iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2014 (the "*Period*")

The information set forth below has been prepared as at May 22, 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 months ended March 31, 2014 (the "Reporting Date"), including the accompanying notes (the "Interim Financial Statements"), which can be found on SEDAR at www.sedar.com. This Management 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				
Loss	(224,166)				
Comprehensive loss	(272,219)				
Loss per share (basic and diluted)	-				
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 first quarter of 2014 include:

- To trigger the release of the second and third disbursement of funds available under the Company's secured term credit facility ("Credit Facility"), the Company was required to meet predetermined sales and financial performance milestones. The Company did not meet these milestones. In March 2014, the second and third tranches of financing were cancelled without being drawn upon. See the *"Liquidity and Capital Resources"* section for further detail.

- In fiscal 2013, the Company executed a multi-year services contract with Municipal Property Assessment Corporation ("MPAC") with respect to the provision of hosted application services to enable the delivery of geo-spatial and real property related data to MPAC's end customers within the real estate vertical. The beta phase of this contract was successfully launched in December 2013 and the production phase successfully launched to over 40,000 end users in February 2014.

- In February 2014, the Company successfully launched Real Stor™, an electronic store to market and distribute property reports to over 40,000 end users;

- Executed two new US service contracts having a combined contract value of $1,195,000 and having terms of two and six years.

Significant developments subsequent to the first quarter of 2014 include:

- In December 2013, the Company announced that it had entered into a non-binding letter of intent to: (i) undertake a business combination with, or otherwise acquire all of the shares of, 1430922 Ontario Limited and related companies ("Byng"), and (ii) complete a technology asset acquisition from Yeoman & Company Paralegal Professional Corporation, ("YCP") and the key architect and developer of the technology, 2025832 Ontario Inc. and a licence back to YCP. As the parties to the Proposed Transactions were unable to negotiate the terms of definitive agreements on terms acceptable to each of them, the parties mutually agreed to terminate the December 18, 2013 letter of intent on May 14, 2014.

- While the proposed technology asset acquisition from YCP is no longer contemplated, iLOOKABOUT and YCP have commenced the negotiation of a long term licensing agreement under which iLOOKABOUT would license the 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”) (RTM and ABSP are collectively referred to as the “Software”). 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. The automation exercise yields exceptional tax appeal efficiencies. The ABSP, when integrated with comprehensive data made available to iLOOKABOUT pursuant to a property data license agreement with Municipal Property Assessment Corporation, will yield the fastest, most detailed and accurate property comparison and valuation engine available in the market. Licensing fees payable to YCP for this Software will be determined as a percentage of sales generated from the Software. It is anticipated that a license agreement for the Software will be executed by the end of June 2014.

Discussion of Results from Operations

	Unaudited	
	Three months ended March 31, 2014	**Three months ended March 31, 2013**
Revenue	**$ 1,122,136**	**$ 813,710**
Direct operating expenses	525,035	270,373
Gross margin	**597,101**	**543,337**
Other operating expenses:		
Technology	254,494	252,241
Selling and business development	213,135	107,384
General and administration	335,952	243,778
	803,581	603,403
Loss from operations	**(206,480)**	**(60,066)**
Finance income (costs), net	(65,781)	(57,242)
Foreign exchange gain	48,095	38,700
Loss for the period	**$ (224,166)**	**$ (78,608)**
Other comprehensive loss:		
Items that will not be reclassified to loss for the period:		
Foreign exchange loss on the translation of foreign operations	(48,053)	(38,718)
Comprehensive loss for the period	**$ (272,219)**	**$ (117,326)**
Loss per share (basic and diluted)	**$ -**	**$ -**

Revenue

Revenue increased 38% to $1,122,000 for the three months ended March 31, 2014, compared to the same period in the prior year. This increase is primarily attributable to the commencement of a multi-year services contract with MPAC with respect to the provision of hosted application services to enable the delivery of geo-spatial and real property related data to MPAC's end customers within the real estate vertical. Launch of the production phase of this offering occurred in February 2014.

The Company's US-based revenue decreased from $194,000 to $118,000 for the three months ended March 31, 2013 and 2014, respectively. This decrease is due to the timing of the delivery of services.

For the three months ended March 31, 2014, two customers each accounted for more than 10% of iLOOKABOUT's total revenue, and together represented approximately 72% of total revenue, as compared to three customers representing approximately 75% of revenue for the three months ended March 31, 2013.

Gross margin

Gross margin increased from $543,000 to $597,000 for the three months ended March 31, 2013 and 2014, respectively. This increase is mainly attributable to increased revenue, for the reasons noted in the *"Revenue"* section above, but was offset significantly by:

- Increase in partner royalties related to the two new US sales contracts;
- Increase in royalty expense with respect to the sale of property reports via Real Store™, which launched in February 2014; and
- Increase in software licence fees to support the re-licencing of third party software.

