iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2014 (the "Period")

The information set forth below has been prepared as at April 28, 2015, 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, 2014, including the accompanying notes (the "2014 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 2014 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. 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").

iLOOKABOUT's origins are with its StreetScape™ imagery. 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.

To augment the Company's technology based offerings, real estate consulting services were added to the Company's suite of products and services in December 2014, with a focus on the municipal property tax and valuation sectors.

In February 2015, the Company completed a software asset purchase which integrates powerful new data analytics and workflow management applications into the Company's existing applications. These new offerings include Real Property Tax Analytics ("RPTA") and Realty Tax Management ("RTM").

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, which were fully converted or redeemed in early 2015, were not listed on any exchange.

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2014 Consolidated Financial Statements, which can be found on SEDAR at www.sedar.com.

Selected Annual Information

	Audited		
Years ended December 31	**2014**	**2013**	**2012**
Revenue	$ 5,657,167	$ 3,562,569	$ 3,270,791
Loss	(943,049)	(918,257)	(827,348)
Comprehensive loss	(1,048,613)	(1,040,280)	(786,306)
Loss per share (basic and diluted)	(0.02)	(0.02)	(0.02)
Total assets	3,819,559	2,105,160	2,072,788
Total liabilities	3,577,393	3,228,568	2,949,723

Revenue increased from $3,271,000 to $3,563,000 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, 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 $786,000 to $1,040,000, for the years ended December 31, 2012 and 2013, respectively.

Total assets remained relatively stable at $2,073,000 and $2,105,000 for the years ended December 31, 2012 and 2013, respectively. The most significant component of total assets for the Company is cash, for which the balance also remained relatively stable at $1,070,000 and $1,058,000 for the years ended December 31, 2012 and 2013, respectively. In 2012, approximately $400,000 was used in operating activities compared to a nominal amount of cash generated from operating activities in 2013. This change was largely attributable to additional funds being 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 unearned revenue (amounts collected in advance of services being provided) in 2013 compared to 2012. 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 $2,950,000 and $3,229,000 for the years ended, December 31, 2012 and 2013, respectively. The most significant fluctuations within total liabilities year over year were an increase in unearned revenue of approximately $257,000, and a decrease in long term debt of approximately $113,000 resulting from the repayment of debt financing of a software licence, but which was offset somewhat by accreted finance costs.

Revenue increased from $3,563,000 to $5,657,000 for the years ended December 31, 2013 and 2014, respectively. These increases are primarily attributable to:

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

Offsetting the year over year increase in revenue were the following:

- Increase in human resource and sales related costs to support the development and launch of new product and service offerings, but for which related revenue was not generated in the year;
- Increase in the required data and software licence fees to support an increase in the re-licensing of third party data and software to customers and their end users;
- Increase in partner royalties and commissions, primarily related to two new US licence agreements entered in the first quarter of 2014;
- Increase in data capture and image processing costs required to support new US licences;
- Increase in regulatory and professional fees; and
- Increase in share-based compensation expense in respect of director compensation resulting from the transition from stock options to deferred share units, commencing July 1, 2014.

The overall result of the above noted increase in revenue and increase in expense was a nominal increase in comprehensive loss from $1,040,000 to $1,049,000 for the years ended December 31, 2013 and 2014, respectively.

Total assets increased to $3,820,000 at December 31, 2014 as compared to $2,105,000 at December 31, 2013. This increase is primarily attributable to an increased cash balance resulting from a private placement completed in December 2014 for gross proceeds of $2,000,000. Changes in the sources and uses of cash are described more fully in the *"Liquidity and Capital Resources"* section.

Total liabilities remained relatively stable at $3,229,000 and $3,577,000 at December 31, 2013 and 2014, respectively. The most significant change on a year over year basis was an increase of approximately $255,000 in accounts payable and accrued liabilities which was due to a combination of increased operating expense and the timing of payments.

Significant developments in the reporting period included:

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

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

- 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 below for further detail.

- 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, and (ii) complete a technology asset acquisition from Yeoman & Company Paralegal Professional Corporation, ("YCP") and the key architect and developer of the technology, 2025832 Ontario Inc. and provide a licence of the technology asset back to YCP. As the parties to the proposed transactions were unable to negotiate the terms of definitive agreements on terms acceptable to each of them, the parties mutually agreed to terminate the December 18, 2013 letter of intent on May 14, 2014.

