iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2015 (the "Period")

The information set forth below has been prepared as at April 25, 2016, 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, 2015, including the accompanying notes (the "2015 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 2015 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.

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").

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.

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, all of which were either converted into common shares and common share warrants or redeemed in April 2015, were not listed on any Exchange. See *"Outstanding Share Data and Dividends"* section below for further detail.

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2015 Consolidated Financial Statements, which can be found on SEDAR at www.sedar.com.

Selected Annual Information

	Audited		
Years ended December 31	**2015**	**2014**	**2013**
Revenue	$ 7,481,725	$ 5,657,167	$ 3,562,569
Loss	(959,836)	(943,049)	(918,257)
Comprehensive loss	(1,111,212)	(1,048,613)	(1,040,280)
Loss per share (basic and diluted)	(0.02)	(0.02)	(0.02)
Total assets	5,758,481	3,819,559	2,105,160
Total liabilities	3,300,294	3,577,393	3,228,568

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 from 2013 to 2014 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, which commenced in July 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 offering of common shares that was 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.

Revenue increased from $5,657,000 to $7,482,000 for the years ended December 31, 2014 and 2015, respectively. These increases are primarily attributable to:

- The launch of municipal property tax consulting services for which revenue commenced in January 2015;
- Revenue recognized with respect to a multi-year services contract for the provision of hosted application services to enable the delivery of geo-spatial and real property related data. Launch of these services commenced in March 2015;
- Increased sales of third party real property related data and derivative reports;
- Increased deliveries under imagery based sales contracts during the year as compared to the prior year; and
- Recognition of revenue related to the development of a pilot application for a key customer in 2015 for which there was not a comparable project completed in 2014.

The year over year increase in revenue was offset significantly by the following:

- Increase in third party property related data licensing fees and/or royalties to support the re-licensing of this data to end customers;
- Increase in a third party minimum data purchase commitment, the obligation for which commenced in 2015;
- Increase in human resource related costs with respect to the municipal property tax consulting services launched in December 2014;
- Increase in human resource and sales related costs to support the development and launch of new product and service offerings, but for which proportionate related revenue was not generated in the year;
- Increase in share based compensation expense due to the grant of 2,233,000 options to purchase common shares of the Company which were granted in February 2015 to the Executive Chair in accordance with his employment agreement; and
- Increased cash based compensation expense related to the employment agreement of the Executive Chair, which became effective January 1, 2015.

The above noted expenses were offset to some extent by the receipt of funds resulting from a successful Ontario Interactive Digital Media Tax Credit ("OIDMTC") claim for a prior period. Total funds received under the OIDMTC was approximately $197,000 and was recorded as a reduction to expense within the financial statement line item under which the related expense was originally recorded, resulting in expense reductions of approximately $25,000 within direct operating expense, $75,000 within technology expense, and $97,000 within selling and business development expense.

The overall result of the above noted increase in revenue and increase in expense was an increase in comprehensive loss from $1,049,000 to $1,111,000 for the years ended December 31, 2014 and 2015, respectively.

Total assets increased to $5,758,000 at December 31, 2015 as compared to $3,820,000 at December 31, 2014. This increase is primarily attributable to a software asset purchase the Company completed in February 2015. Changes in the sources and uses of cash are described more fully in the *"Liquidity and Capital Resources"* section.

Total liabilities decreased to $3,300,000 at December 31, 2015, as compared to $3,577,000 at December 31, 2014. The most significant change on a year over year basis was the conversion of 357,500 Preference Shares into common shares and common share warrants; and the redemption of the remaining 392,500 for cash. See *"Outstanding Share Data and Dividends"* section below for further detail.

Significant developments in the 2014 and 2015 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 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 RealStor™, 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 July 2014, the Company commenced image capture using a newly developed, proprietary image capture platform that has resulted 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 as described further below, in December 2014, the Company entered into an exclusive license agreement with Yeoman and Company Parlalegal Professional Corporation ("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 ("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.

