iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2013 (the "*Period*")

The information set forth below has been prepared as at April 23, 2014, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s ("iLOOKABOUT" or the "Company")audited consolidated financial statements for the year ended December 31, 2013, including the accompanying notes (the "2013 Consolidated 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 2013 Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures referred to herein are Canadian dollars unless otherwise stated. The Company's presentation currency is the Canadian dollar.

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

Revenue increased from approximately $3,271,000 to $3,562,000 for the years ended December 31, 2012 and 2013, respectively. This increase was primarily attributable to growth in recurring revenue in the property assessment vertical in both Canada and the US. This increase was offset somewhat by a decrease in non-recurring custom development revenue in 2013 as compared to 2012. These changes are discussed further in the "*Overall Performance and Results of Operations*" section below.

For the years ended December 31, 2012 and 2013, the Company's comprehensive loss increased from approximately $786,000 to $1,040,000, respectively. While revenue on a year over year basis increased, this increase was more than offset by increases in share-based compensation expense, professional fees related to a proposed business combination, finance costs, as well as sales and business development related costs. These changes are discussed further in the section *"Overall Performance and Results of Operations"* herein.

In 2012, approximately $400,000 was used in operating activities compared to approximately $51,000 generated by operating activities in 2013. This was largely attributable to additional funds generated from a multi-year agreement entered into late in the first quarter of 2012 for which a full year of billings was generated in 2013 as compared to ten months in 2012, and an increase in deferred revenue in 2013 compared to 2012, which represents amounts collected in advance of services provided. Cash provided by financing activities decreased by approximately $1,200,000 in 2013 compared to 2012, as a result of debt and equity financing proceeds in 2012 of approximately $1,700,000 as compared to equity financing proceeds of approximately $500,000 generated in 2013. Cash used in investing activities remained relatively stable on a year over year basis. These changes are discussed further in the *"Liquidity and Capital Resources"* section herein.

Significant developments in 2013 include:

- In January 2013, the Company completed a private placement of 4,443,000 commons shares and 4,443,000 common share purchase warrants for gross proceeds of $499,838. All of the warrants have an exercise price of $0.15, and were issued in three series, having expiry dates of the third, fourth and fifth anniversary dates of issuance.

- In April 2013, 6,567,500 Series E Warrants previously issued for the purchase of 6,567,500 Common Shares at a price of $1.00 expired unexercised.

- Secured a multi-year agreement with Municipal Property Assessment Corporation ("MPAC") which provides the Company with the right to licence certain property information with respect to properties located in the Province of Ontario. This property information will enable the Company to develop and sub-licence custom property analysis reports to end users. This agreement represents a purchase commitment as it contains annual minimum purchase requirements commencing in the second year of the contract. See the "Liquidity and Capital Resources" section for further detail.

- Executed 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. The beta phase of this contract was successfully launched in December 2013 and the production phase successfully launched in February 2014.

- Completed image capture and processing for Ontario regions scheduled for the 2013 season to support the MPAC multi-year services contract executed in 2012.

- The Company continues to not meet the requirements under the Ontario *Business Corporations Act* to declare or pay the cumulative dividends on its Series 1 Preference Shares ("Preference Shares"). In the near term, the Company intends to continue 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, no dividends will be declared on any of the Company's shares, including the Preference Shares, until at least June 2015.

- 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, and the key architect and developer of the technology, 2025832 Ontario Inc. ("YCP"), and a licence back to Yeoman & Company Paralegal Professional Corporation. The ultimate intention is to bring together core competencies and intellectual property that will result in a compelling real estate services offering to banks, municipalities, and the international community of commercial and residential property owners and managers. The proposed transactions, if they proceed, will require shareholder approval as (i) the combination with Byng will represent a Reverse Takeover Transaction, and (ii) the YCP transaction will involve certain "Non-Arm's Length Parties" as defined by the policies of the TSXV. Gary Yeoman, who currently holds the position of Executive Chairman of iLOOKABOUT, is the father of Andrew Yeoman and Cory Yeoman, both of whom are directors, officers and shareholders of YCP. As at the date of this MD&A, the Company was continuing to negotiate specific details of the proposed transactions. Further details with respect to the proposed transactions have been provided in a news release issued by the Company on December 18, 2013, with updates having been made by the Company in news releases issued February 13, 2014 and April 7, 2014.

