iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2017 (the "*Period*")

The information set forth below has been prepared as at August 18, 2017, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.õs (ñiLOOKABOUTò or the ñCompanyò) unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2017 (the ñReporting Dateò), including the accompanying notes (the ñInterim Financial Statementsò), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis (ñMD&Aò) is intended to assist in understanding the dynamics of the Companyõs business and key factors underlying its financial results. The Companyõs Annual Information Form (ñAIFò) 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 (ñIAS 34ò) using accounting policies consistent with International Financial Reporting Standards (ñIFRSò). 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 Companyõs 2016 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.

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 ñmayò, ñwillò, ñexpectò, ñintendò, ñanticipateò, ñplanò, ñforeseeò, ñbelieveò or ñcontinueò or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Managementõs expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Companyõs 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 Companyõs 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 Companyõs 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 Companyõs 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.

Use of Non-GAAP Financial Measures

Management has included two non-GAAP financial measures to supplement information contained in the MD&A. These non-GAAP measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures employed by other reporting issuers. The non-GAAP measures contained in this MD&A are:

(i) ñ<u>Adjusted Working Capital</u>ò, is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides meaningful information with respect to the liquidity of the Company. A reconciliation of working capital to Adjusted Working Capital is provided in the section entitled *"Liquidity and Capital Resources – Adjusted Working Capital"*.

(ii) ñ<u>Adjusted EBITDA</u>ò, is defined and calculated by the Company as comprehensive income (loss) before interest, tax, depreciation, amortization and share-based compensation expenses. Management believes Adjusted EBITDA provides meaningful information with respect to the financial performance and value of the Company. A reconciliation of comprehensive income (loss) to Adjusted EBITDA is provided in the section entitled *"Overall Performance and Results of Operations – Adjusted EBITDA Reconciliation."*

These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS. Our non-GAAP measures may not be comparable to those of other reporting issuers.

Business of the Company

iLOOKABOUT is a software, data analytics, and visual 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 (ñ<u>US</u>ò). The Companyôs primary offerings are noted below.

GeoViewPort™ and StreetScape™

GeoViewPort™ (ñ<u>GVP</u>ò) is a real property focused web-based application that targets the property assessment and appraisal industry by providing a leading-edge desktop review tool. iLOOKABOUT has expanded its capabilities as a preferred imagery provider to a leading software developer for the assessment and appraisal industries. GVP enables assessment professionals to simultaneously generate customized portals to view multiple elements related to a property, including street level imagery, aerial imagery, property valuation details, comparable property analysis, and structural characteristics, amongst others. GVP has developed into one of iLOOKABOUT's core product offerings, upon which a software architecture has been built to support a full suite of add-on tools and services.

To support the Companyôs customersô need to monitor the progress of assessment initiatives, the productivity of individual staff, and to audit activities, iLOOKABOUT has developed the GVP Management Module as an addition to the GVP suite of product offerings. GVP Management Module has now been implemented by a number of customers in the US responsible for property assessments.

Since 2007, iLOOKABOUT has been collecting and processing street level images from public streets in targeted geographic areas to create a database of images and associated metadata (data about data or content items). Through the utilization of proprietary hardware and software systems for the capturing, processing and geo-coding of image data from a moving vehicle, each high-resolution StreetScape™ image is captured with a digital camera and geo-coded using publicly available Global Positioning Systems (ñ<u>GPS</u>ò). The iLOOKABOUT StreetScape image database is accessible via GVP, as well as all major mapping applications, including but not limited to, Google, Bing, Pictometry, ESRI, Intergraph, Bentley and Autodesk, through a secure web service.

To support the integration of its technology into customersô existing enterprise applications, the Company delivers professional programming and software development services in connection with its products to aid in customer implementation. This includes custom configuration and user interface modifications to suit the needs of the customerôs user groups and tailoring of the application to the particular end-user's needs.

