

BREAKING DATA CORP.
(FORMERLY SPRYLOGICS INTERNATIONAL CORP.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS
OF OPERATIONS AND FINANCIAL CONDITION**

For the 3 month periods ended April 30, 2016 and 2015 as at June 29, 2016

Introduction

The following Management's Discussion and Analysis ("MD&A") covers the operations, financial position and operating results of Breaking Data Corp. (formerly Sprylogics International Corp.) (the "Company") for the 3 month periods ended April 30, 2016 and 2015, updates information from the Company's fiscal 2015 MD&A, and is intended to help readers better understand operations and key financial results, as they are, in our opinion, at the date of this report. The MD&A has been prepared in accordance with National Instrument 51-102F1, Continuous Disclosure Obligations – Management's Discussion & Analysis, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended January 31, 2016 and January 31, 2015 and the accompanying notes which have been prepared under IFRS. These interim unaudited condensed consolidated financial statements have been reviewed by the Audit Committee of the Company and have been approved by its Board of Directors. Additional information relating to the Company is available on SEDAR at www.sedar.com, as well as the Company's Web site at www.BreakingDataCorp.com.

These statements are essentially forward-looking and are subject to risks and uncertainties, as described in the "Risks and Uncertainties" section, below. Actual results, levels of activity, performance or achievements could differ materially from those projected, discussed or contemplated herein and are dependent upon a number of factors, including the successful and timely completion of research and development initiatives, the uncertainties related to the market acceptance, and the commercialization of our products thereafter.

Consolidation and Presentation

The interim unaudited condensed consolidated financial statements of the Company comprise the accounts of Breaking Data Inc. (Formerly Sprylogics International Inc.), Devesys Technologies Inc. ("DTI") and Poynt Inc., the Company's wholly-owned subsidiaries. DTI was incorporated on January 19, 2007 in the United States of America pursuant to the laws of the state of Delaware. Poynt Inc. was incorporated on December 13, 2012 in Canada and pursuant to the laws of the province of Ontario. Poynt was acquired on July 31, 2013 and therefore its results are included in the Unaudited Interim Condensed Consolidated Statement of Loss and Comprehensive Loss for the periods ended April 30, 2016 and 2015. In addition, the assets and liabilities have been consolidated in the Interim Unaudited Condensed Statement of Financial Position at April 30, 2016 and January 31, 2016. The Company presents its interim unaudited condensed consolidated financial statements in Canadian dollars, which is the Company's functional currency, which includes the accounts of DTI translated into Canadian dollars as well as certain account balances from Poynt Inc., translated into Canadian dollars. All significant intercompany accounts and transactions are eliminated. Unless otherwise noted, all financial information in this MD&A is presented in Canadian dollars.

SELECTED FINANCIAL INFORMATION FOR THE PERIOD

The following table provides selected consolidated financial information for the Company as at and for the 3 month periods ended April 30, 2016 and 2015.

	As at and for the 3 month period ended April 30, 2016 \$	As at and for the 3 month period ended April 30, 2015 \$
Total assets	2,405,937	5,538,522
Total liabilities	1,526,295	1,201,478
Revenue	401,927	316,873
Total expenses	1,195,449	1,539,039
Amortization of intangible assets	81,250	81,250
Interest and accretion on debentures	56,566	54,418
Interest earned	1,379	-
Net and comprehensive loss	(792,143)	(1,222,166)
Basic and diluted loss per share	(0.02)	(0.03)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Caution regarding forward-looking statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating shareholder value; its ability to meet its operating costs for the 3 month period ending April 30, 2016; the plans, costs, and timing for future research and development of the Company's current and future technologies, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility the Company's products; and general business and economic conditions.

By their nature forward-looking statements are subject to known and unknown risks, uncertainties, and other factors which may cause actual results, events or developments to be materially different from any future results,

events or developments expressed or implied by such forward-looking statements. Such factors include, among other things, the Company's stage of development, long-term capital requirements and future ability to fund operations, future developments in the Company's markets and the markets in which it expects to compete, risks associated with its strategic alliances and the impact of entering new markets on the Company's operations. Each factor should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. See "Risk Factors."

The Company disclaims any intention or obligation to update or revise these forward-looking statements, resulting from new information, future events or otherwise.

Outlook and Growth Strategy

Breaking Data Corp. (formerly Sprylogics International Corp.) is a technology provider of semantic search, machine learned language and Natural Language Processing ("NLP"). The Company's technology platform, "Cluuz" uses Semantic and Machine Learning techniques to process, analyze and interpret massive volumes of aggregated data in order to extract key sentiments, facts, opinions, user interests and intents.

Originally, in 2008, the desktop version of the "Cluuz" platform was launched as a prototype of a "next generation" search engine platform that returns better results than traditional search engines by going beyond simply listing links. Subsequent to launching "Cluuz", the Company undertook a strategic review process with the objective of identifying commercial opportunities related to the core technologies demonstrated in the desktop prototype. The process, which included detailed discussions with the Company's current and prospective customers, as well as industry experts and analysts, led to a comprehensive analysis and evaluation of the current market opportunity, the Company's core technology strengths, the competitive environment, as well as the emerging trends in search, discovery, advertising and commerce.