Significant developments completed subsequent to the reporting period:

- 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.

Analysis of Selected Financial Information, Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2013 Consolidated Financial Statements, which can be found on SEDAR at www.sedar.com.

Selected Annual Information

	Audited		
Years ended December 31	**2013**	**2012**	**2011**
Revenue	$ 3,562,569	$ 3,270,791	$ 2,735,899
Loss	(918,257)	(827,348)	(1,914,079)
Comprehensive loss	(1,040,280)	(786,306)	(1,907,311)
Loss per share (basic and diluted)	(0.02)	(0.02)	(0.05)
Total assets	2,105,160	2,072,788	1,177,667
Total liabilities	3,228,568	2,949,723	1,567,206

Over the course of 2011, the Company focused its growth efforts on the property assessment and insurance markets. While the Company achieved significant revenue growth within these markets, this was significantly offset by the combination of the decision of a licencee to discontinue access to its StreetScape imagery for many of its end-user customers late in the third quarter of 2011 and the expiry of a US real estate sector agreement.

In 2011, total operating expenses, which include direct operating, technology, selling and business development, and general and administration expenses, were decreased approximately 2% as compared to the prior year. This decrease was primarily the result of decreased sales related expenses due to the elimination of a sales position, more targeted focus with respect to tradeshows and marketing initiatives, and reduced share-based compensation expense. These cost reductions were somewhat offset by increased data capture and processing expenses required to support new and existing sales agreements and increased human resource costs in the areas of product development and the image hosting infrastructure.

In March 2012, the Company secured a multi-year services contract with MPAC, which was a primary driver of the growth in revenue for 2012 as compared to 2011. Revenue growth in the insurance vertical also contributed to the year-over-year growth in revenue from $2,735,899 to $3,270,791. Offsetting this growth was the impact of a decision by a licencee to discontinue access to its StreetScape imagery for many of its end-user customers late in the third quarter of 2011.

Comprehensive loss decreased significantly in 2012 to $786,306, as compared to $1,907,311 for 2011. This improvement is largely attributable to: revenue growth; decreased data capture costs; decreased royalty expense; and decreased selling costs.

The increase in total assets to from $1,177,667 to $2,072,788 as at December 31, 2011 and 2012, respectively, was primarily driven by a private placement completed in March 2012 for gross proceeds of $750,000, receipt of a disbursement under the Credit Facility for gross proceeds of $600,000 in March 2012 and an intangible addition of a software licence with a book value of $235,500 at December 31, 2012. Offsetting these increases was a depletion of cash due to the fact that the Company had not achieved ongoing positive net cash flows.

Total liabilities increased from $1,567,206 to $2,949,723 for the years ended December 31, 2011 to 2012, which was almost entirely attributable to the Company taking on long term debt for the first time in 2012. Unearned revenue did not fluctuate significantly from 2011 to 2012.

Revenue increased from $3,270,791 to $3,562,569 for the years ended December 31, 2012 and 2013, respectively. This increase was primarily attributable to growth in recurring revenue in the property assessment vertical in both Canada and the US, but was offset somewhat by a decrease in non-recurring custom development related revenue in 2013 as compared to 2012.

While revenue on a year over year basis increased, this increase was more than offset by increases in share-based compensation expense, professional fees related to a proposed business combination, finance costs and sales and business development related costs, resulting in an increase in comprehensive loss from $786,306 to $1,040,280, for the years ended December 31, 2012 and 2013, respectively.

Total assets remained relatively stable at $2,072,788 and $2,105,160 for the years ended December 31, 2012 and 2013, respectively. The most significant component of total assets is cash, for which the balance also remained relatively stable at $1,070,462 and $1,058,192 for the years ended December 31, 2012 and 2013, respectively. In 2012, approximately $400,000 was used in operating activities compared to approximately $51,000 generated from operating activities in 2013. This was largely attributable to additional funds generated from a multi-year agreement entered into late in the first quarter of 2012 for which a full year of billings was generated in 2013, and an increase in deferred revenue in 2013 compared to 2012, which represents amounts collected in advance of services provided. Cash provided by financing activities decreased by approximately $1,200,000 in 2013 compared to 2012 as a result of debt and equity financing proceeds in 2012 of approximately $1,700,000 as compared to equity financing proceeds of approximately $500,000 generated in 2013. Cash used in investing activities remained relatively stable on a year over year basis.

