iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2016 (the "*Period*")

The information set forth below has been prepared as at May 25, 2016, 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, 2016 (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 2015 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 focused on real property, serving primarily the property assessment, property taxation, municipal, insurance, and appraisal sectors, both public and private, in Canada and the United States ("US"). The Company's primary offerings are noted below.

StreetScape:
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.

GeoViewPort ("GVP"):
GVP is 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. The Company generates its own property related data and also licenses third party data for consumption by GVP. Recently, a project management module was developed and is now available for use by GVP clients to enable further efficiency and effectiveness in the performance of the desktop review of properties.

Real Property Tax Analytics ("RPTA"):
The RPTA application, when integrated with comprehensive data, made available to iLOOKABOUT pursuant to a property data license agreement, yields a detailed property comparison and valuation engine.

Realty Tax Management ("RTM"):
The RTM application automates the preparation and filing of the Request for Reconsideration, Appeal, and Statement of Issues documentation, being the principal elements of the Ontario municipal tax assessment appeal process. The automation exercise yields tax appeal efficiencies.

Consulting Services:
Consulting services are provided by Municipal Tax Advisory Group Inc., a wholly owned subsidiary of iLOOKABOUT Corp., with a focus on the municipal property tax and valuation sectors.

Headquartered in London, Ontario, Canada, iLOOKABOUT's common shares are traded on the TSX Venture Exchange ("TSXV") under the symbol ILA.

Current Overview and Outlook

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's Interim Financial Statements for the three months ended March 31, 2016 (the "Reporting Date"), which can be found on SEDAR at www.sedar.com.

Summary of quarterly results:

	Three months ended				Year ended
	March 31	**June 30**	**Sept 30**	**Dec 31**	**Dec 31**
Fiscal 2016	Unaudited				
Revenue	$ 2,149,704				
Loss	(154,814)				
Comprehensive loss	(112,157)				
Loss per share - basic	-				
Loss per share - diluted	-				
Fiscal 2015	Unaudited				Audited
Revenue	$ 1,516,419	$ 2,059,810	$ 2,277,269	$ 1,628,227	$ 7,481,725
Earnings (loss)	(537,446)	(541,959)	421,377	(301,808)	(959,836)
Comprehensive income (loss)	(618,964)	(519,666)	352,524	(325,106)	(1,111,212)
Earnings (loss) per share - basic	(0.01)	(0.01)	0.01	(0.01)	(0.02)
Earnings (loss) per share - diluted	(0.01)	(0.01)	0.01	(0.01)	(0.02)
Fiscal 2014	Unaudited				Audited
Revenue	$ 1,122,136	$ 1,399,427	$ 1,753,670	$ 1,381,934	$ 5,657,167
Earnings (loss)	(224,166)	(456,416)	240,460	(502,927)	(943,049)
Comprehensive income (loss)	(272,219)	(406,846)	182,159	(551,707)	(1,048,613)
Earnings (loss) per share - basic	-	(0.01)	0.01	(0.01)	(0.02)
Earnings (loss) per share - diluted	-	(0.01)	-	(0.01)	(0.02)

Significant developments in the first quarter of 2016 include:

- On January 24, 2016, 1,481,000 Series H Warrants, previously issued for the purchase of 1,481,000 common shares at an exercise price of $0.15, expired unexercised.

- In February 2016, the Company executed a services agreement with the Municipal Property Assessment Corporation ("MPAC") with respect to the channel delivery of the Municipal Connect™ 2.0 platform to MPAC's municipal clients in the Province of Ontario. The Municipal Connect™ 2.0 platform provides Ontario municipalities with access to an assessment based management tool.

Significant developments subsequent to the first quarter of 2016 include:

- In April 2016, the Company repaid in full the $600,000 principal of its secured term credit facility and in May 2016 it paid the related bonus interest in the amount of $165,550.