  In December 2014, the Company entered into a technology asset purchase agreement to purchase the Software from the Vendors. Two of the principals of YCP are the sons of Mr. Gary Yeoman, the Executive Chair of the Company, and thus constituted a non-arm's length transaction under TSX-V regulations. As such, it required regulatory and shareholder approval. Upon receiving such approvals in February 2015, the transaction closed. As consideration for the Software, upon the closing of the transaction, the Company issued a total of 6,000,000 common shares to the Vendors at a share price of $0.38, being the closing price of the Company's common shares on the closing date of the transaction.

- 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.

- In December 2014, the Company completed a $2,000,000 private placement equity financing under which 6,666,665 Units were issued, each Unit consisting of one Common Share and one half of a Series K Warrant. Each whole warrant entitles the holder thereof to purchase one Common Share of the Company for an exercise price of $0.60 at any time prior to the earlier of (i) 5:00 p.m. (Toronto time) on December 22, 2016 or (ii) 5:00 p.m. on the date fixed by the board of directors of the Company as being the last day upon which such warrants may be exercised prior to and in contemplation of the sale of all or substantially all of the assets of the Company or the closing of a take-over bid, insider bid, issuer bid or business combination involving a majority of the issued and outstanding Common Shares of the Company.

- 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.

- In the second quarter of 2015, the Company successfully completed the development of a prototype of a web-based application that enhanced the integration of certain functionality of the RPTA software, that was purchased in early 2015, with certain functionality of the Company's existing web-based GIS application.

This prototype was designed to serve as the channel for the delivery of real property data to a stakeholder community, including all Ontario municipalities. In the fourth quarter of 2015, the Company commenced negotiations to license a production version of this prototype on a long term basis.

- In September 2015, the Company received approximately $197,000 from the Ontario Interactive Digital Media Tax Credit ("OIDMTC") program for a prior period claim. The OIDMTC is a refundable tax credit based on eligible Ontario labour expenditures and eligible marketing and distribution expenses claimed by a qualifying corporation with respect to interactive digital media products.

Significant developments completed subsequent to the reporting period:

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

- In February 2016, the Company executed a multi-year agreement to license a production version of the application discussed above to deliver real property data to a stakeholder community, including all Ontario municipalities.

- In April 2016, the Company repaid the $600,000 principal of its secured term credit facility. As of the date of this MD&A, the Board had approved payment of the related bonus interest in the amount of $165,550.

Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2015 Consolidated Financial Statements for the year ended December 31, 2015 (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 2015	Unaudited				Audited
Revenue	$ 1,516,419	$ 2,059,810	$ 2,277,269	$ 1,628,227	$ 7,481,725
Earnings (loss)	(537,446)	(541,959)	421,377	(301,808)	(959,836)
Comprehensive income (loss)	(618,964)	(519,666)	352,524	(325,106)	(1,111,212)
Earnings (loss) per share - basic	(0.01)	(0.01)	0.01	(0.01)	(0.02)
Earnings (loss) per share - diluted	(0.01)	(0.01)	0.01	(0.01)	(0.02)
Fiscal 2014	Unaudited				Audited
Revenue	$ 1,122,136	$ 1,399,427	$ 1,753,670	$ 1,381,934	$ 5,657,167
Earnings (loss)	(224,166)	(456,416)	240,460	(502,927)	(943,049)
Comprehensive income (loss)	(272,219)	(406,846)	182,159	(551,707)	(1,048,613)
Earnings (loss) per share - basic	-	(0.01)	0.01	(0.01)	(0.02)
Earnings (loss) per share - diluted	-	(0.01)	-	(0.01)	(0.02)