Real Property Tax Analytics

Real Property Tax Analytics (ñRPTAò) is a property assessment analytics and software platform that combines data attributes of more than 5.1 million properties in Ontario, integrating mapping, imagery, and census data to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. RPTA is currently being used by municipal finance and taxation departments across Ontario. Regarded as a leading tool to support assessment based management programs, this evolving offering is strategic for both large and small municipalities.

Other Applications

The Company has developed and/or supports web based map applications, that leverage much of the architecture and data rendering techniques utilized in GVP, to service constituents of the tax assessment and appraisal process, including property assessors/appraisers, taxpayers and other municipal stakeholders.

Data Commercialization

iLOOKABOUT has developed products and services for customers looking to commercialize their assessment data through the delivery of reports and individual data requests to users through secure e-commerce transactions or by account. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.

Professional Services

To support users that require a facilitated experience to the Company's technology, iLOOKABOUT provides municipal property tax consulting services focused on the property and valuation sectors. These services are provided through Municipal Tax Advisory Group Inc. (ñMTAGò), a wholly-owned subsidiary of iLOOKABOUT Corp.

iLOOKABOUT is actively researching new product development opportunities through both leveraging our existing technologies and developing new products that serve a broader audience including, but not limited to, private sector end users.

iLOOKABOUTôs Common Shares are traded on the TSX Venture Exchange (ñTSXVò) under the symbol ILA.

Significant developments in the second quarter of 2017 include:

- In May 2017, the Company completed a public offering (the ñOfferingò), resulting in the issuance of 20,520,000 Common Shares of the Company for gross proceeds of $5,130,000. Net proceeds of the Offering were $4,557,196. In addition to cash compensation, the Company issued 1,044,000 common share purchase warrants (the ñBroker Compensation Warrantsò) to the underwriters of the offering. Each Broker Compensation Warrant entitles the holder to purchase one Common Share of the Company at an exercise price of $0.25. These warrants have an expiry date of May 16, 2019. iLOOKABOUT intends to use the net proceeds of the Offering to accelerate new product development, position the Company for new opportunities, including potential acquisitions, and for general corporate purposes.

- In June 2017, the Company successfully executed the renewal of a multi-year services contract with the Municipal Property Assessment Corporation ("MPAC") with respect to the provision of digital imagery, spatial information and software application services. The Company was awarded this contract as a result of iLOOKABOUTôs successful response to MPACôs request for proposal, re-establishing the Company as its preferred supplier of street level and ortho-imagery as well as spatial data.

There were no significant developments subsequent to the second quarter of 2017.

Overall Performance and Results of Operations

Summary of Quarterly Results

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's Interim Financial Statements, which can be found on SEDAR at www.sedar.com.

	Three months ended				Year ended
	March 31	**June 30**	**Sept 30**	**Dec 31**	**Dec 31**
Fiscal 2017	Unaudited				Audited
Revenue	$ 2,080,615	$ 2,476,217			
Loss	(76,198)	(241,858)			
Comprehensive loss	(70,315)	(220,610)			
Earnings (loss) per share - basic	-	-			
Earnings (loss) per share - diluted	-	-			
Adjusted EBITDA*	70,008	(992)			
Fiscal 2016	Unaudited				Audited
Revenue	$ 2,149,704	$ 2,192,692	$ 2,255,283	$ 2,193,277	$ 8,790,956
Earnings (loss)	(154,814)	(295,592)	125,902	(172,855)	(497,359)
Comprehensive income (loss)	(112,157)	(295,354)	121,719	(190,848)	(476,640)
Earnings (loss) per share - basic	-	-	-	-	(0.01)
Earnings (loss) per share - diluted	-	-	-	-	(0.01)
Adjusted EBITDA*	51,504	(82,250)	305,697	44,134	319,085
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)
Adjusted EBITDA*	(259,197)	(212,083)	562,481	(38,196)	53,005

**Adjusted EBITDA is a non-GAAP measure and is defined above.*

While there are certain quarter over quarter variations in the Company's financial results during the periods presented in the above table, the overall trend in the Company's performance have been (i) increasing revenue; (ii) improvements in comprehensive income (loss) and Adjusted EBITDA; and (iii) nominal change in basic and diluted earnings (loss) per share.