Breaking Data Corp.'s Consumer Applications

Breaking Data Corp.'s Consumer Applications are focused on delivering the customer facing mobile applications, specifically in its area of expertise; search and semantics. To that end the Company has built a new real-time social media search app in the sports vertical called BreakingSports. In addition to BreakingSports the Company continues to grow the Poynt application previously acquired in July 2013, which is an established recognizable worldwide search app.

BreakingSports aims to offer the fastest news delivery to sports fans around the world. Officially launched on February 23, 2015, BreakingSports tracks social media in real-time for significant sports information and events and distributes summarized information through real-time push notifications to consumers. By utilizing advanced artificial intelligence techniques, BreakingSports can detect events as they happen and as they are announced in social media, determine the nature of the events, attribute events to participants, summarize source articles, index the underlying information, provide search of events and articles and send alerts to fantasy players, sport's fans and enthusiasts. Since the introduction of the Company's BreakingSports App in early 2015, the growth and usage has continued to rise with over 900,000 downloads to date. In addition, the app delivers approximately 50 million notifications and over 300,000 unique pieces of news on a monthly basis.

The Poynt App is built for targeted local search and has a rich and popular history with mobile smart phone users, having been downloaded more than 25 million times worldwide, across 5 mobile platforms. The addition of Poynt has enabled the Company to integrate its advanced search and semantic technology and overlap and complement its SDK research and development for local search with a Poynt Enabled version of the SDK. The

Consumer Applications Team seeks to further commercialize some of Breaking Data Corp's established technology (specifically, the Cluuz Platform) to address market opportunities that help solve real world problems for consumers through its search and semantic solutions.

Breaking Data Corp. continues to market its existing products and services of its subsidiary, DTI, and is actively pursuing opportunities to monetize, via licensing and/or advertising of its Platform and Consumer Applications initiatives.

Breaking Data Corp.'s Platform Solutions

Breaking Data Corp.'s Platform Solutions involve the licensing of core search, semantic, and data acquisition technology to enterprise and consumer solution providers in multiple business verticals.

Breaking Data Corp has developed a powerful mobile platform with proprietary IP in advanced search and analysis, intelligent infrastructure services, contextual content services, semantic and machine learning techniques. The platform allows us to process, analyze and interpret unstructured data in real-time, in order to extract sentiment, facts, user interests and intent.

Currently, the primary focus of the Platform Solutions team is Breaking Data Corps' proprietary semantic and natural language processing technology, which can be customized to analyze big data sets and integrate Natural Language Processing ("NLP") and semantic search capabilities in different business verticals.

In addition to the semantic and NLP processing technology, the Breaking Data Corp. Platform Solutions business includes: (1) Search Software Development Kit (SDK) to mobile messaging providers. This product is called "Poynt-Enabled SDK" ; and (2) DTI, its subsidiary company that develops case management, tracking and reporting systems for Fortune 500 and other companies. DTI's expertise in case tracking issues and related industries has won strong praise from the ethics and compliance marketplace. DTI's product line comprises TrakBasic^(R), TrakEnterprise^(R), and TrakWeb^(TM).

The Company continues to explore new and beneficial ways to exploit and deploy its existing technologies and IP with strategic partnerships and projects.

BreakingSports App

Since 2007, Breaking Data Corp. has been developing natural language, machine learning and semantic search technologies first used in its Cluuz search engine, voted as one of the top 50 real-time search engines and one of the top 10 semantic search engines. The latest advancements in the Company's real-time NLP, enabled by recent breakthroughs in deep-learning, are showcased in its latest product, the BreakingSports App (or "BreakingSports"). This app is taking aim at a massive high growth sports information industry with interest across the globe.

Utilizing the Company's proprietary semantic technology, the BreakingSports App aims to offer the fastest news delivery to sports fans around the world. Launched on February 23, 2015, BreakingSports tracks social media, in real-time, for significant sports information and events and distributes summarized information through real-time push notifications to consumers. By utilizing advanced artificial intelligence techniques, BreakingSports can detect events as they happen and as they are announced in social media, determine the nature of the events, attribute events to participants, summarize source articles, index the underlying information, provide search of events and articles and send alerts to fantasy players, sport fans and enthusiasts.

Compared to other similar products, BreakingSports has the differentiated advantage of not requiring human intervention when detecting and generating alerts, thereby enabling faster delivery of relevant information. Through a simple-to-use interface, BreakingSports users specify what teams and players they are interested in as well as what type of events they care about, such as injuries, roster moves, line-up changes, statistics, rumours and more.

In addition to tracking social media, BreakingSports analyzes statistical and play-by-play information to auto-generate news, updating users on important facts that might not be covered through traditional sports or social media. Users are able to review news in a familiar feed/stream interface and as search results, both of which are ideally suited for monetization through native advertising. Other monetization options include freemium models, with upgrades to subscribe to more teams and topics and/or ad-free streams. While the current real-time semantic processing pipeline understands North American football, basketball, baseball, hockey and race car driving, it can, and will be easily configured to include other sports moving forward, as well as potentially other categories of information, ushering in the era of real-time news subscription for any topics of choice.

