



**TINKERINE STUDIOS LTD.
(Formerly White Bear Resources Inc.)**

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2014

Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

FOR

Tinkerine Studios Ltd. (“the Company”)

(Formerly White Bear Resources Inc.)

This managements' discussion and analysis of financial position and results of operations (“MD&A”), prepared as of August 28, 2014, provides an analysis of the operations and financial results of Tinkerine Studios Ltd. (“the Company”) for the six months ended June 30, 2014, and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended June 30, 2014. Readers may want to refer to the December 31, 2013 audited consolidated financial statements and the accompanying notes which were included in the Information Circular dated February 27, 2014 and filed on www.sedar.com with a reference date of March 11, 2014.

On April 4, 2014, Tinkerine Studio Ltd. and White Bear Resources Inc. (“White Bear”), a TSX Venture listed company, completed a reverse take-over transaction (“RTO”). Under the RTO, White Bear acquired all of the securities outstanding in Tinkerine Studio Ltd. and it became a wholly owned operating subsidiary of White Bear and the shareholders of the Tinkerine Studio Ltd. acquired control of White Bear. After the RTO White Bear changed its name to Tinkerine Studios Ltd. and the acquired operating entity changed its names to Tinkerine 3D Print Systems Ltd. For financial statement presentation Tinkerine Studio Ltd. is considered the continuing entity. The consolidated financial statements for the period ended June 30, 2014 reflect the results of Tinkerine 3D Print Systems Ltd. from January 1, 2014 to June 30, 2014 and the results of Tinkerine Studios Ltd. from April 5, 2014 to June 30, 2014.

After the RTO the Company's primary business is the design and distribution of 3D printers, software and related online educational content.

The financial information in this MD&A is derived from the Company's unaudited condensed interim financial statements which have been prepared in Canadian dollars, in accordance with International Financial Reporting Standard (“IFRS”).

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company's plans to grow sales and offer new products;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing, pricing, completion, regulatory approval of proposed financings if applicable;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company's ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the Company has moved from a private corporation operating with very limited capital and therefore with very restricted operations, to a publicly traded venture issuer. Accordingly, drawing trends from the Company's very limited operating history is difficult.

OVERALL PERFORMANCE

The Company completed an RTO on April 4, 2014 and its principal business the design and distribution of 3D printers, software and related online educational content. Through 2013 and the first half of 2014 the Company has primarily been selling its second generation of 3D printer on a limited basis and conducting research and prototyping of its third generation 3D printer the Ditto Pro. The Ditto Pro was announced as commercially available in June 2014 and deliveries of commercial quantities started in August 2014. Accordingly, the company should be viewed as an emerging growth entity transitioning from the R&D phase to that of regular production.

Highlights of the Company's activities for the period ended June 30, 2014 and subsequent period to August 28, 2014:

- The Company completing its reverse takeover transaction with White Bear Resources Inc. (White Bear) on April 4, 2014 and concurrent \$3.087 million private placement,
- Research and development of its next generation of 3D printer based on fused filament fabrication technology. The Ditto Pro came out of research and prototyping in June 2014 and was readied for regular production by the August, 2014,
- The Company moved into its newly leased premises to house all Company functions including production,
- Initial rollout of the Company's business expansion plan including the establishment of dealers for our Ditto Pro product, software and related educational content.

SUMMARY OF QUARTERLY INFORMATION

	Quarter Ended June 30, 2014	Quarter Ended March 31, 2014
Revenue	\$58,034	\$92,101
Net Income (Loss)	(\$584,352)	8,224
Net Comprehensive Income (Loss)	(\$2,098,386)	\$8,224
Basic and Diluted Loss per common share	(\$0.05)	\$0.00
Number of shares outstanding (weighted average)	41,660,733	12,000,000

Note: The Company has not presented quarterly information for its past eight quarters as it has not prepared financial statements for such periods prior to the RTO on April 4, 2014.