These improved trend results are primarily attributable to (i) new sales contracts awarded to the Company for the provision of hosted application services to enable the delivery of geo-spatial and real property related data to end users; and (ii) increased sales of third-party real property related data and derivative reports.

Variations in revenue on a quarter over quarter basis are primarily due to the timing of the delivery of products and services.

Variations in expenses on a quarter over quarter basis are generally due to (i) increases or decreases in the direct expense of licensing third-party data, which is driven by transactional sales volumes; and (ii) the timing of image capture and post-collection processing.

Other items which have contributed to variations on a quarter over quarter basis, during the period presented above include:

(i) The receipt of funds of approximately $197,000 in the third quarter of 2015 resulting from a successful Ontario Interactive Digital Media Tax Credit (ñOIDMTCò) claim for a prior period, which was recorded as a reduction to expense within the financial statement line item under which the related expense was originally recorded; and

(ii) A stock option grant in the first quarter of 2015 resulting in share-based compensation expense of approximately $196,000.

Adjusted EBITDA Reconciliation

The following tables present reconciliations of Comprehensive Income (Loss) to Adjusted EBITDA, for the periods presented in the tables above.

	Three months ended				Year ended
	March 31	**June 30**	**September 30**	**December 31**	**December 31**
Fiscal 2017					
Comprehensive income (loss)	$ (70,315)	$ (220,610)			
Add back:					
Amortization of equipment	34,891	28,260			
Amortization of intangible assets	58,175	57,230			
Finance costs	259	(39)			
Share-based compensation expense	46,998	134,167			
Adjusted EBITDA	70,008	(992)			
Fiscal 2016					
Comprehensive income (loss)	$ (112,157)	$ (295,354)	$ 121,719	$ (190,848)	$ (476,640)
Add back:					
Amortization of equipment	33,101	33,218	45,072	37,958	149,349
Amortization of intangible assets	57,552	58,052	58,282	58,283	232,169
Finance costs	11,449	3,131	308	412	15,300
Share-based compensation expense	61,559	118,703	80,316	138,329	398,907
Adjusted EBITDA	51,504	(82,250)	305,697	44,134	319,085
Fiscal 2015					
Comprehensive income (loss)	$ (618,964)	$ (519,666)	$ 352,524	$ (325,106)	$ (1,111,212)
Add back:					
Amortization of equipment	41,727	45,024	45,071	45,241	177,063
Amortization of intangible assets	56,703	57,000	56,999	57,921	228,623
Finance costs	55,788	21,691	28,691	22,052	128,222
Share-based compensation expense	205,549	183,868	79,196	161,696	630,309
Adjusted EBITDA	(259,197)	(212,083)	562,481	(38,196)	53,005

**Adjusted EBITDA is a non-GAAP measure and is defined above.*

Discussion of Results of Operations

	Unaudited		Unaudited	
	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Revenue	**$ 2,476,217**	**$ 2,192,692**	**$ 4,556,832**	**$ 4,342,396**
Direct operating expenses	848,301	1,059,708	1,575,294	1,945,102
Gross margin	**1,627,916**	**1,132,984**	**2,981,538**	**2,397,294**
Other operating expenses:				
Technology	502,588	387,949	941,853	766,179
Selling and business development	248,745	298,186	461,941	606,704
General and administration	1,074,766	743,041	1,838,790	1,398,711
	1,826,099	1,429,176	3,242,584	2,771,594
Loss from operations	**(198,183)**	**(296,192)**	**(261,046)**	**(374,300)**
Finance income (costs)	39	(3,131)	(220)	(14,580)
Foreign exchange gain (loss)	(43,714)	3,731	(56,790)	(61,526)
Loss for the period	**$ (241,858)**	**$ (295,592)**	**$ (318,056)**	**$ (450,406)**
Other comprehensive income:				
Items that will not be reclassified to earnings (loss) for the period:				
Foreign exchange gain on the translation of foreign operations	21,248	238	27,130	42,895
Comprehensive loss for the period	**$ (220,610)**	**$ (295,354)**	**$ (290,926)**	**$ (407,511)**
Loss per share, basic and diluted	**$ -**	**$ -**	**$ -**	**$ (0.01)**
Adjusted EBITDA*	**$ (992)**	**$ (82,250)**	**$ 69,015**	**$ (30,746)**