- In July 2014, the Company commenced image capture using a newly developed, proprietary image capture platform that is expected to result in significant cost savings for the Company.

- In August 2014, the Company successfully launched a mobile version of GeoViewPort™ to approximately 41,000 end users.

- Pending the negotiation and closing of a definitive technology asset purchase agreement, in December 2014, the Company entered into an exclusive license agreement with YCP and 2025832 Ontario Inc. (collectively, the "Vendors") in respect of certain technology assets to augment the Company's existing software platforms, namely a property tax analytics platform referred to as Real Property Tax Analytics and a property tax workflow management platform known as Realty Tax Management ("RTM") (collectively, the "Software"). To provide for ongoing support and development of the Software, the Company also entered into a twenty-year consulting agreement with YCP under which YCP has agreed to maintain and update the Software on an ongoing basis (the "YCP Consulting Agreement"). The YCP Consulting Agreement provides for an annual retainer of $265,000 plus 15% of revenue recognized and received by iLOOKABOUT from end user customers for use of the Software.

  In December 2014, the Company entered into a technology asset purchase agreement (the "Purchase Agreement") to purchase the Software from the Vendors. The transaction was a non-arm's length transaction, as the Executive Chair of iLOOKABOUT is the father of the two principals of YCP. The Independent Committee of the Board of the Company, which was formed to review any potential transactions with YCP, obtained an independent valuation of the Software from Campbell Valuation Partners Limited who concluded on a value of the Software that was in excess of the proposed purchase price of $1,530,000, which was to be settled by the issuance of 6,000,000 Common Shares of iLOOKABOUT. The transactions contemplated by the Purchase Agreement closed in February 2015. As contemplated by the parties at the time of its execution, the YCP Consulting Agreement continues to apply.

- To leverage the value of the Software to iLOOKABOUT, the Company launched property tax consulting services focused on the property and valuation sectors in December 2014, which services are provided by Municipal Tax Advisory Group Inc., a wholly owned subsidiary of iLOOKABOUT Corp., operating from offices located in Campbelville, Ontario.

Significant developments completed subsequent to the reporting period:

- As the purchase of the Software discussed above was a non-arm's length transaction, shareholder approval (by way of written consent of the holders of more than 50% of the Company's voting shares) and TSXV approval were required. These approvals were obtained February 4 and 5, 2015, respectively. The transaction closed on February 11, 2015. As the closing share price on February 11, 2015, when 6,000,000 shares were issued to the vendors in exchange for the Software, was $0.38, the fair value of the consideration and thus the cost of the asset was determined to be $2,280,000.

- In March 2015, 357,500 Series 1 Preference Shares were converted into Units at the pre-established conversion rate of 1/0.31 (being approximately 3.226). Each Unit consisted of one Common Share and one-half of a warrant to purchase one Common Share at an exercise price of $0.31 per full warrant. As such, the Company issued 1,153,223 Common Shares and 576,611.5 warrants to settle such requests. In April 2015, the Company redeemed the remaining 392,500 Series 1 Preference Shares plus accrued dividends for a total payout of $405,991 to the holders thereof. Further detail with respect to the conversion and redemption of the Preference Shares is provided in the *"Outstanding Share Data and Dividends"* section below.

Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2014 Consolidated Financial Statements for the year ended December 31, 2014 (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 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)
Loss per share - diluted	-	(0.01)	-	(0.01)	(0.02)
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)

	Unaudited		Audited	
	Three months ended December 31, 2014	Three months ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
Revenue	**$ 1,381,934**	**$ 813,148**	**$ 5,657,167**	**$ 3,562,569**
Direct operating expenses	657,884	307,099	2,706,118	1,298,130
Gross margin	**724,050**	**506,049**	**2,951,049**	**2,264,439**
Other operating expenses:				
Technology	262,935	204,449	1,018,632	926,063
Selling and business development	212,701	245,833	820,618	652,298
General and administration	719,160	429,995	1,909,195	1,475,330
	1,194,796	880,277	3,748,445	3,053,691
Loss from operations	**(470,746)**	**(374,228)**	**(797,396)**	**(789,252)**
Finance costs	(88,597)	(87,454)	(267,101)	(260,731)
Foreign exchange gain	56,416	53,203	121,448	131,726
Loss for the period	**$ (502,927)**	**$ (408,479)**	**$ (943,049)**	**$ (918,257)**
Other comprehensive loss:				
Items that will not be reclassified to loss for the year:				
Foreign exchange loss on the translation of foreign operations	(48,780)	(56,091)	(105,564)	(122,023)
Comprehensive loss for the period	**$ (551,707)**	**$ (464,570)**	**$ (1,048,613)**	**$ (1,040,280)**
Loss per share (basic and diluted)	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.02)**