One of the biggest problems faced by today's mobile world is search and discovery. As a platform/network grows, so does the amount of content, which makes it increasingly difficult for consumers to find the information they want. BreakingSports allows users to subscribe to their favorite teams and players so that they never miss a beat. Whether it is a headline, injury, trade, or scoring alert, BreakingSports users are the first to know.

BreakingSports delivers the fastest breaking sports news and alerts to users by integrating social media sourced updates. Through specialized algorithms, BreakingSports taps social media for the latest sports news and delivers it to users in a fully automated real time manner.

Additional BreakingSports App features include:

- News Feed – View news feed for personalized subscriptions;
- Filter Alerts – Select which type of news is most important to you, from injuries to rumors;
- League News – View and search news by league for the latest updates;
- Scores – Follow current and upcoming games via the game calendar for in-game alerts;
- Player Stats – View game and season stats in player profiles;
- Individual News – Access team or player specific news by selecting them from your customizable subscription list; and
- Share – Send friends links to important updates via email or text.

The Poynt App Strategy

The Poynt App is a convenient and timesaving GPS-enabled application that connects consumers to local businesses, restaurants, events and movie theatres at the moment they want to buy or acquire products or services. The Poynt App gives consumers the ability to move beyond discovery of their local area to view movie trailers and show times, book dining reservations, view directions on a map, click-to-call the business or view their website. The system is designed to make searching for local products/services/merchants quick and easy.

The differentiators that position Poynt as the leading mobile local search application include being deeply integrated into the native applications and capabilities of each device platform. This includes integration into contacts by adding addresses directly from within the Poynt App, adding calendar entries for dinner reservations and movie tickets, providing directions on a map and delivering results to friends or colleagues via email. The Poynt App also integrates with voice activation, virtual reality and gesture calling.

The Poynt App is built as a native client based upon SDKs from Google and Apple. The Poynt App integrates with the various libraries on each device to access the address book, calendar, GPS, maps, etc. This enables users to carry out the features available within the Poynt App such as adding calendar events for dining, events and movies, adding listing results to the address book or forwarding listing information to a friend via email. The client communicates with the Company's backend operating environment to retrieve data based upon the user's request.

Since acquiring Poynt, the Company has initiated a number of strategic partnerships that provide enhanced capabilities within the Poynt application and/or enables better commercialization of the existing users.

Poynt App and iBeacons

As a local search app, Poynt application users represent ideal targets for local advertising. In 2014/2015 we saw additional emphasis on the use of Apple's iBeacon technology as a basis for detecting user location and sending them relevant advertising. iBeacon technology allows advertisers to do indoor advertising while targeting different users based on proximity to the closest beacon so that users can receive varying ads in different sections of the store.

In 2014, the Company developed and integrated an iPhone beacon technology providing users with the ability to receive promotions based on their proximity to an iBeacon. The Poynt application has been launched with the integrated beacon technology in partnership with Juice Mobile. These iBeacon campaigns are expected to be active during the 2016 fiscal year resulting in new revenue streams for the Poynt application. Feedback from our partner has been very positive in terms of the number of potential impressions that can be generated from the Poynt user base through iBeacon proximity.

Semantic Analysis of Social Media Content

Breaking Data Corp. has accumulated considerable intellectual property and expertise in the areas of natural language processing and artificial intelligence. Currently these capabilities are utilized within our BreakingSports application; however, there is nothing inherently different about processing written language on the topic of sports vs other domains such as weather, food, music, entertainment, politics, business etc.

News and events during the 3 month period ended April 30, 2016

The business and related public news highlights are outlined below:

1. **February 16, 2016 - Breaking Data Corp. Announces Partnership with Pacific Disaster Center and Kontur Labs to Provide Real Time Alerts About Natural Hazards around the Globe.** The Company announced today that it has entered into an agreement to forge a strategic partnership with Pacific Disaster Center (PDC) and its software implementation partner, Kontur Labs, exploring the innovative use of Breaking Data's proprietary NLP technologies toward disaster risk reduction within PDC's best-in-class product, DisasterAWARE (All-hazard Warnings, Analysis, and Risk Evaluation). In the agreement, the parties engage in developing a prototype for detecting and mapping hazard events by analyzing related social media traffic, using advanced NLP cognitive technologies.