RESULTS OF OPERATIONS

Summary Discussion

Revenue was \$150,135 for the six months ended June 30, 2014 ("H1 2014" for 1st half 2014) versus \$47,625 for the comparative period 2013. The Company's net loss for H1 2014 was \$576,128 (comparative period 2013 - Net income of \$23,972).

Gross profit was \$111,527 (74.2%) in H1 2014 versus \$31,400 (66.0%) in H1 2013 reflective of a higher level of sales and related cost benefit of scaling up production.

Total expenses for H1 2014 were \$687,655 (H1 2013 - \$7,428) and the majority of the expenses, \$629,137 were incurred in the second quarter ended June 30, 2014 reflective of the closing of the RTO on April 4, 2014 and related private placement financing and the availability of expansion capital. By far the largest expense item in H1 2014 was Stock Based Compensation for \$261,645 (a non-cash expense) primarily due to the setting on an initial tranche of stock options in conjunction with the RTO.

For accounting purposes, the calculated Transaction Cost of the Share Exchange and RTO was \$1,514,034 and fully recognized in Q2 2014. In accounting for the RTO, the business of Tinkerine Studio Ltd is considered the continuing entity. Therefore this line item, a non-cash item, represents the dilution loss due to the equity and financial attributes of White Bear at the RTO date, April 4, 2014.

Accordingly, for H1 2014 Net Loss was \$576,128 and Comprehensive Loss was \$2,090,162. The comparative period in 2013 showed Net Income of \$23,972 due to very low expenses and no non-cash items.

Analysis of Operating Results

1. Revenue

For H1 2014 revenue of \$150,135 was represented by 91% hardware sales, 7% plastic filament (the consumable) and 2% services. Hardware revenue for H1 2014 was represented by the sale of 76 3D printers, of which 43 were sold in Q1 2014 and 33 in Q2 2014. The Company has generally seen its strongest sales in the first calendar quarter each of the past two years, as an important industry publication, "Make Magazine" does a product review of 3D printers in its November issue. The Ditto+ was favourably reviewed in the November 2013 magazine, so the Company saw a pick up in sales in the ensuing quarter.

For H1 2013 revenue of \$47,625 was represented by 83% hardware sales, 12% filament and 5% services. Hardware revenue for H1 2013 was represented by the sale of 34 3D printers of which 25 were sold in Q1 2013 and 9 in Q2 2013.

In Q1 2013 the Company was selling its original Ditto product. In the second quarter 2013 it shifted its focus to developing its second generation of hardware with several technical improvements: the Ditto+ and Litto products. These second generation birch plywood framed products have been sold since mid-2013 and continue to be sold today. Historically, the products have been offered in a fully assembled form and a do-it-yourself kit. Sales of the second generation product have primarily been conducted via the Company's online store.

From November 2013 to July 2014 the Company devoted considerable effort to develop its third generation of 3D printer – the Ditto Pro. This printer uses the same core technology and functionality, but has several component improvements and an aesthetically pleasing metal/plastic composite uni-body construction. Whereas second generation products have been mainly sold on the Company's website with very modest advertising and promotion effort, the third generation Ditto Pro will mainly be sold through dealers and distributors which will be appointed world wide. Additionally, with the completion of its private placement funding in April 2014, management plans to devote further resources to market and promote the third generation product.

In May 2014 the Company launched its own branded line of plastic filament made of the substance PLA or polylactic acid. PLA is one of the two primary substances used with fused filament fabrication 3D printers. Management expects its own line of PLA which come in 16 colours and are formulated and extruded to high tolerances, to assist in growing sales in future quarters. Prior to May 2014, the Company only resold filament manufactured and branded by others.

2. Gross Profit Margins

Gross profit for H1 2014 was \$111,527 or 74.2% versus \$31,400 or 66.0% for the comparative period. On its second and third generation products, management has been targeting margins of between 70% and 75% whereas the first generation product had lower margin since manufacturing processes and sourcing of parts had yet to be optimized.