**Adjusted EBITDA is a non-GAAP measure and is defined above.*

Revenue

Nature of Services:

The Company generates revenue from the provision of visual and data services and from consulting services. See ñ*Company Overview”* section above for further details.

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Visual and data services	$ 2,281,537	$ 2,011,376	$ 4,136,294	$ 3,906,243
Consulting services	194,680	181,316	420,538	436,153
Total	$ 2,476,217	$ 2,192,692	$ 4,556,832	$ 4,342,396

Revenue increased 13% to $2,476,000 from $2,193,000 for the three months ended June 30, 2017 and 2016, respectively. This increase is primarily attributable to (i) an increase of approximately $244,000 in revenue generated from the licensing of software, StreetScape imagery and real property data; (ii) an increase of approximately $101,000 related to the sub-contracting of certain data verification and processing services to support a multi-year, US-based services agreement for which services commenced in the second quarter of 2017; and (iii) an increase of approximately $43,000 related to custom software development. This increase was partially offset by a decrease of approximately $140,000 in revenue related to the re-licensing of certain third party data.

Revenue increased 5% to $4,557,000 from $4,342,000 for the six months ended June 30, 2017 and 2016, respectively. This increase is primarily attributable to (i) an increase of approximately $315,000 in revenue generated from the licensing of software, StreetScape imagery and real property data; (ii) an increase of approximately $101,000 related to the sub-contracting of certain data verification and processing services to support a multi-year, US-based services agreement for which services commenced in the second quarter of 2017; and (iii) an increase of approximately $66,000 related to custom software development. This increase was partially offset by a decrease of approximately $288,000 in revenue related to the re-licensing of certain third party data.

<u>Geographic Information:</u>

The Companyôs US-based revenue increased to $372,000 from $235,000 for the three months ended June 30, 2017 and 2016, respectively. This increase is due primarily to the commencement of the delivery of services with respect to a new multi-year, US based contract.

The Companyôs US-based revenue increased to $612,000 from $418,000 for the six months ended June 30, 2017 and 2016, respectively. This increase is primarily attributable to an increase of approximately $251,000 in revenue related to new US-based contracts and the timing of delivery of services. Partially offsetting this increase was a decrease in revenue of approximately $66,000 related to US-based contract expiries.

<u>Significant Customers:</u>

Customers representing more than 10% of the Companyôs revenue are classified as ñsignificant customersò. For the three months ended June 30, 2017, the Company had two significant customers; one represented 56%, and the other represented 11% of total revenue. For the three months ended June 30, 2016, the Company had two significant customers; one represented 53%, and the other represented 19% of total revenue.

For the six months ended June 30, 2017, the Company had two significant customers; one represented 56%, and the other represented 10% of total revenue. For the six months ended June 30, 2016, the Company had two significant customers; one represented 54%, and the other represented 18% of total revenue.

Gross margin

In accordance with accounting standards, direct operating costs, including but not limited to, image capture and processing, sub-contractor fees, royalties and commissions, are recognized as they are incurred, while revenue is recognized over the period that the service is delivered. The nature of many of the Companyôs sales agreements is that a substantial amount of the 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 significant variances in gross margin on a period over period basis.

