iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the nine months ended September 30, 2014 (the "*Period*")

The information set forth below has been prepared as at November 18, 2014, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s ("iLOOKABOUT" or the "Company") unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 (the "Reporting Date"), including the accompanying notes (the "Interim Financial Statements"), which can be found on SEDAR at www.sedar.com. This Management's Discussion and Analysis ("MD&A") is intended to assist in understanding the dynamics of the Company's business and key factors underlying its financial results. The Company's Annual Information Form ("AIF") can also be found on SEDAR at www.sedar.com .

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"). By their nature, the Interim Financial Statements do not include all the information required for full annual financial statements, and so should be read in conjunction with the Company's 2013 audited annual consolidated financial statements prepared in accordance with IFRS which can be found on SEDAR at www.sedar.com.

All dollar figures referred to herein are Canadian dollars unless otherwise stated. For narrative purposes, all dollar amounts have been rounded to thousands unless otherwise stated.

Company Background

iLOOKABOUT is a visual and data intelligence company serving commercial and government enterprises in the property assessment, insurance, real estate, municipal, utility and appraisal sectors primarily in Canada and the United States ("US"). iLOOKABOUT is a pioneer in visual and data intelligence with its StreetScape™ and GeoViewPort™ products.

StreetScape™ is a proprietary visual and data intelligence product for the geo-spatial market, providing panoramic, comprehensive, street-level perspective visual data, geo-coded with latitude and longitude coordinates for accuracy and supported by patented software processes and proprietary security and storage systems.

The Company has also developed and markets GeoViewPort™, a proprietary web-based Geographic Information System ("GIS") application that enables the aggregation of property related data such as street level imagery, aerial imagery, validated addresses, property values, property attributes, etc.

Headquartered in London, Ontario, Canada, iLOOKABOUT's common shares are traded on the TSX Venture Exchange ("TSXV") under the symbol ILA. Its Series 1 Preference Shares are not listed on any exchange.

Current Overview and Outlook

Summary of quarterly results:

	Three months ended				Year ended
	March 31	June 30	Sept 30	Dec 31	Dec 31
Fiscal 2014		Unaudited			
Revenue	$ 1,122,136	$ 1,399,427	$ 1,753,670		
Earnings (loss)	(224,166)	(456,416)	240,460		
Comprehensive income (loss)	(272,219)	(406,846)	182,159		
Earnings (loss) per share - basic	-	(0.01)	0.01		
Loss per share - diluted	-	(0.01)	-		
Fiscal 2013		Unaudited			Audited
Revenue	$ 813,710	$ 881,128	$ 1,054,583	$ 813,148	$ 3,562,569
Loss	(78,608)	(318,023)	(113,147)	(408,479)	(918,257)
Comprehensive loss	(117,326)	(381,588)	(76,796)	(464,570)	(1,040,280)
Loss per share (basic and diluted)	-	(0.01)	-	(0.01)	(0.02)
Fiscal 2012		Unaudited			Audited
Revenue	$ 549,120	$ 901,066	$ 966,065	$ 854,540	$ 3,270,791
Loss	(336,603)	(249,296)	(49,815)	(191,634)	(827,348)
Comprehensive income (loss)	(288,796)	(306,480)	24,233	(215,263)	(786,306)
Loss per share (basic and diluted)	(0.01)	(0.01)	-	-	(0.02)

Significant developments in the third quarter of 2014 include:

- The Company completed its first 2014 season of image capture and began processing of the related imagery using a newly developed image capture platform. It is expected that significant cost savings will result from the utilization of this new platform.
- The Company successfully integrated a data analytics platform with the Company’s established GeoViewPort application in anticipation of marketing this offering to existing and potential future customers in the public and private sectors.