This positions Breaking Data's expertise towards important new verticals and augments DisasterAWARE's comprehensive hazard monitoring and reporting capabilities by enabling the predictive and real-time identification of hyper local information across social media around the world as an innovative source. DisasterAWARE's powerful global event detection, monitoring and visualization platform provides easy access to near real-time and historical data about natural hazards, along with information regarding potential risks and impacts from these events to executive decision-makers. Its spatial content library of over 2,000 contextual data layers, suite of collaborative tools, and user-friendly, cross device usability enable effective, evidence-based decision-making for top US, UN, and global humanitarian assistance and emergency response agencies, international governments, and business continuity teams at hundreds of F1000 companies. DisasterAWARE allows teams to overlay global near real-time and historical hazard and impact data, including earthquakes, tsunamis, floods, wildfires, cyclones, conflicts, and more. Its integrated modeling capabilities allow fusion of other valuable information, such as population, infrastructure and critical facilities, helping organizations better prepare for and respond to events, while enabling planners to accelerate mitigation strategies and efforts, all aimed to minimize the loss of life and property.

This partnership aims to implement Breaking Data's technology for semantic analysis of real-time social media streams in detection of natural disaster events, further enhancing DisasterAWARE's existing capabilities. Breaking Data's machine learning algorithms will be employed to identify various natural disasters from numerous user reports, identify their geographical locations, and eliminate the noise often found in social media streams, providing fast and reliable detection of real-world natural disaster events based on user activity on social media.

2. **February 17, 2016 - BreakingSports Partners with FanSided for Editorial Content.** The Company announced a partnership with FanSided to provide its BreakingSports app users access to editorial content. BreakingSports, the app that delivers the fastest sports news and updates, will now deliver editorial content from FanSided that includes a thriving collection of over 300 communities dedicated to bringing together fans to share their common passions. With BreakingSports, users receive timely push notifications on their favorite players and teams with social media sourced updates. The app utilizes specialized algorithms that tap Twitter, Reddit, Instagram, and news outlets for the latest sports updates and delivers them to users in fully automated real time.

RESULTS OF OPERATIONS

	3 months ended April 30, 2016	3 months ended April 30, 2015	Dollar Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	401,927	316,873	85,054	27%
Expenses				
Promotion and marketing	193,529	442,179	(248,651)	-56%
Stock-based compensation	198,758	209,226	(10,468)	-5%
Business development consultants compensation	80,557	194,235	(113,678)	-59%
Employee salary benefits expense	222,572	160,852	61,720	38%
Research and development consultants compensation	108,286	130,495	(22,209)	-17%
Management consulting compensation	105,000	105,000	-	0%
Administration and operations	125,569	103,533	22,036	21%
Amortization of intangibles	81,250	81,250	-	-%
Application content expense	21,500	51,538	(30,038)	-58%
Accretion on debentures	46,566	42,689	3,877	9%
Interest on debenture	10,000	11,729	(1,729)	-15%
Professional fees	1,862	6,313	(4,451)	-71%
Total Expenses	1,195,449	1,539,039	(343,590)	-22%
Net loss before interest earned	(793,522)	(1,222,166)	428,644	-35%
Interest earned	1,379	-	1,379	100%
Net and comprehensive loss for the period	(792,143)	(1,222,166)	430,023	-35%

Analysis of revenues and expenses

Revenues for the 3 month period ended April 30, 2016 were \$401,927 compared to \$316,873 for the 3 month period ended April 30, 2015, an increase of \$85,084 or 27%. This increase resulted primarily from of the new consulting revenue and an increase in revenues from Poynt, the Company's wholly owned subsidiary.

In recent months, the Company is pleased to report that new pilot projects have begun and while they do produce some moderate revenue in the near term, more importantly they continue to validate the Company's growth strategy and value propositions to various new and potential partners, in multiple verticals.

Most recently the Company has been engaged to build and license a proprietary enterprise solution for a world leading large multinational technology company which includes 2 phases consisting of web based customized search tool in phase 1 and a visualization of entities in phase 2. Phase 1 is now complete.

As well the Company is engaged in a new project related to disaster alerts in real-time that has begun and will materialize later this fiscal year.

To that end, the Company continues to pursue a number of opportunities to integrate its NLP and semantic search capabilities with other companies in different verticals, as a consumer or enterprise solution. There is no assurance at this time that opportunities in the pipeline will materialize into revenue generating agreements for the Company; nevertheless, these strategic projects that are in discussion and/or negotiation stages, continue to validate the wide range of interest and potential value of the Company's technology platform.

Promotion and marketing expense was \$193,529 for the 3 month period ended April 30, 2016, compared to \$442,179 for the 3 month period ended April 30, 2015, a decrease of \$248,651 or 56%. This decrease is primarily related to the Company's launch last year in the first fiscal quarter, of its BreakingSports app. To effectuate its strategy, the Company contracted outsourced marketing resources and invested significant resources in on-line and traditional marketing campaigns to ramp up the downloads of BreakingSports and convert these downloads into active users. While the Company has grown to over 900,000 downloads of its new app (which also translates to over 50 million notifications, on average monthly, to active users and the delivery of over 300,000 unique pieces of news), marketing dollars are discretionary and as a result have been significantly reduced in recent months. The Company will continue to evaluate marketing opportunities that may result in new marketing initiatives.