Revenue

Revenue increased 70% to $1,382,000, and increased 59% to $5,657,000 for the three months and year ended December 31, 2014 compared to the same periods in the prior year. These increases are primarily attributable to:

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

The Company's US-based revenue increased from $812,000 to $1,074,000 for the years ended December 31, 2013 and 2014, respectively. All of this growth was within the property assessment market.

Customers representing more than 10% of the Company's revenue are classified as significant customers.

For the three months ended December 31, 2014, the Company had two significant customers; one represented 48%, and the other represented 20% of total revenue. For the three months ended December 31, 2013, the Company had two significant customers; one represented 44%, and the other represented 31% of total revenue.

For the year ended December 31, 2014, the Company had two significant customers; one represented 46%, and the other represented 23% of total revenue. For the year ended December 31, 2013, the Company had two significant customers; one represented 41%, and the other represented 24% of total revenue.

Gross margin

Gross margin increased from $506,000 to $724,000 for the three months ended December 31, 2013 and 2014, respectively; and from $2,264,000 to $2,951,000 for the years ended December 31, 2013 and 2014, respectively. These increases are mainly attributable to increased revenue, for the reasons noted in the *"Revenue"* section above, but were offset significantly by:

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

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

Comprehensive loss

Comprehensive loss increased from $465,000 to $552,000 for the three months ended December 31, 2013 and 2014, respectively. For the years ended December 31, 2013 and 2014, comprehensive loss increased nominally from $1,040,000 to $1,049,000, respectively. While the gross margin improved on both a quarter over quarter and year over year basis, for the reasons noted in the "*Gross Margin*" section above, these improvements were more than offset by the following:

- Increase in human resource and sales related expenses to support core business growth, as well as the development and launch of new product and service offerings;
- Increase in property tax consultant human resource and facilities expense in December 2014, while related revenues did not commence until January 2015;
- Increase in regulatory, professional and insurance fees; and

- Increase in share-based compensation expense in respect of director compensation due to the change from compensation in the form of stock options to the form of deferred share units under the Deferred Share Unit Plan that was approved by the shareholders of iLOOKABOUT in June 2014.

Seasonality

The number of hours per day of daylight suitable for image capture and weather conditions vary with the seasons and impact peak periods of image data capture. As the Company's image capture activity to date has primarily been focused in Canada and the northeastern region of the US, the majority of costs associated with image capture have typically been incurred in the second and third quarters of the year. However, given the geographic location of image capture projects in 2014, the second and fourth quarters in 2014 were the more significant periods of image capture and therefore the quarters when the more significant image capture and associated costs were incurred.

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 and Dividends

As at the date of this MD&A, iLOOKABOUT had 60,313,784 common shares outstanding, and outstanding options and warrants to purchase a further 13,205,419.5 common shares, exercisable at prices ranging from $0.12 to $0.60 per share.

In March 2012, the Company issued 750,000 Series 1 Preference Shares ("Preference Shares") at a subscription price of $1.00 per share. These Preference Shares carried a cumulative dividend rate of 12% per annum and were convertible at the option of the holder into Units at a rate of 1/0.31 (being approximately 3.226) Units per share. Each Unit consisted of one Common Share and one half of a common share purchase warrant having an exercise price of $0.31 for each whole warrant. The warrants are exercisable until March 30, 2017, subject to certain earlier exercise requirements in specified circumstances. In addition, the Preference Shares' accrued but unpaid dividends could 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;
- In April 2014, accrued dividends of $19,897 were converted to 99,482 Common Shares;
- In July 2014, accrued dividends of $17,652 were converted to 110,316 Common Shares;
- In October 2014, accrued dividends of $13,309 were converted to 38,019 Common Shares;
- In January 2015, accrued dividends of $21,888 were converted to 75,474 Common Shares; and
- In April 2015, accrued dividends of $41,432 were converted to 118,375 Common Shares.