Significant developments subsequent to the third quarter of 2014 include:

- The Company commenced a pilot with an existing customer with respect to property related data analysis for this customer and its end users.
- The Company previously disclosed that iLOOKABOUT and Yeoman Paralegal Professional Corporation (“YCP”) had commenced the negotiation of a long term licencing agreement under which iLOOKABOUT would licence technology assets of YCP and 2025832 Ontario Inc. on an exclusive basis. These technology assets include a Real Estate Tax Management Platform (“RTM”) and an Assessment Benchmarking Software Platform (“ABSP”). The RTM automates the preparation and filing of the Request for Reconsideration, Appeal, and Statement of Issues documentation, being the principal elements of the municipal tax assessment appeal process in Ontario. The automation exercise yields exceptional tax appeal efficiencies. The ABSP, when integrated with comprehensive data made available to iLOOKABOUT pursuant to a property data licence agreement with Municipal Property Assessment Corporation (“MPAC”), will yield a fast, detailed and accurate property comparison and valuation engine. The Company is now in the final stages of negotiating a purchase of the Software as opposed to licensing it. The proposed purchase of the Software will require regulatory approval and may be subject to shareholder approval. The Company is currently negotiating a Software Licence to secure exclusive use of the Software until a purchase can be completed, or if such purchase is not approved, to secure an exclusive licence of the Software for a multi-year term.

Discussion of Results from Operations

		Unaudited				Unaudited		
		Three months ended September 30, 2014		Three months ended September 30, 2013		Nine months ended September 30, 2014		Nine months ended September 30, 2013
Revenue	$	**1,753,670**	$	**1,054,583**	$	**4,275,233**	$	**2,749,421**
Direct operating expenses		806,857		339,980		2,048,234		991,031
Gross margin		**946,813**		**714,603**		**2,226,999**		**1,758,390**
Other operating expenses:								
Technology		224,340		215,902		755,697		721,614
Selling and business development		166,172		154,306		607,917		406,465
General and administration		330,447		364,954		1,190,035		1,045,335
		720,959		735,162		2,553,649		2,173,414
Earnings (loss) from operations		**225,854**		**(20,559)**		**(326,650)**		**(415,024)**
Finance income (costs), net		(56,074)		(58,537)		(178,504)		(173,277)
Foreign exchange gain (loss), net		70,680		(34,051)		65,032		78,523
Earnings (loss) for the period	$	**240,460**	$	**(113,147)**	$	**(440,122)**	$	**(509,778)**
Other comprehensive income (loss):								
Items that will not be reclassified to income (loss) for the period:								
Foreign exchange gain (loss) on the translation of foreign operations		(58,301)		36,351		(56,784)		(65,932)
Comprehensive income (loss) for the period	$	**182,159**	$	**(76,796)**	$	**(496,906)**	$	**(575,710)**
Earnings (loss) per share:								
Basic		0.01	$	-	$	(0.01)	$	(0.01)
Diluted		-	$	-	$	(0.01)	$	(0.01)

Revenue

Revenue increased 66% to $1,754,000, and increased 55% to $4,275,000 for the three and nine months ended September 30, 2014 compared to the same periods in the prior year. These increases are primarily attributable to:

- The commencement of a multi-year services contract with a customer in respect of the provision of hosted application services to enable the delivery of geo-spatial and real property related data to the customer's end users within the real estate vertical. Launch of the production phase of this offering occurred in February 2014.
- Increase in the sale of third party data to end customers.
- Increase in US based licensing of StreetScape imagery and GeoViewPort.

The Company's US-based revenue increased from $285,000 to$409,000 and from $705,000 to $796,000 for the three and nine months ended September 30, 2013 and 2014, respectively. These increases are primarily attributable to the timing of delivery of services and an increase in new US sales contracts.

Customers representing more than 10% of revenue are classified as significant customers.

For the three months ended September 30, 2014, the Company had two significant customers; one represented 38%, and the other represented 28% of total revenue. For the three months ended September 30, 2013, the Company had two significant customers; one represented 43%, and the other represented 21% of total revenue.