Employee salary and benefits expense was \$222,572 for the 3 month period ended April 30, 2016, compared to \$160,852 for the 3 month period ended April 30, 2015, an increase of \$61,720 or 38%. Employee salary and benefits expense relates to expenses paid for the employees of the Company and its wholly-owned subsidiaries and includes salary and wages, payroll taxes and benefits. The increase is a direct result of added headcount, specifically in product development and programming and is also in part, offset by the decrease in Research and development consultants (see below) as the Company grew its full time employees and decreased some of its outsourced resources.

Stock-based compensation was \$198,758 for the 3 month period ended April 30, 2016 compared to \$209,226 for the 3 month period ended April 30, 2015, a decrease of \$10,468 or 5%. This expense is a non-cash item, with a corresponding credit to contributed surplus. The decrease is the result of past years share purchase options issued to board members and consultants previously expensed.

Research and development consultants' compensation for the 3 month period ended April 30, 2016 were \$108,286 compared to \$130,495 for the 3 month period ended April 30, 2015, a decrease of \$22,209 or 17%. As noted above, the Company has transitioned contractors to payroll and reduced outsourcing contracts while it modifies and strengthens its internal R&D team of developers. With a consulting and outsourced component to this expense the Company is able to be flexible and manage its project development costs with a group of familiar and ongoing consultants that have contributed to the Company's technology over several years.

Business development consultants' compensation for the 3 month period ended April 30, 2016 were \$80,557 compared to \$194,235 for the 3 month period ended April 30, 2015, a decrease of \$113,678 or 59%. The Company has invested in business development to facilitate its growth and create new strategic opportunities that are critical to the overall success of the Company. The Company's success is measured by the increased exposure in the marketplace resulting in a growing opportunity funnel, in addition to marketing and

branding awareness of its consumer facing products and services, as evidenced by the strategic agreements announced over the last year. Throughout last fiscal year the Company had various business consultants pursuing a number of new business opportunities, some of which are not retained in the fiscal period ended April 30, 2016, resulting in the decrease noted above. The increased expenditure last fiscal year resulted in strategic partnerships and other revenue generating deals, some of which have already materialized and others that are being worked on now and will result in near term revenue in this fiscal year.

Now the Company is working on new pilot projects have begun and while they do produce some moderate revenue in the near term, more importantly they continue to validate the Company's growth strategy and value propositions to various new and potential partners. To that end, most recently the Company has been engaged to build and license a proprietary enterprise solution for a world leading large multinational technology company which includes 2 phases consisting of web based customized search tool in phase 1 and a visualization of entities in phase 2. Phase 1 is now complete.

In addition, the Company is in advanced discussions to integrate its NLP and semantic search capabilities with other companies in different verticals. There is no assurance at this time that opportunities in the pipeline will materialize into revenue generating agreements for the Company; nevertheless, these unsolicited strategic projects that are in discussion and/or negotiation stages, continue to validate the wide range of interest and potential value of the Company's technology platform.

Management consulting compensation for the 3 month period ended April 30, 2016 was \$105,000 consistent with \$105,000 for the 3 month period ended April 30, 2015. This cost is related to core management consulting contracts for the Chief Executive Officer and Chief Financial Officer in order to lead the business including but not limited to finance, strategy, M+A, operations, hiring, reporting and short and long term planning.

Amortization of intangibles was \$81,250 for the 3 month period ended April 30, 2016 consistent with \$81,250 for the 3 month period ended April 30, 2015. The intangibles acquired in the acquisition of Poynt Inc., are broken down as follows from a cost allocation perspective: Intellectual Property in the amount of \$1,205,000; the Poynt user base for \$745,000; and the Poynt brand and trade name for \$185,000. Amortization was recorded during the year on the Intellectual Property and Poynt user base applying an effective amortization period of 6 years.

Administration and operations expenses for the 3 month period ended April 30, 2016 were \$125,569 compared to \$103,533 for the 3 month period ended April 30, 2015, representing an increase of \$22,036 or 21%. The Company continues to make a concerted effort to keep general overheads, including office costs, low and allocate funds towards R&D, marketing and business development. This increase consists of a combination of items including; hosting expenses, maintenance and small equipment expense to maintain its mobile testing equipment, in general office, insurance, telephone and internet expenses shareholder communication, all that have fluctuations from month to month.

Application content expense for the 3 month period ended April 30, 2016 were \$21,500 compared to \$51,538, a decrease of \$30,038 or 58%. Application content expense includes data and provisioning costs for the Poynt app. These direct costs are both fixed and variable and should decrease as a percentage of related revenues, as revenues increase. In addition, management continues, where possible, to reduce direct data and provisioning costs resulting in savings during this fiscal quarter.

Accretion on debentures was \$46,566 for the 3 month period ended April 30, 2016 compared to \$42,689 for the 3 month period ended April 30, 2015, an increase of \$3,877 or 9%. This expense is a non cash item. The accretion this period is based on the 2 debentures each for \$500,000.

Professional fees for the 3 month period ended April 30, 2016 were \$1,862 compared to \$6,313 for the 3 month period ended April 30, 2015, a decrease of \$4,451 or 71%. Professional fees during the period are primarily patent maintenance costs and fluctuate from time to time depending on the dates for payment of annual fees related to granted patents.