Moving forward, management expects to sell the majority of its third generation Ditto Pro 3D printers through dealers and distributors. The end user selling price is expected to be similar for direct sales and sales through dealers, therefore as sales grow, management expects hardware margins to decline due a portion of the margin going to dealers.

3. Expenses

The Company incurred \$687,655 in total expenses for H1 2014 and fully \$629,137 were incurred in Q2 2014 being after the Company's RTO and funding date of April 4th. Total expenses for H1 2013 were only \$7,428 so comparison of the current period to prior period is of little meaning and will not be done. Prior to the RTO, the Company operated on an extremely lean budget with very little capital. Since the RTO date the Company has put considerable effort into bringing the Ditto Pro towards commercial production and putting management, operational capabilities and marketing in place to launch the Ditto Pro and grow sales materially.

Highlighted expenses include the following for H1 2014:

- Product promotion, trade shows and travel of \$97,289. These are the costs of stepping up our promotion and marketing efforts leading towards the launch of the Ditto Pro 3D printer. Promotion expenses will continue as the Ditto Pro moves into commercial availability.
- Professional and consulting fees of \$136,109. Approximately half this expense are fees related to the RTO and financing. The other half would represent legal, audit and consulting fee levels that management expects to regularly incur.

- Remuneration and benefits of \$96,812. The Company has been building a management team to take the Company forward, develop new products and content, expand sales and manage the public company. Whereas the Company had only four employees in Q1 2014 by the end of Q2 2014 it had 10 employees and has 14 at the date of this MD&A. Accordingly remuneration will increase in future quarters.
- Stock based compensation of \$261,645. This is a non-cash expense and represents the fair value of stock options granted (3,175,000 granted) using a Black Scholes calculation. Under IFRS, the expense is recognized as the options vest each quarter with a larger proportion of the expense recognized in earlier quarters. The Company adopted a 10% rolling plan in February 2014 and all options have vesting in tranches over a one year period. The Companies initial grant of stock options to employees, officers, directors and advisory board members occurred during Q2 2014, therefore future quarters may see somewhat lower levels of stock based compensation expense

LIQUIDITY

As at June 30, 2014, the Company had working capital of \$2,412,309 (December 31, 2013 – \$36,286) and a cash position of \$2,326,214 (Dec. 31, 2013 – 88,856).

Cash used in operating activities during the period ended March 31, 2014, was \$137,183 (2013 - \$811), including a loss of \$575,613 (2013 - \$Nil) from settlement of debt.

On April 4, 2014 the Company completed a RTO and concurrent private placement. The private placement was of 12,351,000 units at \$0.25 to raise gross proceeds of \$3,087,750 and net proceeds of \$2,830,421 (check).

During H1 2014 the Company consumed \$308,664 cash in operations and its net change in working capital items was (\$138,665) for a total of \$447,328 cash used in operating activities. These results are reflective of expense level and build up in working capital items while the Company ramping up operations to be able to sustain a higher level of commercial production and sales, particularly with respect to its Ditto Pro 3D printer. Similarly, during H1 2014 the Company purchased \$88,631 of Equipment, Computers and Leasehold Improvements to expand its operating capability and configuring its new premises and production facilities. Finally the Company incurred \$55,762 for costs of developing 3D printing educational courses and online content. The content development costs represent approximately 30% of the costs the Company plans to incur on its “Tinkerine U” education initiative prior to its pilot launch in the Fall of 2014.

CAPITAL RESOURCES

As at June 30, 2014, the Company’s share capital was \$4,351,783 representing 41,748,233 issued and outstanding common shares without par value. Reserves, representing the fair value of stock options issued and vested and warrants issued, is recorded at \$374,633. The Company has 4,075,000 stock options with a weighted average exercise price of \$0.241 and an average remaining term of 4.27 years. Warrants outstanding include 6,884,291 at \$0.10 which are in the money and a further 6,815,500 warrants exercisable at \$0.40.