		Unaudited		Audited	
		Three months ended December 31, 2015	Three months ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014
Revenue		**$ 1,628,227**	**$ 1,381,934**	**$ 7,481,725**	**$ 5,657,167**
Direct operating expenses		708,456	657,884	3,383,267	2,706,118
Gross margin		**919,771**	**724,050**	**4,098,458**	**2,951,049**
Other operating expenses:					
Technology		308,177	262,935	1,182,050	1,018,632
Selling and business development		317,349	212,701	1,250,383	820,618
General and administration		632,804	719,160	2,774,086	1,909,195
		1,258,330	1,194,796	5,206,519	3,748,445
Loss from operations		**(338,559)**	**(470,746)**	**(1,108,061)**	**(797,396)**
Finance costs		(22,052)	(88,597)	(128,222)	(267,101)
Foreign exchange gain		58,803	56,416	276,447	121,448
Loss for the period		**$ (301,808)**	**$ (502,927)**	**$ (959,836)**	**$ (943,049)**
Other comprehensive loss:					
Items that will not be reclassified to loss for the year:					
Foreign exchange loss on the translation of foreign operations		(23,298)	(48,780)	(151,376)	(105,564)
Comprehensive loss for the period		**$ (325,106)**	**$ (551,707)**	**$ (1,111,212)**	**$ (1,048,613)**
Loss per share:					
Basic and diluted		**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.02)**

Revenue

Nature of services:

The Company generates revenue from the provision of visual and data services and from consulting services. In December 2014, the Company launched Municipal Tax Advisory Group, a wholly owned subsidiary of iLOOKABOUT Corp., to provide real estate consulting services.

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Unaudited)		(Audited)	
Visual and data services	$ 1,478,480	$ 1,381,934	$ 6,551,989	$ 5,657,167
Consulting services	149,747	-	929,736	-
Total	$ 1,628,227	$ 1,381,934	$ 7,481,725	$ 5,657,167

Total revenue increased 18% to $1,628,000, and increased 32% to $7,482,000 for the three months and year ended December 31, 2015 compared to the same periods in the prior year. These increases are primarily attributable to:

Visual and data services:

- Revenue recognized with respect to a multi-year services contract for the provision of hosted application services to enable the delivery of geo-spatial and real property related data. Launch of these services commenced in March 2015;
- Increased sales of third party real property related data and derivative reports;
- Increased deliveries under imagery-based sales contracts during the year as compared to the prior year; and
- Recognition of revenue related to the development of a pilot application for a key customer in 2015 for which there was not a comparable project completed in 2014.

Consulting services:

- The launch of municipal property tax consulting services in December 2014, for which revenue commenced in January 2015.

Geographic information:

The Company's US-based revenue increased from $1,074,000 to $1,350,000 for the years ended December 31, 2014 and 2015, respectively. All of this growth was within visual and data services.

Significant customers:

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

For the three months ended December 31, 2015, the Company had two significant customers: one represented 48%, and the other represented 17% of total revenue. 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 year ended December 31, 2015, the Company had two significant customers: one represented 47%, and the other represented 14% 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.

Gross margin

Gross margin increased 27% from $724,000 to $920,000 for the three months ended December 31, 2014 and 2015, respectively; and increased 39% from $2,951,000 to $4,098,000 for the years ended December 31, 2014 and 2015, 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 third party property related data licensing fees to support the re-licensing of this data to end customers;
- Increase in a third party minimum data purchase commitment, the obligation for which commenced in 2015; and
- Increase in human resource related costs with respect to the municipal property tax consulting services launched in December 2014.

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 a significant number 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 decreased from $552,000 to $325,000 for the three months ended December 31, 2014 and 2015, respectively. For the years ended December 31, 2014 and 2015, comprehensive loss increased from $1,049,000 to $1,111,000, 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 somewhat offset by 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 proportionate related revenue was not generated in the year;
- Increase in share-based compensation expense due to the grant of 2,233,000 options to purchase common shares of the Company which were granted in February 2015 to the Executive Chair in accordance with his employment agreement; and
- Increased cash based compensation expense related to the employment agreement of the Executive Chairman, which became effective January 1, 2015.

The above-noted expenses were offset to some extent by the receipt of funds resulting from a successful Ontario Interactive Digital Media Tax Credit ("OIDMTC") claim for a prior period. Total funds received under the OIDMTC was approximately $197,000 and was recorded as a reduction to expense within the financial statement line item under which the related expense was originally recorded, resulting in expense reductions of approximately $25,000 within direct operating expense, $75,000 within technology expense, and $97,000 within selling and business development expense.