Interest on debentures was \$10,000 for the 3 month period ended April 30, 2016 compared to \$11,729 for the 3 month period ended April 30, 2015, a decrease of \$1,729 or 15%. This decrease was as a result of the smaller outstanding balance of the debentures during the period. In addition, a new debenture for \$500,000 has no interest attached to it in lieu of bonus shares issued.

Interest earned was \$1,379 for the 3 month period ended April 30, 2016 compared to \$nil for the 3 month period ended April 30, 2015. This increase was as a result of interest earned from a government tax refund during the period.

Liquidity and Capital Resources

For the 3 month period ended April 30, 2016, there was a net cash outflow from operating activities of \$373,701 compared to a net cash outflow of \$2,491,351 for the 3 month period ended April 30, 2015, a difference of \$2,117,650.

The decrease in cash used for operating activities was primarily due to:

- 1) A decrease in the net loss to \$792,143 for the 3 month period ended April 30, 2016 compared to a net loss of \$1,222,166 for the 3 month period ended April 30, 2015, that accounts for a decrease of \$430,023 in cash used for operating activities. This resulted from higher revenues and lower expenses as discussed in the analysis of expenses above;
- 2) A decrease in non-cash based expensing of stock-based compensation of \$198,758 for the 3 month period ended April 30, 2016 compared to \$209,226 for the 3 month period ended April 30, 2015, that accounts for a decrease of \$10,468 in non-cash item that is added back to cash flow from operations;
- 3) A decrease non-cash item related to common shares issued for debt resulted in a decrease of \$150,000 that was added back to cash flows from operations during the 3 months ended April 30 .2015;
- 4) Net cash inflow resulting from the net change in non-cash working capital items related to operations of \$91,868 for the 3 month period ended April 30, 2016 compared to a net cash outflow of \$1,752,350 for the 3 month period ended April 30, 2015, that accounts for a decrease of \$1,844,218 in non-cash working capital items that are added back to cash flow from operations.
- 5) An increase in the non-cash accretion on debentures of \$46,566 for the 3 month period ended April 30, 2016, compared to \$42,689 for the 3 month period ended April 30, 2015, that accounts for an increase of \$3,877 in non-cash item that is added back to cash flows from operations.

Expressed in tabular form, the increase in the net cash used for operations is as follows:

Decrease in net loss	\$	430,023
Lower stock-based compensation		(10,468)
Decrease in common shares issued for debt		(150,000)
Lower outflows in non-cash working capital		1,844,219
Higher accretion of debentures		3,877
Decrease in the net cash used for operations	\$	(2,117,651)

As at April 30, 2016 the Company had negative working capital of \$711,225 compared to negative working capital of \$198,683 as at January 31, 2016, a difference of \$512,542. This increase in negative working capital is primarily a result of lower cash (by \$549,108), and lower prepaid expenses (by \$200,047), offset by higher trade receivables (by \$32,644) as well as a decrease (\$203,968) in all current liabilities which is due to lower debentures, decreased payables and lower deferred revenues.

The Company has incurred losses and is not yet cash flow positive. The Company's ongoing ability to remain liquid will depend on a number of factors including the Company's continued ability to raise capital to fund operations.

Outstanding Share Data

As at April 30, 2016, the number of outstanding shares was 42,109,919 (January 31, 2016 – 42,109,919).

No new shares were issued during the period or subsequent to the period end.

As at June 29, 2016 the number of shares outstanding was 42,109,919.

As at April 30, 2016, the Company had 7,500,000 share purchase options outstanding (January 31, 2016 – 7,500,000). No new share purchase options were issued, exercised or expired during the period or subsequent to the period end.

As at June 29, 2016, the number of outstanding options was 7,500,000.

As at April 30, 2016 the Company had a total of 9,514,003 warrants and nil finders' warrants outstanding (January 31, 2016 – 9,514,003 and nil). No new share purchase options were issued, exercised or expired during the period or subsequent to the period end.

As at June 29, 2016 the number of warrants outstanding was 9,514,003 and the number of finders warrants outstanding was nil.

Summary of Quarterly Results

The following table presents the selected financial data for each of the last eight quarters of the Company ended April 30, 2016.

	30-Apr-16	31-Jan-16	31-Oct-15	31-Jul-15	30-Apr-15	31-Jan-15	31-Oct-14	31-Jul-14
Revenues	401,927	365,609	282,895	369,070	316,873	309,550	276,335	677,306
Net Loss	(792,143)	(1,157,978)	(1,437,217)	(1,061,827)	(1,222,166)	(1,718,022)	(922,291)	(557,829)
EPS	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.06)	(0.03)	(0.02)

SEGMENTED INFORMATION

The Company had two geographical segments as at and for the periods ended January 31, 2016 and 2015, 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.

SUBSEQUENT EVENTS AND NEWS

May 24, 2016 - BreakingSports Delivers Soccer SMS Alerts with Partner, MobileContent.com Limited.