During H1 2014 the Company performed the following transactions, which affected share capital:

- On February 12, 2014 Tinkerine Studio Ltd. completed a stock split on a 60,000:1 basis. All references to the issuance, granting, exercising of common stock, stock options and warrants and loss per share amounts in the financial statements have been adjusted to reflect the retroactive effect of the stock split.
- On April 4, 2014, Tinkerine Studio and White Bear completed a RTO and 12,000,000 common shares and 900,000 stock options were issued for the 12,000,000 issued and outstanding shares and 900,000 outstanding stock options in the Tinkerine Studio Ltd, respectively. At the date of the RTO White Bear had 17,182,233 shares issued and outstanding.
- Concurrent with the RTO, the Company completed a private placement of 12,351,000 units (each a “Unit”) at \$0.25 for gross proceeds of \$3,087,750. Each Unit consisted of a share and one half a share purchase warrant, each whole warrant exercisable into an additional share at an exercise price of \$0.40 until October 4, 2015. In connection with the private placement the Company issued 640,000 broker warrant to finders, having the same terms as the warrants forming part of the Units, and issued 40,000 shares to the sponsor of the RTO.
- During the quarter ended June 30, 2014, 175,000 shares were issued from the exercise of warrants for proceeds of \$17,500.

The Company has no debt facilities and no off balance sheet arrangements.

Management believes current cash resources are sufficient to fund its business plan over the next twelve months. However, opportunities may arise to accelerate the Company's business expansion plan and if such course of action is pursued the Company may likely seek further equity injection either through the exercise of warrants or a further common share issuance.

RISK FACTORS

Each of the following factors could have a material adverse effect on the Company's financial condition and results of operations.

3D Printing Industry: The Company operates within desktop segment (sometimes referred to as the consumer segment) of the 3D printing industry. The desktop segment has really only existed since 2008. Although fast growing, the whole segment can be viewed as being an early adopter stage market. The ability for the Company to successfully negotiate this market setting comprises a substantial risk.

New Product Launch: The Company has launched three generations of products since its inception in May 2012. It is currently putting considerable resources into its third generation product, the Ditto Pro. Additionally, the Company is investing in software development and the development of online courses and curriculum for the education sector. The ability to manage such product launches in a timely and cost effective manner, and achieve the desired results in terms of market penetration, comprises a substantial risk.

Young Company and its stage of development: The Company has only operated since May 2012 and most of the time since then has been in the start-up and product development phase. Management's ability to manage a fast growth enterprise and put sufficient operating procedures and controls in place comprises a substantial risk.

Dependence upon key personnel: The success of the Company's operations will also depend upon its ability to attract and retain talented and qualified personnel. The Company currently has a small management team, several of which can be considered key to expanding the Company's business operation, the loss of which would likely be detrimental to the Company.

Competition: The desktop segment of the 3D printing industry is already competitive with several direct competitors having much greater financial resources than the Company and also greater length of operating experience. Furthermore, the desktop segment is going through a period of rapid innovation with many participants striving to drive down the price at which they can offer products. These factors combine to make the competitive environment a substantial risk.

Financing risks: The Company existing financial resources have come from the issue of new equity and, in an international setting, can be viewed as limited. Further the Company has limited operating cash flow. Therefore, without growth in operating cash flow the Company will require further equity capital injection(s) to sustain itself. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Dilution to the Company's existing shareholders: Any future equity issues may be dilutive to present and prospective holders of common shares.

Regulatory requirements: The activities of the Company are subject to regulations governing various matters, including but not limited to standards and certifications for electronic device, employment standards for employees engaged in manufacturing and assembly, export and import regulations and duties, and sales and goods and service tax compliance. While the Company endeavours to remain compliant in all such aspect, the inability to do so could have an adverse effect on its permissions to continue to operate.