For the nine months ended September 30, 2014, the Company had two significant customers; one represented 45%, and the other represented 24% of total revenue. For the nine months ended September 30, 2013, the Company had two significant customers; one represented 40%, and the other represented 23% of total revenue.

Gross margin

Gross margin increased from $715,000 to $947,000 for the three months ended September 30, 2013 and 2014, respectively; and from $1,758,000 to $2,227,000 for the nine months ended September 30, 2013 and 2014, respectively. These increases are mainly attributable to increased revenue, for the reasons noted in the *"Revenue"* section above, but were offset significantly by:

- Increase in the required data and software licence fees to support an increase in the re-licensing of third party data and software to customers;
- Increase in partner royalties and commissions, primarily related to two new US licence agreements entered in the first quarter of 2014; and
- Increase in data capture and image processing costs required to support the new US licences noted above.

In accordance with IFRS, direct operating costs are recognized as they are incurred, while revenue is recognized over the period that service is delivered. The nature of many of the Company's sales agreements is that costs are incurred at the outset of the arrangement over a period of a few months, while at least a portion of the related revenue is recognized over a period of years. This results in material variances in gross margin on a period over period basis.

Comprehensive income (loss)

The Company generated comprehensive income of $182,000 for the three months ended September 30, 2014 as compared to a comprehensive loss of $77,000 for the same period of the prior year. Comprehensive loss decreased from $576,000 to $497,000 for the nine months ended September 30, 2013 and 2014, respectively. These improvements are attributable to gross margin increases for the reasons noted in the "*Gross Margin*" section above, but were offset significantly by the following:

- Increase in sales and business development related expenses incurred to support new product and service offerings being launched by the Company;
- Increase in human resource and related expenses to support core business growth and development of the new product and service offerings being launched by the Company;
- Increase in regulatory, professional and insurance fees; and
- Increase in share-based compensation expense in respect of director compensation.

Seasonality

The number of hours per day of daylight suitable for image capture and weather conditions vary with the seasons and impact peak periods of image data capture. As the Company's image capture activity to date has primarily been focused in Canada and the northeastern region of the US, the majority of costs associated with image capture are incurred in the second and third quarters of the year. Should the Company expand its image capture to the southern US, the impact of seasonality on image capture will be less significant.

Outstanding Share Data

As at the date of this MD&A, iLOOKABOUT had 46,300,047 Common Shares and 750,000 Series 1 Preference Shares issued and outstanding, and outstanding options and warrants to purchase a further 7,248,375 Common Shares, exercisable at prices ranging from $0.12 to $0.48 per share.

Conversion of all of the issued and outstanding Series 1 Preference Shares would result in the issuance of 2,419,355 Common Shares and warrants to purchase a further 1,209,678 Common Shares at an exercise price of $0.31.

Liquidity and Capital Resources

The Company has a history of operating losses with an accumulated deficit of $14,184,000 (December 31, 2013 - $13,744,000); shareholders' deficiency of $1,410,000 (December 31, 2013 – $1,123,000) and a working capital deficiency of $1,023,000 (December 31, 2013 – $45,000).

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures"*) is defined and calculated by the Company as current assets less current liabilities (as shown on the consolidated Statement of Financial Position), excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company than does Working Capital. Further, one of the covenants under the Company's term credit facility ("Credit Facility") is based on Adjusted Working Capital, and as such, it is considered a key metric for Management to monitor.