Discussion of Results from Operations

	Unaudited Three months ended March 31, 2016	Unaudited Three months ended March 31, 2015
Revenue	**$ 2,149,704**	**$ 1,516,419**
Direct operating expenses	885,394	687,682
Gross margin	**1,264,310**	**828,737**
Other operating expenses:		
Technology	378,230	323,852
Selling and business development	308,518	303,623
General and administration	655,670	786,282
	1,342,418	1,413,757
Loss from operations	**(78,108)**	**(585,020)**
Finance costs	(11,449)	(55,788)
Foreign exchange gain (loss)	(65,257)	103,362
Loss for the period	**$ (154,814)**	**$ (537,446)**
Other comprehensive loss:		
Items that will not be reclassified to loss for the period:		
Foreign exchange gain (loss) on the translation of foreign operations	42,657	(81,518)
Comprehensive loss for the period	**$ (112,157)**	**$ (618,964)**
Loss per share:		
Basic and diluted	**$ -**	**$ (0.01)**

Revenue

Revenue increased 42% to $2,150,000 for the three months ended March 31, 2016, compared to the same period in the prior year. This increase is primarily attributable to (i) increased licensing of third party real property related data and increased sales of derivative reports; (ii) commencement in February 2016 of a services agreement with MPAC with respect to the channel delivery of the Municipal Connect™ 2.0 platform to MPAC's municipal clients in the Province of Ontario; and (iii) increased consulting services in the first quarter of 2016 which is attributable to the launch of such consulting services in December 2014, and thus in early 2015 the client base was just beginning to be established.

The Company's US-based revenue decreased from $249,000 to $183,000 for the three months ended March 31, 2015 and 2016, respectively. This decrease is due to the timing of the delivery of certain U.S. services.

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

For the three months ended March 31, 2016, the Company had two significant customers; one represented 54% and the other represented 17% of total revenue. For the three months ended March 31, 2015, the Company had two significant customers; one represented 48% and the other represented 13% of total revenue.

Gross margin

Gross margin increased from $828,000 to $1,264,000 for the three months ended March 31, 2015 and 2016, respectively. This increase is mainly attributable to increased revenue, for the reasons noted in the *"Revenue"* section above. The following items offset the gross margin increase to some extent:

- Increase in third party property related data licensing fees to support the generation of derivative reports and the re-licensing of this data to end customers; and
- Increase in a third party minimum data purchase commitment.

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 can result in material variances in gross margin on a period over period basis.

Comprehensive loss

Comprehensive loss decreased from $619,000 to $112,000 for the three months ended March 31, 2015 as compared to the three months ended March 31, 2016, respectively. The decrease is mainly attributable to the increased gross margin for the reasons noted in the *"Gross Margin"* section above as well as a decrease in share based compensation expense in general and administration expense due to the one time grant of 2,233,000 options to purchase common shares of the Company, which options were granted in accordance with the Executive Chair Employment Agreement which became effective January 1, 2015, for which there was no similar amount in 2016.

Outstanding Share Data and Dividends

As at the date of this MD&A, iLOOKABOUT had 60,313,784 common shares issued and outstanding, and outstanding options and warrants to purchase a further 11,676,419 common shares, exercisable at prices ranging from $0.12 to $0.60 per share.

Liquidity and Capital Resources

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.

		March 31, 2016		December 31, 2015
Working Capital (GAAP measure)	$	856,164	$	686,863
Less: Prepaid expenses and other current assets		(172,106)		(158,902)
Add: Unearned revenue, current portion		1,128,196		746,584
Adjusted Working Capital (Non-GAAP measure)	**$**	**1,812,254**	**$**	**1,274,545**

The increase in Adjusted Working Capital between December 31, 2015 and March 31, 2016, primarily related to an increase in receivable balances due to the timing of billings and collections.

Cash flows used in operating, financing and investing activities for the three months ended March 31, 2016 and 2015 are presented below.