In March 2015 the Company received notices from the holders of 357,500 Preference Shares to convert these shares into Units, which includes 232,500 Preference Shares held by Directors and senior officers of the Company. As a result, the Company issued 1,153,223 Common Shares and 576,611.5 warrants.

The Company also received notices from certain Preference Shareholders to redeem 335,000 Preference Shares, including accrued dividends, held by them for an aggregate redemption amount of $346,952. The Preference Shares were redeemable at the option of the holder on at least 30 days' notice at a Redemption Amount of $1.00 per Preference Share, plus accrued but unpaid dividends. The preference shares were also redeemable at the option of the Company on at least 2 business days' notice at a Redemption Amount of $1.00 per Preference Share, plus accrued but unpaid dividends. The Company chose to redeem the remaining 57,500 Preference Shares and related accrued dividends for a total of $59,039. The Company completed such redemptions on April 10, 2015.

Liquidity and Capital Resources

The Company has a history of operating losses with an accumulated deficit of $14,687,000 (December 31, 2013 - $13,744,000); shareholders' equity of $242,000 (December 31, 2013 – shareholders' deficiency of $1,123,000) and working capital surplus of $941,000 (December 31, 2013 – working capital deficiency of $45,000).

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures"* below) 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, 2014		December 31, 2013
Working Capital (GAAP measure)	$	941,199	$	(44,713)
Less: Prepaid expenses and other current assets		(155,574)		(165,738)
Add: Unearned revenue, current portion		808,403		882,528
Adjusted Working Capital (Non-GAAP measure)	**$**	**1,594,028**	**$**	**672,077**

The significant increase in Adjusted Working Capital between December 31, 2013 and 2014 is primarily attributable to an increase in the Company's cash balance due to a private placement completed in December 2014 resulting in the receipt of gross proceeds of $2,000,000. Offsetting this increase to Adjusted Working Capital was the Series 1 Preference Shares becoming classified as a current liability in 2014, as opposed to their classification as a long term liability at December 31, 2013. The book value of Series 1 Preference Shares included in Adjusted Working Capital was $734,456 as at December 31, 2014 (December 31, 2013 – Nil).

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

Cash flow provided by (used in)		**Year ended December 31, 2014**		**Year ended December 31, 2013**
Operating activities	$	(268,133)	$	1,323
Financing activities		1,983,147		302,067
Investing activities		(169,320)		(362,504)
	$	**1,545,694**	**$**	**(59,114)**

The changes in cash sources and uses for the year ended December 31, 2014 as compared to the prior year are explained below:

- The change from a nominal cash generated from operations to a cash used in operations position for 2013 as compared to 2014 is primarily attributable to (i) a decrease in 2014 of unearned revenue which represents payments from customers in advance of service, and (ii) a significantly greater accounts receivable balance at December 31, 2014 as compared to December 31, 2013. The Company has not assessed any of these accounts as uncollectible. Cash used in operating activities, other than changes in non-cash working capital and interest paid or received, decreased from $300,000 to $96,000 for the years ended December 31, 2013 and 2014, respectively.

- The increase in cash generated by financing activities is primarily due to an equity financing for proceeds of $2,000,000 being completed in 2014 as compared to an equity financing for proceeds of $500,000 in 2013. Also, the debt financing of a software licence ceased in March 2014, whereas finance payments of approximately $180,000 with respect to this debt were required in 2013.

- The decrease in cash used in investing activities for 2014 compared to 2013 was primarily due to a decrease in required capital expenditures in 2014 as compared to 2013. The greater extent of equipment purchases 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 and commitments at December 31, 2014.

		Contractual cash outflows				
As at December 31, 2014	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 822,204	$ 822,204	$ 822,204	$ -	$ -	$ -
Secured term credit facility	584,237	806,750	30,000	776,750	-	-
Preference Shares	734,456	803,505	803,505	-	-	-
Debt financing of vehicles	49,037	56,126	12,390	12,390	31,346	-
Operating leases	-	145,889	109,778	36,111	-	-
Purchase commitments	-	8,500,000	265,000	465,000	2,295,000	5,475,000
	$ 2,189,934	$ 11,134,474	$ 2,042,877	$ 1,290,251	$ 2,326,346	$ 5,475,000

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 $168,000 has been included in the above-noted contractual cash flows. A 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 2015 will be approximately $160,000.

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 having been 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, 2014 and the date of this MD&A, the Company was in compliance with these financial ratios.

