BREAKING DATA CORP.
(Formerly Sprylogics International Corp.)

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 month periods ended
April 30, 2016 and 2015

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 April 30, 2016 (Unaudited)**	As at January 31, 2016 (Audited)
ASSETS	**$**	$
Current assets		
Cash	**371,244**	920,352
Trade and other receivables (Note 14)	**326,371**	293,727
Prepaid expenses, deposits and other assets (Note 13)	**117,455**	317,502
	815,070	1,531,581
Intangible assets (Note 3)	**1,590,867**	1,671,710
	2,405,937	3,203,291
LIABILITIES		
Current liabilities		
Trade payables and other payables (Notes 11 and 14)	**339,239**	402,271
Deferred revenue	**107,363**	119,866
Debentures (Notes 4 and 14)	**1,079,693**	1,208,127
	1,526,295	1,730,264
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	**15,453,035**	15,453,035
Warrants (Note 7)	**1,764,768**	1,764,768
Contributed surplus (Notes 6 and 8)	**7,399,136**	7,200,378
Deficit	**(23,850,079)**	(23,057,936)
Accumulated other comprehensive income	**112,782**	112,782
	879,642	1,473,027
	2,405,937	3,203,291

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 April 30, 2016 (Unaudited)**	**3 months ended April 30, 2015** (Unaudited)
	$	$
Revenue	**401,927**	316,873
Expenses		
Promotion and marketing	**193,529**	442,179
Employee salary and benefits expense	**222,572**	160,852
Stock-based compensation (Note 6)	**198,758**	209,226
Research and development consultants compensation (Note 11)	**108,286**	130,495
Business development consultants compensation (Note 11)	**80,557**	194,235
Management consulting compensation (Note 11)	**105,000**	105,000
Amortization of intangibles (Note 3)	**81,250**	81,250
Administration and operations	**125,569**	103,533
Application content expense	**21,500**	51,538
Accretion on debentures (Note 4)	**46,566**	42,689
Professional fees	**1,862**	6,313
Interest on debentures (Note 4)	**10,000**	11,729
Total Expenses	**1,195,449**	1,539,039
NET LOSS BEFORE INTEREST EARNED	**(793,522)**	(1,222,166)
Interest earned	**1,379**	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(792,143)**	(1,222,166)
Basic and diluted loss per share (Note 9)	**(0.02)**	(0.03)
Weighted average number of shares	**42,109,919**	37,655,746

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

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Breaking Data Corp.
(Formerly Sprylogics International Corp.)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
For the 3 month periods ended April 30, 2016 and 2015
(Expressed in Canadian Dollars)

	Common Shares						
	Number	Amount $	Warrants $	Contributed Surplus $	Accumulated other comprehensive Income $	Deficit $	Total Shareholders' Equity $
Balance, February 1, 2015	**29,095,634**	**12,079,086**	**225,048**	**6,122,139**	**19,198**	**(18,085,164)**	**360,307**
Shares and warrants issued related to private placement on February 12, 2015, net of issue costs (Note 5(a))	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 5(a) and 7(b))	-	(710,949)	710,949	-		-	-
Shares issued for debt (Note 5(b))	428,571	150,000	-	-		-	150,000
Equity portion of convertible debt (Note 5 c))	-	-	-	140,908		-	140,908
Shares and warrants issued related to private placement on March 12, 2015, net of issue costs (Note 5(d))	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 5(d) and 7(b))	-	(1,008,402)	1,008,402	-		-	-
Exercise of options (Notes 5 (e) and 7(c))	25,000	31,480	-	(15,730)		-	15,750
Stock-based compensation (Notes 7(a) and 9)	-	-	-	209,226		-	209,226
Net loss for the period	-	-	-	-		(1,222,166)	(1,222,166)
Balance, April 30, 2015	**41,959,919**	**15,224,234**	**1,944,399**	**6,456,543**	**19,198**	**(19,307,330)**	**4,337,044**

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 CHANGES IN SHAREHOLDERS' EQUITY (Unaudited) (continued)

For the 3 month periods ended April 30, 2016 and 2015
(Expressed in Canadian Dollars)