Gross margin increased 44% to $1,628,000 from $1,133,000 for the three months ended June 30, 2017 and 2016, respectively. This increase is mainly attributable to (i) increased revenue of approximately $284,000, for the reasons noted in the *"Revenue"* section above; (ii) a decrease in third-party data and software licensing expense of approximately $208,000; and (iii) a decrease in data capture costs and image processing costs of approximately $97,000, primarily due to fluctuations in the timing and extent of StreetScape imagery-based projects. These increases in gross margin were partially offset by an increase in subcontracting expense of approximately $145,000 to support a multi-year, US-based services agreement for which services commenced in the second quarter of 2017. In accordance with accounting standards, certain expenses related to this agreement are recognized in advance of the recognition of the related revenue, resulting in a negative impact to gross margin in the current quarter, despite the overall positive multi-year contribution to gross margin.

Gross margin increased 24% to $2,982,000 from $2,397,000 for the six months ended June 30, 2017 and 2016, respectively. This increase is mainly attributable to (i) increased revenue of $214,000, for the reasons noted in the *"Revenue"* section above; (ii) a decrease in third-party data and software licensing expense of approximately $400,000; and (iii) a decrease in data capture costs and image processing costs of approximately $82,000, primarily due to fluctuations in the timing and extent of StreetScape imagery based projects. These increases in gross margin were partially offset by an increase in third party subcontracting expense of approximately $145,000 to support a multi-year, US-based services agreement for which services commenced in the second quarter of the current year.

Comprehensive loss

Comprehensive loss decreased to $221,000 from $295,000 for the three months ended June 30, 2017 and 2016, respectively. This improvement is mainly attributable to the approximate increase of $495,000 in gross margin for the reasons noted in the *"Gross Margin"* section above, but was offset to some extent by increases in (i) human resource and related costs, other than those classified as direct operating costs, of approximately $207,000; and (ii) insurance and professional fees of approximately $118,000. The primary driver of these increases was to support development and promotion of new product and service offerings and strategic initiatives.

Comprehensive loss decreased to $291,000 from $408,000 for the six months ended June 30, 2017 and 2016, respectively. Consistent with the quarter over quarter variances discussed above, this improvement is mainly attributable to the increase of approximately $584,000 in gross margin for the reasons noted in the *"Gross Margin"* section above, but was offset to some extent by increases in (i) human resource and related costs, other than those classified as direct operating costs, of approximately $222,000; and (ii) insurance and professional fees of approximately $139,000. The primary driver of these increases was to support development and promotion of new product and service offerings and strategic initiatives.

Adjusted EBITDA

	Unaudited		Unaudited	
	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Comprehensive loss for the period	**$ (220,610)**	**$ (295,354)**	**$ (290,926)**	**$ (407,511)**
Add back:				
Amortization of equipment	28,260	33,218	63,151	66,319
Amortization of intangible assets	57,230	58,052	115,405	115,604
Finance costs	(39)	3,131	220	14,580
Share-based compensation expense	134,167	118,703	181,165	180,262
Adjusted EBITDA	**$ (992)**	**$ (82,250)**	**$ 69,015**	**$ (30,746)**

Adjusted EBITDA increased to ($1,000) from ($82,000) for the three months ended June 30, 2017 and 2016, respectively, and increased to $69,000 from ($31,000) for the six months ended June 30, 2017 and 2016, respectively. These improvements are primarily attributable to the increases in revenue and decreases in direct operating expenses for the reasons noted in the *"Revenue"* and *"Gross margin"* sections above.

Outstanding Share Data and Dividends

As at June 30, 2017, iLOOKABOUT had:

- 83,614,784 Common Shares issued and outstanding;
- 2,144,486 Deferred Share Units convertible into an equal number of common shares;
- Warrants outstanding to purchase 3,525,000 Common Shares, exercisable at prices ranging from $0.15 to $0.40 per share; and
- Options outstanding to purchase 5,742,475 Common Shares, exercisable at prices ranging from $0.145 to $0.335 per share.

There were no share-related events subsequent to June 30, 2017.

