b)	9,644,003	$0.45 - $0.50	1.25years	0%	0.75%	18-24 months	273-275%	0%
Exercised (a)	(150,000)	$0.45						
October 31, 2015 (b)	**9,514,003**	**$0.45 - $0.50**	**1.25 years**					

(1) Effective September 4, 2013 the Company consolidated its common shares issuing 1 new common share for every 10 old common shares. The current issued and outstanding common shares are 27,347,707. All issuances of common shares, stock options, share purchase warrants, and earnings per share in current and previous accounting periods presented herein, have been adjusted retroactively to reflect this share consolidation.

The following table summarizes activity of the Company's finder's warrants, exercisable for Units:

				Black-Scholes Valuation Inputs				
	Number of Finders Warrants(1)	Exercise Price(1)	Weighted-Average Remaining Life	Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
February 1, 2014	464,661	$0.40 - $1.00	1.58 years					
Exercised (a)	(100,000)	$0.40		0%	1.59%	24 months	298%	0%
Cancelled or expired (c)	(8,740)	-						
January 31, 2015	**355,921**	**$0.40**	**0.58 years**					
Cancelled or expired (c) (Note 9)	(355,921)	$0.40						
October 31, 2015 (b)	**-**	**-**	**-**					

(1) Effective September 4, 2013 the Company consolidated its common shares issuing 1 new common share for every 10 old common shares. The current issued and outstanding common shares are 27,347,707. All issuances of common shares, stock options, share purchase warrants, and earnings per share in current and previous accounting periods presented herein, have been adjusted retroactively to reflect this share consolidation.

a) During the year ended January 31, 2015, 901,579 warrants and 100,000 Finders warrants were exercised for total proceeds of $400,632. These Agent and Finders warrants were originally granted in connection with the issuance of share capital on September 4, 2013. The Company included the proceeds in share capital and in addition, credited share capital for the original warrant value of $633,299 with a corresponding reduction to warrants.

During the 9 month period ended October 31, 2015 150,000 warrants were exercised for total proceeds of $67,500. These warrants were originally granted in connection with the issuance of share capital on February 12, 2015. The Company included the proceeds in share capital and in addition, credited share capital for the original warrant value of $49,320 with a corresponding reduction to warrants.

b) During the 9 month period ended October 31, 2015 there were three grants of warrants; i) On February 12, 2015 4,285,714 warrants were issued in connection with a private placement financing with an exercise price of $0.45 for a 24 month period. Using the Black-Scholes model $710,049 was credited to warrants with a corresponding reduction in share capital; ii) On February 12, 2015 1,315,789 warrants were issued in connection with the issuance of a convertible debenture, with an exercise price of $0.50 for a 24 month period. Using the Black-Scholes model $140,098 was credited to contributed surplus for the conversion feature and warrants, with a corresponding reduction in the debt amount; iii) On March 12, 2015 4,062,500 warrants were issued in connection with a private placement financing with an exercise price of $0.50 for an 18 month period. Using the Black-Scholes model $1,008,402 was credited to warrants with a corresponding reduction in share capital (January 31, 2015 - nil).

c) During the 9 month period ended October 31, 2015, no warrants expired and 355,921 Finders' warrants expired (January 31, 2015 – 2,025,400 warrants and 8,740 Finders warrants).

9. CONTRIBUTED SURPLUS

On February 12, 2015 the Company issued a convertible debenture for $500,000 which is convertible into common shares of the Company at a conversion price of $0.38 until maturity. The debentures bear no interest and mature in 24 months. In connection with the issuance of the $500,000 convertible debenture, the Company issued 1,315,789 warrants, with each warrant exercisable into a common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company allocated the total proceeds received between the debenture and contributed surplus in order to account for the conversion feature and warrants (Note 6(k)). The fair value of debenture was determined to be $359,092 based on the discounted cash flows using an estimated cost of borrowing of 18%. The residual value of $140,908 was allocated to the Contributed surplus (Note 5 (c)).

As a result of the vesting of stock options during the 9 month period ended October 31, 2015, $638,119 (October 31, 2014 - $1,371,543) was recorded as stock based compensation expense with the same amount credited to contributed surplus (Note 7(a)).