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 2015, the second and third quarters in 2015 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 is expected to be less significant.

Outstanding Share Data and Dividends

As at December 31, 2015, iLOOKABOUT had 60,313,784 common shares outstanding, and outstanding options and warrants to purchase a further 13,205,419 common shares, exercisable at prices ranging from $0.12 to $0.60 per share. Subsequent to December 31, 2015, 1,481,000 warrants having an exercise price of $0.15 and 50,000 options having an exercise price of $0.29, expired unexercised.

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 29, 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 holders of Preference Shares to redeem 335,000 such 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 in April 2015.

Liquidity and Capital Resources

The Company has a history of operating losses with an accumulated deficit of $15,647,000 (December 31, 2014 - $14,687,000); shareholders' equity of $2,458,000 (December 31, 2014 – $242,000) and working capital surplus of $687,000 (December 31, 2014 – $941,000).

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 was based on Adjusted Working Capital, therefore, it was considered a key metric for Management to monitor.

		December 31, 2015		December 31, 2014
Working Capital (GAAP measure)	$	686,863	$	941,199
Less: Prepaid expenses and other current assets		(158,902)		(155,574)
Add: Unearned revenue, current portion		746,584		808,403
Adjusted Working Capital (Non-GAAP measure)	**$**	**1,274,545**	**$**	**1,594,028**

As at December 31, 2014, the Company had recorded a non-current provision of $121,000 with respect to the estimated bonus interest related to the secured term credit facility, which obligation would come due in April 2016. The provision became a current liability commencing in the second quarter of 2015. The bonus interest calculation is based on average revenue for 2014 and 2015, resulting in a final bonus interest amount of $165,550. As the exact amount of the bonus interest was known and no longer required an estimate as of Decemer 31, 2015, the amount was recorded as an accrual as opposed to a provision at that time.

Cash flows provided by (used in) operating, financing and investing activities for the years ended December 31, 2015 and 2014 are presented below.

Cash flow provided by (used in)		**Year ended December 31, 2015**		**Year ended December 31, 2014**
Operating activities	$	343,877	$	(268,133)
Financing activities		(419,600)		1,983,147
Investing activities		(100,775)		(169,320)
	$	**(176,498)**	**$**	**1,545,694**

The changes in cash sources and uses for the year ended December 31, 2015 as compared to the prior year are explained below:

- The increase in cash provided by operations is primarily attributable to increased cash collections related to additional revenue in the year, as well as the receipt of funds related to the Company's successful application under the OIDMTC program for a prior period.

- The 2015 use of cash for financing activities is primarily due to the redemption of 392,500 Preference Shares and accrued dividends for an aggregate redemption amount of $405,992 that occurred in April 2015. The cash generated by financing activities in 2014 is primarily due to an equity financing for proceeds of $2,000,000 which was completed in December 2014.

- Cash used in investing activities decreased in 2015 compared to 2014 due to a decrease in capital expenditures. In 2014, the Company purchased three vehicles to support a new image capture platform. Further vehicle purchases were not required in 2015.

The following are the carrying amounts and the remaining contractual cash outflows, including estimated interest payments, of financial liabilities and commitments at December 31, 2015.

		Contractual cash outflows				
As at December 31, 2015	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 1,244,414	$ 1,244,414	$1,244,414	$ -	$ -	$ -
Secured term credit facility	596,847	608,750	608,750	-	-	-
Debt financing of vehicles	39,325	43,736	12,390	12,390	18,956	-
Operating leases	-	1,180,991	223,096	247,896	656,225	53,774
Purchase commitments	-	8,035,000	265,000	665,000	2,595,000	4,510,000
	$ 1,880,586	$11,112,891	$2,353,650	$ 925,286	$ 3,270,181	$ 4,563,774

The Company is obligated to pay a bonus amount with respect to the secured term credit facility at the maturity of the loan in April 2016. Included in the above-noted undiscounted contractual cash flows related to the accounts payable and accrued liabilities is a bonus payment in respect of the Credit Facility in the amount of $165,550.