Total liabilities also remained relatively stable at $2,949,723 and $3,228,568 for the years ended, December 31, 2012 and 2013. The most significant fluctuations within total liabilities year over year were an increase in unearned revenue, representing payments received in advance of service delivery, of approximately $257,000, and a decrease in long term debt of approximately $113,000 which is attributable to the repayment of debt financing of a software licence, but which was offset somewhat by accreted finance costs.

Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2013 Consolidated Financial Statements for the year ended December 31, 2013 (the "Reporting Date"), 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 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)

		Unaudited				Audited		
		Three months ended December 31, 2013		Three months ended December 31, 2012		Year ended December 31, 2013		Year ended December 31, 2012
Revenue	**$**	**813,148**	**$**	**854,540**	**$**	**3,562,569**	**$**	**3,270,791**
Direct operating expenses		307,099		277,999		1,298,130		1,157,718
Gross margin		**506,049**		**576,541**		**2,264,439**		**2,113,073**
Other operating expenses:								
Technology		204,449		233,904		926,063		951,299
Selling and business development		245,833		164,737		652,298		486,761
General and administration		429,996		300,010		1,475,330		1,288,945
		880,278		698,651		3,053,691		2,727,005
Loss from operations		**(374,229)**		**(122,110)**		**(789,252)**		**(613,932)**
Finance income (costs), net		(87,454)		(91,646)		(260,731)		(174,788)
Foreign exchange gain (loss)		53,204		22,122		131,726		(38,628)
Loss for the period	**$**	**(408,479)**	**$**	**(191,634)**	**$**	**(918,257)**	**$**	**(827,348)**
Other comprehensive income:								
Foreign exchange gain (loss) on the translation of foreign operations		(56,091)		(23,629)		(122,023)		41,042
Comprehensive loss for the period	**$**	**(464,570)**	**$**	**(215,263)**	**$**	**(1,040,280)**	**$**	**(786,306)**
Loss per share (basic and diluted)	**$**	**(0.01)**	**$**	**-**	**$**	**(0.02)**	**$**	**(0.02)**

Revenue

Revenue decreased 5% to $813,148 for the three months ended December 31, 2013, compared to the same period in fiscal 2012. This decrease is primarily attributable to significant non-recurring revenue generated in the fourth quarter of 2012 resulting from the delivery of a key deliverable, the “Preferred Property Image” (previously referred to as the “Single Best Photo”), of a US based project with no similar delivery occurring in the fourth quarter of 2013. For the US property assessment market, the nature of the Company’s offering is typically delivery of a “Preferred Property Image” for each property in the geographic area and multi-year web-based access to the imagery database for the geographic area via the Company’s GIS application, GeoViewPort™. The revenue related to the “Preferred Property Image” is recognized upon delivery, whereas the revenue related to multi-year imagery database access and GeoViewPort™ licence are recognized evenly over the term of the agreement, each element of which occurs following the collection and processing of the imagery.

Revenue increased 9% from $3,270,791 to $3,562,569 for the years ended December 31, 2012 and 2013, respectively. This increase is attributable to an additional two months of revenue in 2013 related to a multi-year services agreement which commenced in March 2012, and increase in US sales agreements and related revenue in 2013, offset somewhat by a decrease in non-recurring custom development related revenue in 2013 as compared to 2012.

The Company’s US-based revenue increased from $559,368 to $812,186 for the years ended December 31, 2012 and 2013, respectively. All of this growth was within the property assessment market.

For the year ended December 31, 2013, two customers each accounted for more than 10% of iLOOKABOUT’s total revenue, and together represent approximately 65% of total revenue, as compared to three customers representing approximately 80% of revenue for the year ended December 31, 2012.