Foreign currency risk: Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of equity. The Company's main risks are associated with fluctuations in the US dollar ("US") as a material amount of sales are denominated in US dollars and

also a portion of materials purchases are denominated in US dollars. The Company does not enter into any foreign exchange hedging contracts.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. As at August 28, 2014, the following common shares, options and share purchase warrants were outstanding:

As at August 28, 2014	Number issued and outstanding
Common Shares	41,770,233
Stock Options	4,053,000
Warrants	13,699,791
Fully Diluted	59,493,024

Since June 30, 2014 42,500 stock options expired and 22,000 stock options were exercised.

TRANSACTIONS WITH RELATED PARTIES

Due to shareholders and transactions with shareholders

Balances due to shareholders are unsecured, non-interest bearing and have no fixed terms of repayment. In the second quarter of 2014 all \$61,817 shareholder loans were repaid and the balance at June 30, 2014 was NIL. The five shareholders of Tinkerine Studio Ltd. that had loans were Eugene Suyu, Dan (Ying-Ta) Yang, Andy (Chun-Ning) Yang, Justing Sy and Chang-Chi Suyu, the initial four of which were also directors of Tinkerine Studio Ltd before the RTO. On April 4, 2014 the Company purchased \$47,619 of equipment from a company controlled by the parents of Eugene Suyu, the Company's CEO. This equipment made up the equipment of that Tinkerine Studio Ltd. had use of for its regular operation but did not yet own.

Key management personnel compensation

During the six months ended June 30, 2014, the officers of the Company were paid salaries or independent contractor fees as follows: Eugene Suyu, CEO, \$7,260; Martin Burian, CFO, \$27,000; and Todd Blatt, VP Market Direction, \$9,150 (comparative period 2013 - \$2,292 in aggregate) of which an aggregate of \$1,560 was included in cost of sales (comparative period 2013 – NIL). John Veltheer was paid independent contractor fees of \$10,500 in his capacity as a director and member of the audit and compensation committees.

Officers and directors

On April 4, 2014 the following individuals became directors and officers of the post-RTO Company:

- Desmond Liew -- chairman and director;
- Eugene Suyu -- chief executive officer and director;
- Martin Burian -- executive vice-president, chief financial officer, secretary and director;
- Todd Blatt -- director and vice-president of market direction.
- John Veltheer -- director

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2014 and to the date of this MD&A.

CHANGES IN ACCOUNTING POLICIES

The preparation of the condensed interim financial statements and related MD&A have been prepared in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these financial statements. Accounting policies for these condensed financial have been prepared consistent with those applied and disclosed in the Company's annual audited financial statements.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A on August 28, 2014.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

REGISTERED OFFICE

800 – 885 West Georgia Street
Vancouver, British Columbia, Canada
V6C 3H1

HEAD OFFICE and OPERATIONS

Tinkerine Studios Ltd.
341 W 6th Ave,
Vancouver, British Columbia, Canada
V5Y 1L1

OFFICERS & DIRECTORS

Eugene Suyu
Director and CEO

Martin Burian, CA, CBV
Director, Secretary and CFO

Todd Blatt
Director and VP Market Direction

Desmond Liew
Chairman of the Board

John Veltheer, PhD
Director

LISTINGS

TSX Venture Exchange: TTD.V
OTC Pink: TKSTF

CAPITALIZATION

(as at August 28, 2014)

Shares Issued: 41,770,233

TRANSFER AGENT

Computershare
3rd Floor, 510 Burrard Street
Vancouver, British Columbia
V6C 3B9

AUDITOR

Dale Matheson Carr-Hilton LaBonte LLP
1500 – 1140 West Pender Street
Vancouver, British Columbia
V6E 4G1

LEGAL COUNSEL

Clark Wilson LLP
800 – 885 West Georgia Street
Vancouver, British Columbia
V6C 3H1