Liquidity and Capital Resources

Public Offering

In May 2017, the Company completed a public offering, resulting in the issuance of 20,520,000 Common Shares of the Company for gross proceeds of $5,130,000 (the ñOfferingò). Net proceeds of the Offering were $4,557,196. In addition to cash compensation, the Company issued 1,044,000 common share purchase warrants (the ñBroker Compensation Warrantsò) to the underwriters of the Offering. Each Broker Compensation Warrant entitles the holder to purchase one Common Share of the Company at an exercise price of $0.25. These warrants have an expiry date of May 16, 2019. iLOOKABOUT intends to use the net proceeds of the Offering to accelerate new product development, position the Company for new opportunities, including potential future acquisitions, and for general corporate purposes.

Adjusted Working Capital

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures" above*) 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.

		June 30, 2017		December 31, 2016
Working Capital (GAAP measure)	$	5,524,736	$	865,470
Less: Prepaid expenses and other current assets		(231,527)		(163,575)
Add: Unearned revenue, current portion		1,182,081		980,084
Adjusted Working Capital (Non-GAAP measure)	**$**	**6,475,290**	**$**	**1,681,979**

The increase in Adjusted Working Capital between December 31, 2016 and June 30, 2017 primarily related to: (i) an increase of approximately $4,557,000 attributable to the Offering completed in the second quarter of 2017; and (ii) an increase of approximately $249,000 attributable to the exercise of options and warrants in the first and second quarters of 2017.

Cash Flows

Cash flows used in operating, financing and investing activities for the six months ended June 30, 2017 and 2016 are presented below.

Cash flow provided by (used in)		Six months ended June 30, 2017		Six months ended June 30, 2016
Operating activities	$	(182,666)	$	(405,261)
Financing activities		4,800,954		(605,079)
Investing activities		(27,752)		(48,673)
Effect of exchange rate fluctuations on cash		(28,050)		(21,967)
	$	**4,562,486**	**$**	**(1,080,980)**

The changes in cash sources and uses for the six months ended June 30, 2017 as compared to the same period in the prior year are explained below.

(i) The decrease in cash used in operations is primarily due to the payment of interest and bonus interest of approximately $175,000 in 2016 with respect to the Companyçs previous secured term credit facility that was fully repaid in April 2016.

(ii) Cash provided by financing activities in the six months ended June 30, 2017 was primarily a result of (i) net proceeds of approximately $4,557,000 resulting from the Offering completed in May 2017; and (ii) approximately $249,000 generated from the exercise of options and warrants in the first two quarters of 2017. The use of cash in financing activities for the six months ended June 30, 2016 was primarily due to the repayment of the Companyçs previous secured term credit facility in April 2016.

(iii) Cash used in investing activities, primarily representing the purchase of equipment, decreased for the first six months of 2017 as compared to the same period in 2016.

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at June 30, 2017.

			Contractual cash outflows				
As at June 30, 2017	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 1,783,075	$ 1,783,075	$ 1,783,075	$ -	$ -	$ -
Debt financing of vehicles	23,621	25,150	12,390	12,059	702	-
Operating leases	-	625,022	165,275	163,990	295,757	-
Purchase commitments	-	7,237,500	765,000	865,000	2,295,000	3,312,500
	$ 1,806,696	$ 9,670,747	$ 2,725,740	$ 1,041,049	$ 2,591,459	$ 3,312,500

The purchase commitments included in the table above are composed of:

i. Minimum data licensing commitments under a value-added reseller agreement, for $500,000, $600,000, $700,000 and $800,000 in January of each of 2018 to 2021. Committed payments for the period of January 2018 to January 2021 total $2,600,000.

ii. Annual base fixed fees under a consulting agreement with Yeoman & Company Paralegal Professional Corporation, disclosed in the section below entitled *"Transactions with Related Parties"*, of $265,000, which continue until December 2034. Committed payments for the period of July 2017 to December 2034 total $4,637,500.