In accordance with accounting standards, 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 loss

Comprehensive loss increased from $117,000 to $272,000 for the three months ended March 31, 2013 and 2014, respectively. While gross margin for the comparative periods increased, for the reasons noted in the *"Gross Margin"* section above, this increase was more than offset by the following:

- Increase in sales and business development related expenses incurred to support new product and service offerings being launched by the Company; and
- Increase in regulatory, professional and insurance fees primarily attributable to a proposed business combination which was terminated in May 2014.

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 46,151,712 common shares and 750,000 Series 1 Preference Shares issued and outstanding, and outstanding options and warrants to purchase a further 8,113,508 common shares, exercisable at prices ranging from $0.12 to $0.60 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 $13,968,000 (December 31, 2013 - $13,744,000); shareholders' deficiency of $1,366,000 (December 31, 2013 – $1,123,000) and working capital deficiency of $230,000 (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 Credit Facility is based on Adjusted Working Capital, therefore, it is considered a key metric for Management to monitor.

		March 31, 2014		December 31, 2013
Working Capital (GAAP measure)	$	(230,376)	$	(44,713)
Less: Prepaid expenses and other current assets		(187,876)		(165,738)
Add: Unearned revenue, current portion		945,170		882,528
Adjusted Working Capital (Non-GAAP measure)	**$**	**526,918**	**$**	**672,077**

Cash flows provided by (used in) operating, financing and investing activities for the three months ended March 31, 2014 and 2013 are presented below.

Cash flow provided by (used in)		**Period ended March 31, 2014**		**Period ended March 31, 2013**
Operating activities	$	3,179	$	(281,839)
Financing activities		(49,331)		443,027
Investing activities		(85,092)		(5,142)
	$	**(131,244)**	**$**	**156,046**

The changes in cash sources and uses for the three months ended March 31, 2014 as compared to the same period in the prior year are explained below:

- The change from a cash used in operations position to cash generated from operations is primarily attributable to changes in non-cash working capital primarily due to timing differences and exchange rate changes.

- The change from $443,000 generated from financing activities in the first quarter of 2013 to a use of $49,000 in the same period for 2014 is 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 in the first quarter of 2014.

- In the first quarter of 2013, nominal equipment and intangible asset purchases were required. In the first quarter of 2014, the Company's purchases of hardware and data capture equipment to replace aging assets, in addition to the purchase of a six month software license to be relicensed to a customer, caused an increase in cash used in investing activities.

The following are the carrying amounts and the remaining contractual cash outflows, including estimated interest payments, of financial liabilities at March 31, 2014.

As at March 31, 2014		Carrying Amounts		Contractual cash flows Total		within 1 year		1 - 2 years		2 - 5 years		More than 5 years
Accounts payable and accrued liabilities	$	868,618	$	(868,618)	$	(868,618)	$	-	$	-	$	-
Secured term credit facility		574,779		(806,250)		(45,000)		(30,000)		(731,250)		-
Preference Shares		689,732		(856,353)		-		(856,353)		-		-
Debt financing of software licence		16,227		(16,362)		(16,362)		-		-		-
Operating leases		-		(233,635)		(116,273)		(108,334)		(9,028)		-
Purchase commitment		-		(3,200,000)		-		(200,000)		(1,500,000)		(1,500,000)
	$	2,149,356	$	(5,981,218)	$	(1,046,253)	$	(1,194,687)	$	(2,240,278)	$	(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 flows. 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 flows, 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 and the age of existing equipment. The Company expects that capital expenditures required over the remainder of 2014 will be approximately $120,000.

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

The Company's Credit Facility was established to allow the Company to draw up to $2,000,000 in three stages, subject to the Company meeting specified sales and financial performance milestones. In March 2012, the Company achieved the required sales and financial performance milestones to trigger the first disbursement of $600,000 and received these funds in March 2012. The Company did not meet the predetermined sales and financial performance milestones required to trigger the release of the second and third disbursement of funds available under the Credit Facility, and in March 2014, the second and third tranches of financing were cancelled without being drawn upon.

The Company must continue to maintain predetermined financial ratios under the Credit Facility to keep it in good standing. As at March 31, 2014 and the date of this MD&A, the Company was in compliance with these financial ratios.

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 March 31, 2014, accrued dividends of $26,775 were converted to 133,865 common shares. Subsequent to the Period, accrued dividends of $19,897 were converted to 99,482 Common Shares.

As at March 31, 2014, the amount of accrued dividends on the Series 1 Preference Shares totaled $36,744, and as at the date hereof, such accrued dividends totalled $16,847.

Off-Balance Sheet Arrangements

As at March 31, 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 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 to the related company in the three months ended March 31, 2014.

These transactions are in the normal course of operations and are disclosed at the exchange amount, being the amount of consideration established and agreed to by the related parties.

In December 2014, the Company entered in a letter of intent with Yeoman & Company Paralegal Professional Corporation ("YCP") and others under which it was contemplated that the Company would purchase certain technology assets from YCP and the key architect and developer of the technology, 2025832 Ontario Inc., with a licence back to YCP. As noted above under the heading *Current Overview and Outlook*, this letter of intent was terminated on May 14, 2014. The Company has now entered into negotiations with YCP to license these technology assets on an exclusive basis. 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, calculated as current financial assets less current financial liabilities, 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.