	September 30, 2014	December 31, 2013
Working Capital (GAAP measure)	$ (1,022,891)	$ (44,713)
Less: Prepaid expenses and other current assets	(198,687)	(165,738)
Add: Unearned revenue, current portion	857,376	882,528
Adjusted Working Capital (Non-GAAP measure)	**$ (364,202)**	**$ 672,077**

The significant decrease in adjusted working capital between December 31, 2013 and September 30, 2014 is primarily attributable to the Series 1 Preference Shares becoming classified as a current liability, as opposed to its previous classification as a long term liability. The Series 1 Preference Shares are redeemable at the option of the holder or the Company after March 31, 2015, for a total principal amount of $750,000. However, the Ontario *Business Corporations Act* prohibits the Corporation from redeeming any shares issued "*if there are reasonable grounds for believing that the corporation is or, after the payment, would be unable to pay its liabilities as they become due*." Unless the Company is able to significantly increase its net operating cash inflows, raise additional funds through debt and/or equity financing, or some combination thereof, the Company will be prohibited from redeeming any Series 1 Preference Shares. The book value of Series 1 Preference Shares included in Adjusted Working Capital was $719,235 as at September 30, 2014 (December 31, 2013 – Nil).

Cash flows provided by (used in) operating, financing and investing activities for the nine months ended September 30, 2014 and 2013 are presented below.

Cash flow provided by (used in)	**Nine months ended September 30, 2014**	**Nine months ended September 30, 2013**
Operating activities	$ 151,825	$ (71,000)
Financing activities	(2,397)	350,225
Investing activities	(246,888)	(181,179)
	$ (97,460)	**$ 98,046**

The changes in sources and uses of cash for the nine months ended September 30, 2014 as compared to the same period in the prior year are explained below:

- The change from cash used in operations of $71,000 to $152,000 generated from operations is primarily attributable to the Company's increased gross margin (see "*Gross Margin*" section above). The positive change related to gross margin were somewhat offset by negative changes in non-cash working capital primarily due to timing differences and exchange rate changes.

- The decrease in cash generated from financing activities is largely attributable to an equity financing for gross proceeds of $500,000 which was completed in January 2013, for which a similar financing was not completed to date in 2014.

- The increase in cash used in financing activities is primarily attributable to the purchase of a software license to be relicensed to a customer, for which a comparable purchase did not occur in the same period in 2013.

The following are the carrying amounts and the remaining contractual cash outflows, including estimated interest payments, of financial liabilities at September 30, 2014.

		Contractual cash outflows				
As at September 30, 2014	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 1,064,718	$ 1,064,718	$ 1,064,718	$ -	$ -	$ -
Secured term credit facility	581,084	776,250	30,000	746,250	-	-
Preference Shares	719,235	856,353	856,353	-	-	-
Debt financing of vehicles	51,376	59,224	12,390	12,390	34,444	-
Operating leases	-	175,138	111,943	63,195	-	-
Purchase commitment	-	3,200,000	-	200,000	1,500,000	1,500,000
	$ 2,416,413	$ 6,131,683	$ 2,075,404	$ 1,021,835	$ 1,534,444	$ 1,500,000

The Company is obligated to pay a bonus interest amount with respect to the Credit Facility at the maturity of the loan. An estimated bonus interest amount of $130,000 has been included in the above-noted contractual cash outflows. As at September 30, 2014 a provision of $82,000 had been recorded in the Company's financial statements. A very high degree of uncertainty exists with respect to Management's estimates of the future financial results upon which this bonus interest amount will be calculated. Actual results could differ materially from these estimates.

In addition to the above-noted contractual cash outflows, the Company expects to incur future capital expenditures, primarily with respect to replacement of its image capture equipment and expansion of its computer hardware which hosts the Company's imagery. Data capture equipment, which includes vehicles, cameras and lenses, is replaced as this equipment is depleted or the purchase of improved equipment is determined to be appropriate. The extent of these capital expenditures will largely be driven by the extent of the Company's future image capture activities, the age of existing equipment and the implementation of a new image capture platform. The Company expects that capital expenditures required over the remainder of 2014 will be approximately $60,000.

In order to fund its day-to-day operations and repay the Company's longer term obligations as they become due, the Company must significantly increase its net operating cash inflows, raise additional funds through debt and/or equity financing, or some combination thereof.