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; expansion of its computer hardware which hosts the Company's imagery; and further leasehold improvements required for the Company's London office location. 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 be based on the Company's planned future image capture activities and the age of existing equipment. The Company expects that capital expenditures required for the remainder of 2017 will be approximately $200,000.

Off-Balance Sheet Arrangements

As at June 30, 2017, 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

(i) In May 2017, the Company completed the Offering for gross proceeds of $5,130,000. The Company's CEO purchased 700,000 Common Shares at a price of $0.25 per Share under the Offering.

(ii) In May 2017, the Companyôs CFO exercised 50,000 stock options at an exercise price of $0.12 per share, resulting in the issuance of 50,000 Common Shares for gross proceeds of $6,000.

(iii) In January 2017, 1,481,000 Series I purchase warrants previously issued under a private placement to the Executive Chair of the Company, were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share.

(iv) To provide for ongoing support and development of the technology software assets purchased in 2015 (the ñSoftwareò) from Yeoman & Company Paralegal Professional Corporation (ñYCPò), the Company entered into a consulting agreement with YCP (the ñConsulting Agreementò). Two of the principals of YCP are the sons of the Executive Chair of the Company, who is also a consultant to YCP. The Consulting Agreement has a term of twenty years, ending in December 2034, and provides for an annual fee of $265,000 plus 15% of revenue recognized and received by the Company from end customers (the ñYCP Feesò) for use of the Software. For the three and six months ended June 30, 2017, the Company paid YCP Fees of $99,560 and $217,980 (three months ended June 30, 2016 ï $88,566 and $184,916) to YCP, which were included in direct operating expense and technology expense.

(v) YCP relicenses and/or utilizes the Companyôs Software in order to provide services to YCPôs end customers. Included in revenue for the three and six months ended June 30, 2017 are such software licence fees of $9,188 and $18,375 (three months ended June 30, 2016 ï $12,431 and $17,231).

(vi) One of the premises occupied by the Company is rented on an annual basis from a related company owned by an officer and director of the Company. For the three and six months ended June 30, 2017, the Company paid rent to this related company of $3,000 and $6,000, (three and six months ended June 30, 2016 - $3,000 and $6,000), 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

The Company did not adopt any significant changes in accounting policies in the Period.

Accounting Pronouncements Not Yet Adopted

The IASB has issued new standards and amendments to existing standards. These changes in accounting were not yet effective at December 31, 2016, and could have an impact on future periods.

IFRS 9 - Financial Instruments

In July 2014, the IASB issued the final publication of the IFRS 9 standard, superseding the current IAS 39 - Financial Instruments: recognition and measurement standard. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is assessing the impact of this standard on the consolidated financial statements.

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 which supersedes existing standards and interpretations including but not limited to IAS 11 ï Construction Contracts, IAS 18 ï Revenue, and IFRIC 13 - Customer Loyalty Programmes.

IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under other IFRSs such as IAS 17 - Leases. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs.

The standard is effective for annual periods beginning on or after January 1, 2018.

The Company has commenced an implementation plan to develop the necessary accounting policies, estimates and judgments required to adopt IFRS 15. The implementation plan includes an assessment of the standard and the Companyés policy as well as any changes required to business processes, systems and internal controls upon adoption of IFRS 15. The Company is not currently in a position to make a reliable estimate of the impact of IFRS 15 on its consolidated financial statements.

IFRS 16 - Leases

In January 2016, the IASB issued the final publication of the IFRS 16 - Leases standard, which will supersede the current IAS 17 - Leases standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the entity is also applying IFRS 15. The Company will have the option to either:

- apply IFRS 16 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

Management is assessing the impact of this standard on the consolidated financial statements.

Additional Information

Additional information relating to iLOOKABOUT, including the Companyés 2016 Annual Consolidated Financial Statements and Annual Information Form for the year ended December 31, 2016, can be found on SEDAR at www.sedar.com.