	Common Shares						
	Number	Amount $	Warrants $	Contributed Surplus $	Accumulated other comprehensive income $	Deficit $	Total Shareholders' Equity $
Balance, February 1, 2016	**42,109,919**	**15,453,035**	**1,764,768**	**7,200,378**	**112,782**	**(23,057,936)**	**1,473,027**
Stock-based compensation (Notes 6 and 8)	-	-	-	198,758	-	-	198,758
Net loss for the period	-	-	-	-	-	(792,143)	(792,143)
Balance, April 30, 2016	**42,109,919**	**15,453,035**	**1,764,768**	**7,399,136**	**112,782**	**(23,850,079)**	**879,642**

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

Breaking Data Corp.
(Formerly Sprylogics International Corp.)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars)	3 month period April 30, 2016 (Unaudited)	3 month period April 30, 2015 (Unaudited)
CASH FLOWS FROM:	**$**	$
OPERATING ACTIVITIES		
Net loss for the period	**(792,143)**	(1,222,166)
Items not affecting cash		
Amortization of intangible assets (Note 3)	**81,250**	81,250
Accretion of debentures (Note 4)	**46,566**	42,689
Stock-based compensation (Note 6)	**198,758**	209,226
Common shares issued for debt	**-**	150,000
Net change in non-cash working capital items related to operations (Note 10)	**91,868**	(1,752,350)
Cash used for operating activities	**(373,701)**	(2,491,351)
FINANCING ACTIVITIES		
Proceeds from debentures (Note 4)	**-**	500,000
Repayment of debentures (Note 4)	**(175,000)**	(1,090,000)
Proceeds from exercised options and warrants (Notes 5 and 6)	**-**	15,750
Proceeds from the issuance of common shares and share purchase warrants, net of issuance costs (Note 5)	**-**	4,683,019
Cash provided by(used) in financing activities	**(175,000)**	4,108,769
INVESTING ACTIVITIES		
Additions in intangible assets (Note 3)	**(407)**	(9,214)
Cash used in investing activities	**(407)**	(9,214)
CHANGE IN CASH FOR THE PERIOD	**(549,108)**	1,608,204
CASH, BEGINNING OF PERIOD	**920,352**	379,996
CASH, END OF PERIOD	**371,244**	1,988,200

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 technology platform has many practical applications in multiple business and consumer verticals that are immersed in massive media and data rich settings. The Company's showcase 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 local mobile search app.

BDC 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 comprehensive loss of $792,143 for the 3 month period ended April 30, 2016 ($1,222,166 – April 30, 2015), had an accumulated deficit at April 30, 2016 of $23,850,079 ($23,057,936 – January 31, 2016) 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, during the previous fiscal year, 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. On January, 18, 2016, the Company closed another $500,000 principle amount secured convertible debenture financing with the lender making a further $500,000 available for drawdown under the convertible debenture, at the Company's option, during the term of the convertible debenture. Additionally, during the previous fiscal year, 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 (note 4).

1. BASIS OF PRESENTATION (continued)

Nevertheless, the current conditions raise significant doubt about the Company's ability to continue operating as a going concern. These interim unaudited condensed consolidated financial statements do not include any adjustments to reflect any events since April 30, 2016 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty. Consequently, the Company will be required to seek further non-operational sources of financing, and succeed in making its operations profitable.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

The policies applied in these unaudited interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").The accompanying interim unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2016.

Basis of presentation

The accompanying unaudited interim unaudited condensed 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.

Comparative figures

For comparative purposes certain prior period balances have been reclassified in order to conform to the current presentation.

Basis of measurement

The accompanying interim unaudited condensed consolidated financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are measured at fair value, as discussed elsewhere in Note 2.

Functional and Presentation Currency

Items included in the individual financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of Poynt is the Canadian dollar and the functional currency of DTI is the US dollar. The financial statements of DTI are translated into Canadian dollars as follows: monetary and non-monetary assets and liabilities are translated at the closing rate at the end of the reporting period, and income and expenses are translated at the average rates of the period as this is considered a reasonable approximation to actual rates. All resulting changes, to the extent that these are material, are recognized in other comprehensive loss and translation adjustments.

Within each individual entity, foreign transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and rom the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the interim condensed consolidated statements of loss and comprehensive loss.