Gross margin

Gross margin as a percent of revenue decreased from 67% to 62% for the three months ended December 31, 2012 and 2013, respectively, representing a decrease in gross margin of $70,492. This decrease is mainly attributable to a decrease in revenue on a year over year basis for the fourth quarter, without a corresponding decrease in direct operating costs. 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 months, while at least a portion of the related revenue is recognized over a period of years. This makes it difficult to interpret variances in gross margin period over period. The significant changes in direct operating costs for the fourth quarter of 2012 compared to the same period in 2013 were a decrease in data capture expense of approximately $50,000 and an increase in software licence fees to support the re-licencing of third party software.

Gross margin as a percent of revenue decreased from 65% to 64% for the years ended December 31, 2012 and 2013, respectively; however, from a dollar value perspective, the gross margin increased $151,366 year over year. This increase in gross margin resulted from a revenue increase of $291,778 on a year over year basis, for the reasons noted in the *"Revenue"* section above, but was offset somewhat by the following:

- Increase in software licence fees to support the re-licencing of third party software;
- Sub-contracting fees incurred in 2013 to deliver sketch related services, which is not a service provided by the Company, but was a required element of a multi-deliverable sales agreement awarded to the Company, for which there was not a comparable project in 2012; and
- Increase in partner royalties related to new US sales contracts.

Comprehensive loss

Comprehensive loss increased from $215,263 to $464,570 for the three months ended December 31, 2012 and 2013, respectively. This increase in comprehensive loss is attributable to the following:

- Decrease in gross margin for the reasons note above in the *"Gross margin"* section;
- Increase in share-based compensation expense due to a change in the conversion factor under the Director's Compensation Plan from 3.33 to 5.0 options per $1 of cash compensation that would otherwise have been paid had the Company been providing cash compensation to Directors; changes in the assumptions in the Black-Scholes pricing model utilized to determine option value and the resulting stock option expense; and one of the Directors moving from modest cash compensation to share-based compensation expense, which is consistent with the compensation of other non-management Directors;
- Increase in professional fees primarily attributable to the proposed business combination; and
- Increase in travel and promotion expense, including human resource related sales expense due to the addition of a new sales position.

For the years ended December 31, 2012 and 2013, comprehensive loss increased from $786,306 to $1,040,280, respectively. While gross margin increased on a year over year basis, this increase was more than offset by the following items:

- Increases in share-based compensation expense, professional fees, travel and promotional expense for the reasons noted above; and
- Increase in finance cost due to an increase in the provision for bonus interest payable at maturity of the Credit Facility and the accretion of finance costs.

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 45,952,230 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 Preference Shares would result in the issuance of 2,419,354 common shares and warrants to purchase a further 1,209,677 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 $13,744,001 (December 31, 2012 - $12,825,744); shareholders' deficiency of $1,123,408 (December 31, 2012 – $876,935) and working capital surplus (deficiency) of $(44,713) (December 31, 2012 – $343,163).

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, 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.

		December 31, 2013		December 31, 2012
Working Capital (GAAP measure)	$	(44,713)	$	343,163
Less: Prepaid expenses and other current assets		(165,738)		(164,055)
Add: Unearned revenue, current portion		882,528		528,446
Adjusted Working Capital (Non-GAAP measure)	**$**	**672,077**	**$**	**707,554**

Cash flows provided by (used in) operating, financing and investing activities for the years ended December 31, 2013 and 2012 are presented below.

Cash flow provided by (used in)		Year ended December 31, 2013		Year ended December 31, 2012
Operating activities	$	51,048	$	(396,552)
Financing activities		302,067		1,508,770
Investing activities		(412,229)		(345,657)
	$	**(59,114)**	**$**	**766,561**

The changes in cash sources and uses for the year ended December 31, 2013 as compared to the prior year are explained below:

- The change from a cash used in operations position to cash generated from operations is primarily attributable to (i) additional funds generated from a multi-year agreement entered into late in the first quarter of 2012 for which a full year of billings were generated in 2013 as compared to ten months in 2012;

and (ii) increased deferred revenue in 2013 compared to 2012, which represents amounts collected in advance of services being provided.