The Company announced that they have reached a monetization agreement with MobileContent.com Limited, a leading value added service provider in Ghana and West Africa, to deliver Soccer SMS alerts in Ghana.

MobileContent.com Limited is the leading Ghanaian value-added-service (VAS) provider and the preferred link for music, sports, news, games, health, inspiration etc. on mobile telephony. Its services build a crucial link to entertainment and information for mobile users in Ghana and selected West African markets. Ghana is its biggest market with over 35 million subscribers.

With this agreement MobileContent.com Limited will use BreakingSports technology to deliver Soccer SMS alerts from major European leagues via mobile service providers including MTN and Vodafone thereby creating Africa's first natural language processing (NLP) and semantic soccer alert service from trusted sources by category in an automated real-time manner. Users pay for this value added service and Breaking Data will share revenue with MobileContent.com Limited.

SIGNIFICANT ACCOUNTING POLICIES

Refer to Note 2 to the interim unaudited condensed consolidated financial statements for a description of our significant accounting policies.

Standards issued but not yet effective

IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to 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 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 consolidated financial statements for the year beginning January 1, 2019 and has not yet considered the potential impact of the adoption of IFRS 16.

RELATED PARTY 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.
- 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).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established and continues to complement a system of disclosure controls and procedures and internal controls over financial reporting. This system is designed to provide reasonable assurance that material information relating to the issuer and its subsidiaries are available and reported to senior management and permits timely decisions regarding public disclosure. As of April 30, 2016, the Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings are effective, except as noted below, to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

As noted in previous quarterly and annual MD&A's the Company's disclosure controls and procedures are indicative of many small and growing companies. Consequently, management has identified certain weaknesses that currently exist in the disclosure controls and procedures including, but not limited to, the segregation of duties and expertise in specific areas of public disclosure. The existence of these weaknesses is partially compensated for by senior management monitoring these issues, and in the case of complex or extraordinary transactions, consulting with external experts to advise management in their analysis and conclusions.

Throughout the year management continued to address, as required, steps to improve disclosure controls and procedures and internal controls over financial reporting. However, no specific changes to disclosure controls and procedures were made during the year. The Company recognizes this is an ongoing and dynamic process and continues to focus on internal controls related to financial reporting and disclosure controls and procedures and is committed to further improvements in the future.

RISKS AND UNCERTAINTIES

Limited Operating History

The Company has a limited operational history. The Company has never paid dividends and has no present intention to pay dividends. The Company is in the early commercialization stage of its business and therefore will be subject to the risks associated with early stage companies, including uncertainty of revenues, markets and profitability and the need to obtain additional funding. The Company will be committing, and for the foreseeable future will continue to commit, significant financial resources to marketing, product development and research. The Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. Such risks include the evolving and unpredictable nature of the Company's business, the Company's ability to anticipate and adapt to a developing market, acceptance by consumers of the Company's products and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Company will be successful in doing what is necessary to address these risks.

Key Personnel

The investigative research technology industry involves a high degree of risk, which a combination of experience, knowledge and careful evaluation may not be able to overcome. The success of the Company may be dependent on the services of its senior management and consultants. The experience of these individuals may be a factor contributing to the Company's continued success and growth. The loss of one or more of its key employees or consultants could have a material adverse effect on the Company's operations and business prospects. In addition, the Company's future success will depend in large part on its ability to attract and retain additional highly skilled technical, management, sales and marketing personnel. There can be no assurance that the Company will be successful in attracting and retaining such personnel and the failure to do so could have a material adverse effect on the Company's business, operating results and financial condition.

Additional Financing Requirements

In order to accelerate the Company's growth objectives, it will need to raise additional funds from lenders and equity markets in the future. There can be no assurance that the Company will be able to raise additional capital on commercially reasonable terms to finance its growth objectives. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the

issuance of common shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution.

Protection of Intellectual Property

Although the Company does not believe that its products infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof which could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's performance and ability to compete are dependent to a significant degree on its proprietary technology.

While the Company will endeavor to protect its intellectual property, there can be no assurance that the steps taken by the Company will prevent misappropriation of its technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property. While the Company's technology is developed and owned by the Company, it may in the future also rely on technology licenses from third parties. There can be no assurance that these third party licenses will be, or will continue to be, available to the Company on commercially reasonable terms. The loss of, or inability of the Company to maintain, any of these technology licenses' could result in delays in completing its product enhancements and new developments until equivalent technology could be identified, licensed, or developed and integrated. Any such delays would materially adversely affect the Company's business, results of operations and financial condition.

Competition

The Company may not be able to compete successfully against current and future competitors, and the competitive pressures the Company faces could harm its business and prospects. Broadly speaking, the market for investigative research technology is competitive. The level of competition is likely to increase as current competitors improve their product offerings and as new participants enter the market. Many of the Company's current and potential competitors have longer operating histories, larger customer bases, greater name and brand recognition and significantly greater financial, sales, marketing, technical and other resources than the Company. Additionally, these competitors have research and development capabilities that may allow them to develop new or improved products that may compete with products the Company markets and distributes.