10. NET LOSS PER SHARE

There is no difference between the basic and diluted loss per share as the effect of the stock options, warrants and debt conversion options would be anti-dilutive.

11. SUPPLEMENTARY CASH FLOW INFORMATION

The changes in non –cash working capital items comprise the following:

	Period ended October 31, 2015	Period ended October 31, 2014
Decrease (increase) in trade and other receivable	**$ (57,810)**	$ 143,629
Decrease (increase) in prepaid expenses, deposits and other assets	**(626,206)**	102,858
Increase (decrease) in trade payables and other payables	**(415,409)**	(87,631)
Increase (decrease) in deferred revenue	**(34,868)**	49,996
	$ (1,134,293)	108,860

12. RELATED PARTY BALANCES AND TRANSACTIONS

The following balances and transactions with related parties and key management personnel are included in the accompanying interim condensed consolidated financial statements:

a. As of October 31, 2015 the Company had $58,538 (October 31, 2014 - $62,150) of accounts payable due to two officers of the Company (one of whom is also a director of the Company) and another director of the Company.

b. Research and development consultants compensation of $157,500 were incurred with one officer of the Company during the 9 month period ended October 31, 2015 (October 31, 2014 - $135,000). The officer was compensated for his role as Chief Technology Officer.

c. Management consulting compensation expenses of $315,000 were incurred with two officers of the Company during the 9 month period ended October 31, 2015 (October 31, 2014 - $315,000), one of which is also a director of the Company. These two officers were compensated for their roles as Chief Executive Officer and Chief Financial Officer for the Company.

d. Business development consultant compensation of $nil were incurred during the 9 month period ended October 31, 2015 (October 31, 2014 - $45,900) with a former officer of the Company. This former officer was compensated for his role as VP, Product Management for the Company.

e. No Share Purchase Options were granted to officers of the Company during the 9 month period ended October 31, 2015 (October 31, 2014 – nil).

13. SEGMENTED INFORMATION

The Company had two geographical segments as at and for the periods ended October 31, 2015 and 2014, comprising head office and general operations of Breaking Data International and Poynt Inc. in Canada and its wholly-owned subsidiary, DTI, in the United States.

	As at and for the period ended October 31, 2015			As at and for the period ended October 31, 2014		
	Canada	United States	Total	Canada	United States	Total
Current assets	1,657,427	52,848	1,710,275	469,152	52,818	521,970
Total assets	3,410,219	52,848	3,463,067	3,587,815	52,818	3,640,633
Total liabilities	1,062,245	66,430	1,128,675	1,918,293	58,484	1,976,777
Revenue by segment location	739,436	229,401	968,837	1,271,077	278,165	1,549,242
Revenue by customer location	134,111	834,727	968,838	1,083,237	466,005	1,549,242
Total expenses	4,608,131	209,129	4,817,260	3,742,218	202,308	3,944,526
Amortization of intangible assets	-	243,750	243,750	-	243,750	243,750
Interest and accretion on debentures	108,567	-	108,567	88,990	-	88,990
Impairment of goodwill	-	-	-	-	-	-
Write off of intangible assets	-	-	-	-	-	-
Gain on sale of assets	127,211	-	127,211	-	-	-
Interest earned	-		-	1,669	-	1,669
Net and comprehensive income (loss)	(3,741,483)	20,272	(3,721,211)	(2,469,471)	75,856	(2,393,615)

Significant Customers

For the 9 month period ended October 31, 2015, sales from two customers amounted to $481,964 and $136,034 respectively which represented 50% and 14% of total revenues.

For the 9 month period ended October 31, 2014, sales from one customer amounted to $675,000 which represented 44%, of total revenues.

14. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash, term deposits, trade and other receivables and trade payables and other payables, debentures. The fair values of financial instruments not measured at fair value through profit or loss approximate their carrying values due to the short-term nature of these financial instruments. Except as otherwise noted, the Company is not exposed to significant risks in relation to its financial instruments. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Currency Risk - The Company is exposed to certain currency risks in that the value of certain financial instruments will fluctuate due to changes in foreign exchange rates. In addition, the Company purchases and sells materials and products in US dollars and has certain salary and commission expenses in that currency. The Company does not employ any hedging strategies to mitigate the effects of its currency risks. The Company's net monetary assets in US dollars as at October 31, 2015 are $358,604 (January 31, 2015 – $216,019). The impact of a 10% strengthening of the Canadian dollar on monetary assets and liabilities at October 31, 2015 would result in a foreign exchange gain of approximately $35,860 (January 31, 2015 - $21,602). A 10% weakening of the Canadian dollar would have an equal and opposite impact. Management believes the impact of a strengthening or weakening of any other foreign currencies on monetary assets and liabilities would not be material.