- The decrease in cash generated by financing activities is primarily due to the combined financing through debt and share issuances totaling $1,704,820 in 2012 as compared to an equity financing for gross proceeds of approximately $500,000 in 2013.

- The increase in cash used in investing activities for 2013 compared to 2012 was minimal, as increased equipment purchases in 2013 were largely offset by a decrease in intangible asset purchases in 2013. In 2012, the Company purchased a significant software licence, to be re-licenced to a customer, for which a similar purchase of this significance was not made in 2013. The increase in the purchase of equipment in 2013 was primarily driven by the need to expand and enhance the computer hardware environment and to replace aging data capture equipment and vehicles.

The following are the carrying amounts and the remaining contractual cash outflows, including estimated interest payments of financial liabilities at December 31, 2013.

			Contractual cash flows				
As at December 31, 2013		**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$	567,363	$ (567,363)	$ (567,363)	$ -	$ -	$ -
Secured term credit facility		571,626	(824,303)	(55,553)	(30,000)	(738,750)	-
Preference Shares		675,437	(856,353)	-	(856,353)	-	-
Debt financing of software licence		64,115	(65,447)	(65,447)	-	-	-
Operating leases		-	(46,215)	(44,772)	(1,443)	-	-
Purchase commitment		-	(3,200,000)	-	-	(1,100,000)	(2,100,000)
	$	1,878,541	$ (5,559,681)	$ (733,135)	$ (887,796)	$ (1,838,750)	$ (2,100,000)

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 based on the extent of future image capture activities and the age of existing equipment. The Company expects that capital expenditures required in 2014 will be approximately $150,000.

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 December 31, 2013 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 Preference Shares at a subscription price of $1.00 per share. These 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 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 Preference Shares, until at least June 2015.

The Preference Shares' accrued but unpaid dividends may be converted to common shares at the option of the holder. To the date of this MD&A, the following such conversions have occurred:

- In October 2012, accrued dividends of $39,442 were converted to 219,188 common shares;
- In January 2013, accrued dividends of $19,509 were converted to 130,056 common shares;
- In April 2013, accrued dividends of $23,320 were converted to 141,323 common shares;
- In July 2013, accrued dividends of $16,031 were converted to 61,651 common shares;
- In October 2013, accrued dividends of $18,673 were converted to 77,800 common shares;
- In January 2014, accrued dividends of $26,775 were converted to 133,865 common shares; and

Pursuant to irrevocable directions from certain holders of the Preference Shares that were in place prior to the Company's common shares being subject to the halt trade imposed as a result of the proposed reverse take-over transaction and non-arm's length transaction (the "Proposed Transactions") that the Company announced on December 18, 2013, such shareholders require the Company to convert their accrued but unpaid dividends on their Preference Shares into common shares.

The Company has received authorization from the TSXV to convert the accrued but unpaid dividends payable to arm's length holders of Preference Shares at a rate of $0.20 per share, being the closing trading price of the Company's common shares on December 18, 2013. In April 2014, the Company received direction from arm's length Preference Share holders to convert accrued dividends in the amount of $11,412, which will result in the issuance of 57,057 common shares. In accordance with TSXV policy, these resulting common shares will be held in escrow pending the closing of the Proposed Transactions or such Proposed Transactions being terminated.

In respect of non-arm's length holders of Preference Shares who currently have irrevocable directions to convert their accrued but unpaid dividends into common shares registered with the Company, TSXV policy requires that these dividends be converted at the pricing applicable to the Proposed Transactions or any financing completed in conjunction therewith. However, should the Proposed Transactions not be completed, the Company will convert these accrued dividends based on a closing market price on December 18, 2013, being the date that the Company's common shares were halted from trading due to the Company's announcement of a proposed business combination transaction. The amount of dividends payable to non-arm's length shareholders to be converted is $8,485.

Off-Balance Sheet Arrangements

As at December 31, 2013, 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

A director of the Company held a 10% interest in a firm providing the Company with advisory services in 2013. In December 2013, this director ceased to hold a 10% or greater interest in this advisory services firm. In 2013, during the time that the director was a related party of the advisory services firm, the Company paid advisory fees to the related company of $30,000.