Cash flow provided by (used in)		**Three months ended March 31, 2016**		**Three months ended March 31, 2015**
Operating activities	$	(64,472)	$	(170,339)
Financing activities		(2,521)		(4,482)
Investing activities		(12,840)		(24,352)
Effect of exchange rate fluctuations on cash		(26,504)		46,177
	$	**(106,337)**	**$**	**(152,996)**

The changes in cash uses for the three months ended March 31, 2016 as compared to the same period in the prior year are explained below:

- The decrease in cash used in operations is primarily attributable to an increase in revenues and related collections which were offset only to a certain extent by increases in related operating expenses.
- Cash used in financing activities was nominal in both the first quarter of 2015 and 2016.
- Cash used in investing activities, representing the purchase of equipment, remained stable for the first three months of 2015 as compared to the same period in 2016.

The following are the carrying amounts and the remaining contractual cash outflows, including estimated interest payments, of financial liabilities and commitments at March 31, 2016.

		Contractual cash outflows				
As at March 31, 2016	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 1,205,755	$ 1,205,755	$1,205,755	$ -	$ -	$ -
Secured term credit facility	600,000	600,000	600,000	-	-	-
Debt financing of vehicles	36,804	40,638	12,390	12,390	15,858	-
Operating leases	-	1,131,078	234,564	248,785	634,285	13,444
Purchase commitments	-	7,968,750	665,000	765,000	2,895,000	3,643,750
	$ 1,842,559	$ 10,946,221	$2,717,709	$ 1,026,175	$ 3,545,143	$ 3,657,194

The Company was obligated to pay a bonus amount with respect to the secured term credit facility at the maturity of the loan in April 2016. Included in the above-noted undiscounted contractual cash flows related to the accounts payable and accrued liabilities is an accrued bonus payment in respect of the credit facility in the amount of $165,550. In the second quarter of 2016, the Company fully repaid the $600,000 principal and the required bonus payment of $165,550.

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 upgrades of or additions to its computer software and 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 amount and timing 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 2016 may be as much as approximately $190,000, but may be significantly less depending on the capital projects the Company opts to execute in 2016.

In order to fund its day-to-day operations and repay the Company's long 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.

Until the Company repaid the principal under the credit facility in the second quarter of 2016, the Company was required to maintain predetermined financial ratios to keep the credit facility in good standing. As at March 31, 2016, the Company was in compliance with these financial ratios.

Off-Balance Sheet Arrangements

As at March 31, 2016, 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, current portion of long-term debt 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

Consulting services:
Pursuant to a written consulting agreement dated December 2014 (the "Consulting Agreement"), the Company receives consulting services from Yeoman & Company Paralegal Professionals Corp. ("YCP") with respect to the ongoing development and support of the Company's Real Property Tax Analytics software and the Realty Tax Management software purchased by the Company from YCP in February 2015. Two of the principals of YCP are the sons of Mr. Gary Yeoman, the Executive Chair of the Company. The Consulting Agreement has a term of twenty years and provides for an annual fee of $265,000 plus 15% of revenue recognized and received by the Company from end customers (the "YCP Fees") for use of such software. For the three months ended March 31, 2016, the Company paid YCP Fees of $96,350 (2015 – $70,587), which fees were included in direct operating expense and technology expense.

The Company also provides business development related consulting services to YCP. For the three months ended March 31, 2016, the Company received compensation of $325 for these services from YCP (2015 – nil).

Real property rental:
One of the premises occupied by the Company is rented on an annual basis from a related company owned by Mr. Jeff Young, Chief Executive Officer and a Director of the Company. For the three months ended March 31, 2016, the Company paid rent to the related company of $3,000 (2015 - $3,000), which is included in general and administration expense.

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

Changes in Accounting Policies

(a) IAS 1 - Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1 - Presentation of Financial Statements as part of its initiative to improve presentation and disclosure in financial reports. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not require any significant change to current practice, but facilitate improved financial statement disclosures. The adoption of these amendments did not have a material impact on the 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 2015 Annual Consolidated Financial Statements and Annual Information Form for the year ended December 31, 2015, can be found on SEDAR at www.sedar.com.