Liquidity Risk - The Company is exposed to liquidity risk to the extent that it is required to meet its financial obligations as these become due. The Company's approach to managing liquidity risk is to ensure that it has sufficient cash and other current financial assets to meet its obligations when due, without incurring unacceptable losses or damage to the Company's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through a combination of cash management and access to additional capital. As at October 31, 2015, the Company has trade payables and other payables of $311,262 (January 31, 2015 - $726,671) due within 12 months and debentures with principal sums of $841,994 with $341,994 originally due July 30, 2015 but extended by the lender on a month to month basis and $500,000 due February 12, 2017 (January 31, 2015 - $1,431,994 with $931,994 due July 30, 2015 and $500,000 due August 22, 2015).

Credit Risk - Concentration of credit risk relates primarily to the Company's trade receivables, as certain customer groups are located in the same geographic areas. At October 31, 2015, 31% (January 31, 2015 – 41%) of the Company's accounts receivable was receivable from customers located in Canada. The allowance for doubtful accounts was $Nil at October 31, 2015 (January 31, 2015 - $nil). There is no indication, as at these dates, that the debtors will not meet their obligations, except to the extent provided for as bad debts during the reporting periods, which were immaterial for both reporting periods. The Company manages its credit risk relating to its trade receivables through credit approval and monitoring procedures, including senior management prior approval of all sales. Such approvals are based on trade information, payment history, credit rating and financial analysis, where possible. At October 31, 2015, no material amounts, individually or in aggregate, of trade and other receivables were due beyond their stated payment terms (which range from 30 to 90 days, depending on the contract and customer), and none were considered impaired. Management believes that selling through its current distribution channels does not represent a significant credit risk to the Company.

Interest Rate Risk - Interest rate risk is the risk that the value of financial instruments may fluctuate due to changes in market interest rates. The Company has no interest earning instruments as at October 31, 2015 (January 31, 2015 - $nil). As at October 31, 2015 the Company has two identical debentures, each for a principal amount of $170,997 (January 31, 2015 - $931,994) in connection with the acquisition of Poynt that bear interest at 6.5% per annum for a term of 2 years (Note 5(a)) and one other convertible debenture, for $500,000 that bears no interest for a term of 2 year (Note 5(c)) (January 31, 2015 – two identical debentures for $250,000 that bear interest at 10% per annum for a term of 1 year). Interest rate risk is mitigated somewhat as the debenture has a fixed interest rate or no interest; however, the Company is exposed to interest rate risk in that they could not benefit from a decrease in market interest rates.

The Company's management monitors interest rate fluctuations on a continuous basis and acts accordingly.

15. COMMITMENTS

The Company has a contingent commitment to pay $50,000 upon realization and recognition of its first $500,000 in patent licensing revenue, on certain patents and an additional $50,000 upon realization and recognition of an additional $500,000 in patent licensing revenue from of any of these patents. As of October 31, 2015 no patent licensing revenue has been realized or recognized.

16. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its sales and research and development activities, salaries and general and administrative expenses, working capital and overall capital expenditures, including those associated with intangible assets. The Board does not establish quantitative return on capital criteria for management, but relies on the expertise of the Company's management to sustain future development of the business.

The Company is currently dependent on external financing to fund some of its activities and in order to carry out its business plan, and will spend its working capital and additional financing as discussed in Note 1. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the periods ended October 31, 2015 and 2014. The Company is not subject to externally imposed capital requirements. In the management of capital, management considers the Company’s capital to be comprised of all components of shareholders’ equity.

17. SUBSEQUENT EVENTS

On December 10, 2015, the Company granted 3.3 million options to board, management, staff and consultants, of which 2.45 million options where issued to 4 directors of the board and 3 members of management. Each option is exercisable at $0.25, vests over 24 months and expires on December 9, 2020.