The Company’s accounting policies were outlined in the Company’s annual audited consolidated financial statements for the year ended January 31, 2016 and have been applied consistently to all periods presented in these unaudited interim consolidated financial statements. These statements should be read in conjunction with the annual audited consolidated financial statements for the year ended January 31, 2016.

Standards issued but not yet effective

IFRS 9 was initially issued in November 2009 and issued in its final form in July 2014, and will replace IAS 39 Financial instruments: Recognition and measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The effective date of IFRS 9 is January 1, 2018. Management anticipates that this standard will be adopted in the Company's interim unaudited condensed consolidated financial statements for the year beginning January 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 16.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers (“IFRS 15”). IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. Management is in the process of determining the extent of the impact of adoption of IFRS 15 and the possibility of early adoption.

IFRS 16, “Leases”, will be effective for annual periods beginning on or after January 1, 2019. The most significant change introduced by IFRS 16 is a single lessee accounting model, bringing leases on balance sheet for lessees. Management anticipates that this standard will be adopted in the Company's interim unaudited condensed consolidated financial statements for the year beginning January 1, 2019 and has not yet considered the potential impact of the adoption of IFRS 16.

(Expressed in Canadian Dollars)

3. INTANGIBLE ASSETS AND GOODWILL

	Total Deferred Patent Costs $	Intellectual Property (Note 4) $	Poynt user base (Note 4) $	Poynt brand and trade name (Note 4) $	Total $
Cost					
As at January 31, 2015	**345,301**	**1,205,000**	**745,000**	**185,000**	**2,480,301**
Additions	31,078	-	-	-	31,078
Foreign translation adjustment	62,943				62,943
As at January 31, 2016	**439,322**	**1,205,000**	**745,000**	**185,000**	**2,574,322**
Additions	407	-	-	-	407
As at April 30, 2016	**439,729**	**1,205,000**	**745,000**	**185,000**	**2,574,729**
Amortization and impairment					
As at January 31, 2015	**25,300**	**301,250**	**186,250**	**-**	**512,800**
Amortization	64,812	200,833	124,167	-	389,812
Impairment	-	-	-	-	-
As at January 31, 2016	**90,112**	**502,083**	**310,417**	**-**	**902,612**
Amortization	-	50,208	31,042	-	81,250
Impairment	-	-	-	-	-
As at April 30, 2016	**90,112**	**552,291**	**341,459**	**-**	**983,862**
Net Book Value					
As at January 31, 2015	**320,001**	**903,750**	**558,750**	**185,000**	**1,967,501**
As at January 31, 2016	**349,210**	**702,917**	**434,583**	**185,000**	**1,671,710**
As at April 30, 2016	**349,617**	**652,708**	**403,542**	**185,000**	**1,590,867**

3. INTANGIBLE ASSETS AND GOODWILL (continued)

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, 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. No further impairment of the Poynt CGU was deemed necessary based on the results of the January 31, 2016 impairment analysis.

4. DEBENTURES

Debenture Date	July 30, 2013 (a)	August 22, 2014 (b)	February 12, 2015 (c)	January 18, 2016 (d)	Total
Balance, January 31, 2015	**$ 909,862**	**$ 481,147**	**$ -**	**$ -**	**$ 1,391,009**
Face value of debenture upon issuance	$ -	$ -	$ 500,000	$ 500,000	$ 1,000,000
Less: Discount	-	-	(140,908)	(115,810)	(256,718)
Book value of the debenture on initial recognition	-	-	359,092	384,190	743,282
Accretion expense during the year	22,132	18,853	68,044	4,633	113,662
Balance of debenture prior to repayments	931,994	500,000	427,136	388,823	2,247,953
Repayments during the year	(590,000)	(500,000)	-	-	(1,090,000)
Conversion to U.S. dollars at January 31, 2016	50,174	-	-	-	50,174
Balance, January 31, 2016	**$ 392,168**	**$ -**	**$ 427,136**	**$ 388,823**	**$ 1,208,127**
Accretion expense during the period	-	-	17,614	28,952	46,566
Balance of debenture prior to repayments	392,168	-	444,750	417,775	1,254,693
Repayments during the period	(175,000)	-	-	-	(175,000)
Balance, April 30, 2016	**$ 217,168**	**$ -**	**$ 444,750**	**$ 417,775**	**$ 1,079,693**

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. The debentures bear interest at 6.5% per annum and were to 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 3 month period ended April 30, 2016. The debentures were due January 31, 2016 with no requirements for prepayment and with interest payable semi-annually in either shares or cash at the Company's discretion. During the year ended January 31, 2016 both debenture notes were assumed by a new lender who bought them at face value in U.S. dollars. As a result the notes are now repayable in U.S. dollars and the Company recorded an adjustment of $50,174 at January 31, 2016. Prior to the maturity date the new lender extended the debenture on a monthly basis with all other terms of repayment and interest remaining the same.