New technologies and the expansion of existing technologies may also increase competitive pressures on the Company. Increased competition may result in reduced operating margins as well as loss of market share. This could result in decreased usage of the Company's products and may have a material adverse affect on the Company's business, financial condition and results of operations.

Implementation Delays

Most of the Company's customers will be in a testing or a preliminary use stage of utilizing the Company's products and may encounter delays or other problems during their introduction of the Company's products. A

decision not to implement these products, or a delay in implementation, could result in a delay or loss of related revenue or could otherwise harm the Company's businesses and prospects. The Company will not be able to predict when a customer that is in a testing or a preliminary use phase will adopt a broader use of the Company's products.

Limited Customer Feedback Respecting Products

The Company's revenue will depend on the number of customers who use the Company's products. Accordingly, the satisfactory design of the Company's product is critical to the Company's business, and any significant product design limitations or deficiencies could harm the Company's business and market acceptance. To date, the features and functionality reflected in the Company's product have been based on its internal design efforts and on feedback from a limited number of customers and potential customers. This limited feedback may not have resulted in an adequate assessment of customer requirements. Therefore, the currently specified features and functionality of the Company's product may not satisfy current or future customer demands. Furthermore, even if the Company identifies the feature set required by customers in the Company's market, it may not be able to design and implement products incorporating features in a timely and efficient manner, if at all.

Developing Markets

The market for the Company's product is relatively new and continues to evolve. If the market for the Company's product fails to develop and grow, or if the Company's product does not gain market acceptance, the Company's business and prospects will be harmed.

Technological Change

The investigative research technology industry is susceptible to technological advances and the introduction of new products utilizing new technologies. Further, the investigative research technology industry is also subject to customer preferences and to competitive pressures which can, among other things, necessitate revisions in pricing strategies, price reductions and reduced profit margins. The success of the Company will depend on its ability to secure technological superiority in its product and maintain such superiority in the face of new products. While the Company believes that its product will be competitive, no assurances can be given that the product of the Company will be commercially viable or that further modification or additional products will not be required in order to meet demands or to make changes necessitated by developments made by competitors which might render the product of the Company less competitive, less marketable, or even obsolete over time.

The future success of the Company will be influenced by its ability to continue to develop new competitive products. Although the Company is committed to the development of new products and the improvement of its existing product, there can be no assurance that these research and development activities will prove profitable, or that products or improvements resulting there from, if any, will be successfully produced and marketed. The investigative research technology industry is characterized by technological change, changes in user and customer requirements, new product introductions and new technologies and the emergence of new industry standards and practices that could render the Company's technology obsolete or have a negative impact on sales margins the Company's product may command. The Company's performance will depend, in part, on its ability to enhance its existing product, develop new proprietary technology that addresses the sophisticated and varied needs of its prospective customers and respond to technological advances and emerging industry

standards and practices on a timely and cost-effective basis. The development of technology entails significant technical and business risks. There can be no assurance that the Company will be successful in using new technologies effectively or adapting its product to customer requirements or emerging industry standards.

Strategic Alliances

The Company's growth and marketing strategies are based, in part, on seeking out and forming strategic alliances and working relationships. There can be no assurance that existing strategic alliances and working relationships will not be terminated or modified in the future, nor there any assurance that new relationships, if any, will afford the Company the same flexibility under which the Company currently operates.

Resolution of Product Deficiencies

Difficulties in product design, performance and reliability could result in lost revenue, delays in customer acceptance of the Company's products, and/or lawsuits, and would be detrimental, perhaps materially, to the Company's market reputation. Serious defects are frequently found during the period immediately following the introduction of new products or enhancements to existing products. Undetected errors or performance problems may be discovered in the future. Moreover, known errors which the Company considers minor may be considered serious by its customers. If the Company's internal quality assurance testing or customer testing reveals performance issues and/or desirable feature enhancements, the Company could postpone the development and release of updates or enhancements to its current product or the release of new products. The Company may not be able to successfully complete the development of planned or future products in a timely manner, or to adequately address product defects, which could harm the Company's business and prospects. In addition, product defects may expose the Company to liability claims, for which the Company may not have sufficient liability insurance. A successful suit against the Company could harm its business and financial condition.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base.

The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Negative Cash Flow and Absence of Profits

The Company has not earned any profits to date and there is no assurance that it will earn any profits in the future, or that profitability, if achieved, will be sustained. A significant portion of the Company's financial resources will continue to be directed to the development of its products and to marketing activities. The success of the Company will ultimately depend on its ability to generate revenues from its product sales, such that the business development and marketing activities may be financed by revenues from operations instead of external financing.

There is no assurance that future revenues will be sufficient to generate the required funds to continue such business development and marketing activities.

Conflicts of Interest

Certain proposed directors and officers of the Company may become associated with other reporting issuers or other Companies which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company, as the case may be. Certain of the directors have either other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their time to the affairs of the Company.

Key Man Insurance

The Company has key man insurance in place with respect to its CEO for \$1 million.