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 $12,000 to the related company in the year ended December 31, 2013.

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.

Changes in Accounting Policies

The Company has adopted the following accounting pronouncements during the period. These standards did not have a significant impact on the Company's 2013 Consolidated Financial Statements. Additional fair value disclosure was required with respect to the adoption of IFRS 13, Fair Value Measurement, which is included in note16 of the 2013 Consolidated Financial Statements.

IFRS 10, Consolidated Financial Statements
In May 2011, the IASB issued IFRS 10, *Consolidated Financial Statements* ("IFRS 10"). IFRS 10, which replaces the consolidation requirements of SIC-12 *Consolidation-Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements*, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This new standard was effective for the Company's interim and annual consolidated financial statements commencing January 1, 2013. The Company adopted IFRS 10, including the amendments issued in June 2012, in its financial statements for the annual period beginning on January 1, 2013, and had no material impact on the 2013 Consolidated Financial Statements.

IFRS 12, Disclosure of Interests in Other Entities
In May 2011, the IASB issued IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12"). IFRS 12 establishes new and comprehensive disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Company adopted IFRS 12, including the amendments issued in June 2012, in its financial statements for the annual period beginning on January 1, 2013, and had no material impact on the 2013 Consolidated Financial Statements.

IFRS 13, Fair Value Measurement
In May 2011, the IASB issued IFRS 13, *Fair Value Measurement* ("IFRS 13"). IFRS 13 replaces the fair value guidance contained in individual IFRS with a single source of fair value measurement guidance. The standard also requires disclosures which enable users to assess the methods and inputs used to develop fair value measurements. The Company adopted IFRS 13 in its financial statements for the annual period beginning on January 1, 2013, and had no material impact on the 2013 Consolidated Financial Statements.

IAS 1, Presentation of Financial Statements

In June 2011, the IASB amended IAS 1, *Presentation of Financial Statements* ("IAS 1"). This amendment requires an entity to separately present the items of OCI as items that may or may not be reclassified to profit and loss. The Company adopted this amendment in its financial statements for the annual period beginning on January 1, 2013, and had no material impact on the 2013 Consolidated Financial Statements.

IAS 19 *Employee Benefits*

In June 2011 the IASB published an amended version of IAS 19, Employee Benefits. The amendments impact termination benefits, which would now be recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37 Provisions, and when the entity can no longer withdraw the offer of the termination benefits. The Company adopted the amendments in its financial statements for the annual period beginning on January 1, 2013, and had no material impact on the 2013 Consolidated Financial Statements.

IAS 32 and IFRS 7, *Offsetting Financial Assets and Liabilities*

In December 2011, the IASB amended IAS 32 *Financial Instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosures*. This amendment clarified the circumstances under which an entity has a legally enforceable right to offset financial assets and financial liabilities, and contains new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar arrangements. The Company adopted the amendments to IFRS 7 in its financial statements for the annual period beginning on January 1, 2013, and intends to adopt the amendments to IAS 32 in its financial statements for the annual period beginning January 1, 2014. The adoption of the amendments to IFRS 7 had no material impact on the 2013 Consolidated Financial Statements. The extent of the impact of adoption of the amendments to IAS 32 has not yet been determined.

Annual Improvements to IFRSs – 2009-2011 Cycle

In May 2012, the IASB published Annual Improvements to IFRSs – 2009-2011 Cycle as part of its annual improvements process to make non-urgent but necessary amendments to IFRS. The new cycle of improvements contains amendments to the following four standards with consequential amendments to other standards and interpretations.

- IAS 1 Presentation of Financial Statements
  - Comparative information beyond minimum requirements
  - Presentation of the opening statement of financial position

- IAS 16 Property, Plant and Equipment
  - Classification of servicing equipment

- IAS 32 Financial Instruments: Presentation
  - Income tax consequences of distributions

- IAS 34 Interim Financial Reporting
  - Segment assets and liabilities

The Company adopted the amendments to the standards in its financial statements for the annual period beginning on January 1, 2013, and had no material impact on the 2013 Consolidated 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 Consolidated Financial Statements can be found on SEDAR at www.sedar.com.