4. DEBENTURES (continued)

Accretion expense on the debentures for the 3 month period ended April 30, 2016 was $nil (January 31, 2016 - $22,132).

Interest expense on the debentures for the 3 month period ended April 30, 2016 was $nil (January 31, 2016 - $25,566).

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. 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 3 month period ended April 30, 2016 accretion on the debenture was $nil (January 31, 2016 – $18,853).

Interest expense and payable on the debentures for the 3 month period ended April 30, 2016 was $nil (January 31, 2016 – $2,706) 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 Share Capital and Warrants in order to account for the conversion feature (Note 5(c)). 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 Share capital ($70,608) and Warrants ($70,300).

Accretion expense on the debenture for the 3 month period ended April 30, 2016 was $17,614 (January 31, 2016 – $68,044) with a corresponding credit to the debenture.

(Expressed in Canadian Dollars)

4. DEBENTURES (continued)

d) On January, 18, 2016, the Company issued a $500,000 principle amount secured convertible debenture financing with the lender making a further $500,000 available for drawdown under the convertible debenture, at the Company's option, during the term of the convertible debenture. In connection with the debenture the Company paid a $50,000 lending fee which was included in the calculation of the fair value of the debenture and determined to be $384,190 based on the discounted cash flows using an estimated cost of borrowing of 26.5%. The residual value of $65,810 was allocated to share capital.

The key terms of the convertible debenture are as follows: one year term; interest of 8% per annum; secured against the assets of the Company; and, convertible into units of the Company at a conversion price of $0.35 per unit, with each unit comprised of one common share and one-half of one warrant, with each full warrant exercisable into a common share at an exercise price of $0.50 per share for a period of 12 months from conversion of the debenture.

Accretion expense on the debenture for the 3 month period ended April 30, 2016 was $28,952 (January 31, 2016 – $4,633) with a corresponding credit to the debenture.

5. SHARE CAPITAL

Authorized - Unlimited common shares	**April 30, 2016**	**January 31, 2016**
Issued – 42,109,919 common shares (January 31, 2016 - 42,109,919)	$ 15,453,035	$ 15,453,035

a) 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.

b) 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.

c) On February 12, 2015, the Company repaid a debenture with a principal amount of $500,000 (Note 4(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 4(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, share capital

5. SHARE CAPITAL (continued)

and warrants, in order to account for the conversion feature and warrants issued. 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 Share capital ($70,608) and Warrants ($70,300).

d) 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.

e) 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.

6. 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

(Expressed in Canadian Dollars)

6. COMMON SHARE PURCHASE OPTIONS (continued)

The following table summarizes outstanding options as at April 30, 2016 and January 31, 2016:

	3 month period ended April 30, 2016			Year ended January 31, 2015		
	Number of Options Outstanding	Exercise Price	Weighted-Average Remaining Life	Number of Options Outstanding	Exercise Price	Weighted-Average Remaining Life
Directors and Officers	**4,210,000**	**$0.25 - $1.20**	**3.19 years**	4,210,000	$0.25 - $1.20	3.44 years
Other Consultants	**3,290,000**	**$0.25 - $1.20**	**3.59 years**	3,290,000	$0.25 - $1.20	3.84 years
Total	**7,500,000**	**$0.25 - $1.20**	**3.36 years**	7,500,000	$0.25 - $1.20	3.61 years

The following table summarizes the Company's stock options activity for the 3 month period ended April 30, 2016 and year ended January 31, 2016:

	3 month Period ended April 30, 2016			Year ended January 31, 2016		
	Number of Options	Exercise Price	Weighted-Average Exercise Price	Number of Options	Exercise Price	Weighted-Average Exercise Price
Outstanding, beginning of the period/year	**7,500,000**	**$0.25 - $1.20**	**$0.49**	4,855,000	$0.36 - $1.20	$0.68
Granted (a)	**-**	**-**	**-**	3,850,000	$0.25 - $0.62	$0.30
Cancelled or expired (b)	**-**	**-**	**-**	(1,180,000)	$0.54 - $1.10	$0.63
Exercised (c)	**-**	**-**	**-**	(25,000)	$0.63	$0.63
Outstanding, end of the period/year (d)	**7,500,000**	**$0.25 - $1.20**	**$0.49**	7,500,000	$0.25 - $1.20	$0.49

(a) During the 3 month period ended April 30, 2016, no options were granted (January 31, 2016 – 3,850,000). For the 3 month period ended April 30, 2016, a total credit of $198,758 (April 30, 2015 - $209,226) was allocated to contributed surplus with a corresponding charge to stock-based compensation expense in respect of the vesting of all outstanding options.

(b) No options were cancelled or expired during the 3 month period ended April 30, 2016 (January 31, 2016 – 1,180,000).

(c) No options were exercised during the 3 month period ended April 30, 2016 (January 31, 2016 - 25,000 options were exercised at $0.63 for proceeds of $15,750. 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 April 30, 2016 the cash amount the Company would receive if all options were exercised was $3,669,250.

(Expressed in Canadian Dollars)

7. WARRANTS

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

				Black-Scholes Valuation Inputs				
	Number of Warrants	Exercise Price	Weighted-Average Remaining Life	Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
January 31, 2015	**-**	**-**	**-**					
Granted (b)	9,664,003	$0.45 - $0.50	0.86 years	0%	0.75%	18-24 months	273%	0%
Exercised (a)	(150,000)	$0.45						
January 31, 2016	**9,514,003**	**$0.45 - $0.50**	**0.86 years**					
April 30, 2016	**9,514,003**	**$0.45 - $0.50**	**0.61 years**					

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

				Black-Scholes Valuation Inputs				
	Number of Finders Warrants	Exercise Price	Weighted-Average Remaining Life	Expected Dividend Yield	Risk-Free Interest Rate	Expected Life	Expected Volatility	Forfeiture Rate
January 31, 2015	**355,921**	**$0.40**	**0.59 years**					
Cancelled or expired (c) (Note 9)	(355,921)	$0.40		-	-	-	-	-
January 31, 2016	**-**	**-**	**-**					
April 30, 2016	**-**	**-**	**-**					

a) During the three month period ended April 30, 2016 there were no warrants exercised. During the year ended January 31, 2016, 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 $24,883 with a corresponding reduction to warrants.

b) During the three month period ended April 30, 2016 there were no warrants granted. During the year ended January 31, 2016 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.

c) During the three month period ended April 30, 2016, no warrants or Finders' warrants expired (January 31, 2016 – no warrants and 355,921 Finders warrants).

(Expressed in Canadian Dollars)

8. CONTRIBUTED SURPLUS

As a result of the vesting of stock options during the 3 month period ended April 30, 2016, $198,758 (April 30, 2015 - $209,226) was recorded as stock based compensation expense with the same amount credited to contributed surplus (Note 6(a)).

9. 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.

10. SUPPLEMENTARY CASH FLOW INFORMATION

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

	Period ended April 30, 2016	Period ended April 30, 2015
Decrease (increase) in trade and other receivable	**$ (32,644)**	$ (128,309)
Decrease (increase) in prepaid expenses, deposits and other assets	**200,048**	(1,295,174)
Increase (decrease) in trade payables and other payables	**(63,032)**	(339,826)
Increase (decrease) in deferred revenue	**(12,503)**	10,959
	$ 91,869	$ (1,752,350)

11. RELATED PARTY BALANCES AND TRANSACTIONS

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

a. As of April 30, 2016 the Company had $81,925 (January 31, 2016 - $73,735) of accounts payable due to three 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 $52,500 were incurred with one officer of the Company during the 3 month period ended April 30, 2016 (April 30, 2015 - $52,500). The officer was compensated for his role as Chief Technology Officer.

c. Management consulting compensation expenses of $105,000 were incurred with two officers of the Company during the 3 month period ended April 30, 2016 (April 30, 2015 - $105,000), 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.