Dividends

In March 2012, the Company issued 750,000 Series 1 Preference Shares at a subscription price of $1.00 per share. These Series 1 Preference Shares carry a cumulative dividend rate of 12% per annum and are convertible into Common Shares and Common Shares purchase warrants at the option of the holder, subject to certain conversion requirements. To date, the Company has not met the requirements under the Ontario *Business Corporations Act* to declare or pay the cumulative dividends on the Series 1 Preference Shares that would otherwise have been payable. In the near term, the Company intends to reinvest its available cash resources, in excess of its operating and capital needs, to support its business development and growth initiatives, and as such, it is not expected that dividends will be declared on any of the Company's shares, including the Series 1 Preference Shares, until at least June 2015.

The Series 1 Preference Shares' accrued but unpaid dividends may be converted into Common Shares at the option of the holder. For the three months ended September 30, 2014, accrued dividends of $17,652 were converted to 110,316 common shares. Subsequent to September 30, 2014, accrued dividends of $13,308 were converted to 38,019 Common Shares.

As at September 30, 2014, the amount of accrued dividends on the Series 1 Preference Shares totaled $44,318, and as at the date hereof, such accrued dividends totalled $43,092.

Off-Balance Sheet Arrangements

As at September 30, 2014, iLOOKABOUT had no off-balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company, and the Company does not expect to enter into any in the near to mid-term.

Financial Instruments

iLOOKABOUT's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, finance lease liability, provision and current and long-term debt. Management does not believe that these financial instruments expose iLOOKABOUT to any significant interest, currency or credit risks.

Transactions with Related Parties

One of the premises occupied by the Company is rented on an annual basis from a company which is partially owned by an officer and director of the Company. The Company paid rent of $3,000 and $9,000 to the related company in the three and nine months ended September 30, 2014, respectively. This transaction is in the normal course of operations and is disclosed at the exchange amount, being the amount of consideration established and agreed to by the related parties.

Directors and Senior Officers of the Company participated in the March 2012 private placement of Preference Shares, holding a total of $255,000 of the $750,000 Preference shares outstanding. As noted above, where dividends on these Preference Shares have accrued, the holder has the option to convert these unpaid dividends into Common Shares. For the three months ended September 30, 2014, Directors and Senior Officers converted a total of $7,629 accrued dividends into 47,678 Common Shares. For the nine months ended September 30, 2014, Directors and Senior Officers converted a total of $22,887 accrued dividends into 123,962 Common Shares. The terms of the Series 1 Preference Shares are the same for both related and non-related parties.

A company owned by one of the current Directors and Officers of iLOOKABOUT has a consulting agreement with the Company, the principal terms of which were negotiated prior to the Director becoming a related party. Under this agreement, as amended, the Director has received, as a recoverable draw, $30,000 and $90,000 for the three and nine months ended September 30, 2014.

As noted above under the heading *Current Overview and Outlook*, the Company has entered into negotiations with YCP to licence and/or purchase certain technology assets from YCP. Two of the principals of YCP are the sons of an officer and director of the Company.

Changes in Accounting Policies

The Company has adopted the following accounting pronouncements during the Period, details of which are included in the Company's 2013 year-end annual consolidated financial statements.

- IAS 32, Financial Instruments: Presentation
- IAS 36, Impairment of Assets

These standards did not have a significant impact on the Company's interim financial statements.

Use of Non-GAAP Financial Measures

Management has included a non-GAAP financial measure, "Adjusted Working Capital", to supplement information contained in the MD&A. This non-GAAP measure does not have any standardized meaning prescribed under IFRS and therefore it may not be comparable to similar measures employed by other issuers. Adjusted Working Capital is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. The measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management believes that Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Management's expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company's stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company's dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Additional information about some of these risk factors can be found in the Company's Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to iLOOKABOUT, including the Company's 2013 Annual Consolidated Financial Statements and Annual Information Form for the year ended December 31, 2013, can be found on SEDAR at www.sedar.com.