Off-Balance Sheet Arrangements

As at December 31, 2014, iLOOKABOUT had no off-balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company, and the Company does not expect to enter into any in the near to mid-term.

Financial Instruments

iLOOKABOUT's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, 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

Real Property Rental:

> One of the premises occupied by the Company is rented on an annual basis from a related company owned, in part, by Jeff Young, an officer and director of the Company. For the year ended December 31, 2014, the Company paid rent to the related company of $12,000 (2013 - $12,000), which is included in general and administration expense.

Consulting Agreement:

> Throughout 2014, a company owned by Gary Yeoman, the Executive Chair of the Company had a consulting agreement with the Company. Under this agreement, Mr. Yeoman's company received $120,000 as a draw in fiscal 2014 (2013 – nil). This agreement was negotiated prior to Mr. Yeoman becoming a related party (Director) of the Company. The full amount of this draw was determined to have been earned, and the related expense is included in general and administration expense.

Asset Purchase, Licence Agreement and Consulting Agreement:

> The Company and Yeoman and Company Paralegal Professional Corporation ("YCP") are related parties, as the two principals of YCP are the sons of Mr. Yeoman, the Executive Chair of iLOOKABOUT.
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> Pending the negotiation and closing of a definitive technology asset purchase agreement, in December 2014, the Company entered into an exclusive license agreement with YCP and 2025832 Ontario Inc. (collectively, the "Vendors") in respect certain technology assets to augment the Company's existing software platforms, namely a property tax analytics platform known as Real Property Tax Analytics ("RPTA") and a property tax workflow management platform known as Realty Tax Management ("RTM") (collectively, the "Software"). To provide for ongoing support and development of the Software, the Company also entered into a twenty-year consulting agreement with YCP under which YCP has agreed to maintain and update the Software on an ongoing basis (the "YCP Consulting Agreement"). The YCP Consulting Agreement provides for an annual retainer of $265,000 plus 15% of revenue recognized and received by iLOOKABOUT from end user customers for use of the Software.
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> In December 2014, the Company entered into a technology asset purchase agreement (the "Purchase Agreement") to purchase the Software from the Vendors. The transaction was a non-arm's length transaction, as the Executive Chair of iLOOKABOUT is the father of the two principals of YCP. The Independent Committee of the Board of the Company, which was formed to review any potential transactions with YCP, obtained an independent valuation of the Software from Campbell Valuation Partners Limited who concluded on a value of the Software that was in excess of the proposed purchase price of $1,530,000, which was to be settled by the issuance of 6,000,000 Common Shares of iLOOKABOUT.
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> As the purchase of the Software discussed above was a non-arm's length transaction, shareholder approval (by way of written consent of the holders of more than 50% of the Company's voting shares) and TSXV approval were required. These approvals were obtained February 4 and 5, 2015, respectively. The transaction closed on February 11, 2015. As the closing share price on February 11, 2015, when 6,000,000 shares were issued to the vendors in exchange for the Software, was $0.38, the fair value of the consideration and thus the cost of the asset was determined to be $2,280,000. As contemplated by the parties at the time of its execution, the YCP Consulting Agreement continues to apply.

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 has adopted the following accounting pronouncements during the period. These standards did not have a significant impact on the Company's 2014 Consolidated Financial Statements.

IAS 32, Financial Instruments: Presentation
In December 2011, the IASB amended IAS 32 to clarify the meaning of when an entity has a current legally enforceable right of set-off. The amendments were effective for annual periods beginning on or after January 1, 2014 and were required to be applied retrospectively. The amendment did not have a significant impact on the Company's consolidated financial statements.

IAS 36, Impairment of Assets
The IASB has issued amendments to IAS 36, *Impairment of Assets*. The amendments require recoverable amounts to be disclosed only when an impairment loss has been recognized or reversed. The amendments became effective January 1, 2014. The amendments impact certain disclosure requirements only, and did not have a significant impact on the consolidated financial statements.

IFRIC 21, Levies
In May 2013, the IFRS Interpretations Committee issued IFRIC 21, *Levies*, which provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The interpretation became effective January 1, 2014. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies (i) the liability is recognized progressively if the obligating event occurs over a period of time, and (ii) if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. The interpretation did not have an impact on the Company's 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 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 2014 Consolidated Financial Statements can be found on SEDAR at www.sedar.com.