(Expressed in Canadian Dollars)

d. Business development consultant compensation of $30,000 were incurred during the 3 month period ended April 30, 2016 (April 30, 2015 - Nil) with a current director of the Company.

e. No options were granted to directors and officers of the Company during the 3 month period ended April 30, 2016 (April 30, 2015 - Nil).

f. No options were granted to a company owned by a directors of the Company during the 3 month period ended April 30, 2016 (April 30, 2015 - Nil).

12. SEGMENTED INFORMATION

The Company's management and chief operating decision maker reviews performance of the Company on a geographical basis. The Company had two geographical segments as at and for the periods ended January 31, 2016 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 April 30, 2016			As at and for the period ended April 30, 2015		
	Canada	United States	Total	Canada	United States	Total
Current assets	**678,559**	**136,512**	**815,070**	3,495,012	148,045	3,643,057
Total assets	**2,269,426**	**136,512**	**2,405,937**	5,390,477	148,045	5,538,522
Total liabilities	**1,418,932**	**107,363**	**1,526,295**	1,086,615	114,863	1,201,478
Revenue by segment location	**315,044**	**86,884**	**401,927**	195,357	121,516	316,873
Revenue by customer location	**759**	**401,168**	**401,927**	53,498	263,375	316,873
Total expenses	**1,130,891**	**64,559**	**1,195,449**	1,456,434	82,605	1,539,039
Amortization of intangible assets	**81,250**	**-**	**81,250**	-	81,250	81,250
Interest and accretion on debentures	**56,566**	**-**	**56,566**	54,418	-	54,418
Interest earned	**1,379**		**1,379**	-		-
Net and comprehensive income (loss)	**(814,468)**	**22,325**	**(792,143)**	(1,261,076)	38,911	(1,222,166)

Significant Customers

For the 3 month period ended April 30, 2016, sales from two customers amounted to $250,943 and $64,100 respectively which represented 62% and 16%, of total revenues.
For the 3 month period ended April 30, 2015, sales from two customers amounted to $140,727 and $50,924 respectively which represented 44% and 16% of total revenues.

13. PREPAID EXPENSES, DEPOSITS AND OTHER ASSETS

The prepaid expenses, deposits and other assets consist of the following balances:

- Prepaid financing fees valued at $100,000 as at April 30, 2016 (January 31, 2016 - $100,000)
- Various other assets valued at $17,455 (January 31, 2016 - $217,502)

14. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash, trade and other receivables and trade payables and other payables, and 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 January 31, 2016 are $337,696 (January 31, 2016 – $397,372). The impact of a 10% strengthening of the Canadian dollar on monetary assets and liabilities at April 30, 2016 would result in a foreign exchanged difference of approximately $33,770. 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 April 30, 2016, the Company has trade payables and other payables of $339,239 (January 31, 2016 - $402,271) due within 12 months and debentures with principal sums of $1,181,348 with $181,348 ($140,000 USD) originally due July 30, 2016 but extended by the lender on a month to month basis, $500,000 due February 12, 2017 and $500,000 due January 18, 2017 (January 31, 2016 - $1,362,796 with $362,796 ($280,000 USD) due July 30, 2015 but extended by lender on a month to month basis and $500,000 due February 12, 2017 and $500,000 due January 18, 2017.).

14. FINANCIAL INSTRUMENTS (continued)

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 April 30, 2016, nil% (January 31, 2016 – 18%) of the Company's accounts receivable was receivable from customers located in Canada. The allowance for doubtful accounts was $nil at April 30, 2016 (January 31, 2016 - $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 April 30, 2016, 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 April 30, 2016 (January 31, 2016 - $nil). As at April 30, 2016 the Company has:

- two identical debentures, each for a principal amount of $90,674 (January 31, 2016 - $196,084) in connection with the acquisition of Poynt that bear interest at 6.5% per annum for a term of 2 years (Note 4(a));
- a convertible debenture, for $500,000 that bears no interest for a term of 2 year (Note 4(c)) (January 31, 2016 – $500,000), and;
- a $500,000 debenture that bears 8% interest for a term of 1 year (Note 4(d)) (January 31, 2016 - $500,000).

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 April 30, 2016 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 3 month periods ended April 30, 2016 and 2015. 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.