In addition to the above-noted contractual cash flows, the Company expects to incur future capital expenditures, primarily with respect to replacement of its image capture equipment, expansion of its computer hardware which hosts the Company's imagery, and leasehold improvements with respect to the Company's head 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 extent of future image capture activities and the age of existing equipment. The Company expects that capital expenditures required in 2016 will be approximately $210,000.

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.

Until such time as the Credit Facility was repaid, the Company was required to maintain predetermined financial ratios to keep itself in good standing under such facility. As at December 31, 2015 and the Company was in compliance with these financial ratios. In April 2016, the Credit Facility and related bonus interest obligation were fully repaid.

Off-Balance Sheet Arrangements

As at December 31, 2015, 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

Software asset purchase:

In December 2014, the Company entered into a technology asset purchase agreement to purchase certain technology assets (the "Software") from Yeoman & Company Paralegal Professional Corporation ("YCP") and 2025832 Ontario Inc. (the "Vendors") The Software included the Realty Tax Management Platform and the Real Property Tax Analytics Platform. Two of the principals of YCP are the sons of Mr. Gary Yeoman, the Executive Chair of the Company, and as such, the purchase constituted a non-arm's length transaction under TSX-V regulations requiring regulatory and shareholder approval. Upon receiving such approvals in February 2015, the transaction closed. As consideration for the Software, upon the closing of the transaction, the Company issued a total of 6,000,000 common shares to the Vendors at a share price of $0.38, being the closing price of the Company's common shares on the date of the closing of the transaction.

Consulting services:

The Company receives consulting services from YCP with respect to the ongoing development and support of the Software pursuant to a written consulting agreement dated December 2014 (the "Consulting Agreement"). As noted above, two of the principals of YCP are the sons of Mr. Gary Yeoman, the Executive Chair of the Company. The Consulting Agreement has a term of twenty years and provides for an annual fee of $265,000 plus 15% of revenue recognized and received by the Company from end customers (the "YCP Fees") for use of the Software. For the year ended December 31, 2015, the Company paid YCP Fees of $283,361 (2014 – $45,988), which fees were included in direct operating expense and technology expense.

The Company also provides business development related consulting services to YCP. For the year ended December 31, 2015, the Company received compensation of $6,835 for these services from YCP (2014 – nil).

Preference Share and dividend conversions:

Directors and/or senior officers of the Company participated in the March 2012 private placement of Preference Shares. Where dividends on these Preference Shares had accrued, the holder had the option to convert these unpaid dividends into common shares. During 2015, current directors and senior officers (namely, Mr. John C. Drake, Director; Ms. Robin Dyson, Chief Financial Officer; Mr. Peter Hyde, Director; Mr. Mark Sheppard, Chief Operating Officer; and, Mr. Jeff Young, Chief Executive Officer and Director) converted a total of $13,759 (2014 – $30,600) accrued dividends into 43,511 common shares (2014 – 145,996 common shares).

In March 2015, the Company received notices from Preference Shareholders who are directors and/or senior officers of the Company (namely Mr. John C. Drake, Director; Ms. Robin Dyson, Chief Financial Officer; Mr. Peter Hyde, Director; Mr. Mark Sheppard, Chief Operating Officer; and, Mr. Jeff Young, Chief Executive Officer and Director) to convert 232,500 Preference Shares into Units. As a result, in April 2015, the Company issued 749,998 Common Shares and 374,999 warrants to satisfy the conversion requests received. Also, in April 2015, the Company redeemed 22,500 Preference Shares and related dividends held by Mr. Jeff Hack, Chief Technology Officer and Director, for a total redemption amount of $23,913.

The terms of these Preference Shares were the same as those issued to non-related parties. See *"Outstanding Share Data and Dividends"* section above for further detail.

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, 2015, the Company paid rent to the related company of $12,000 (2014 - $12,000), 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 has adopted the following accounting pronouncements during the period. These standards did not have a significant impact on the Company's 2015 Consolidated Financial Statements.

> ***Annual Improvements to IFRS***
> In December 2013, the IASB issued narrow-scope amendments to a total of nine standards. Most of the amendments apply prospectively for annual periods beginning on or after July 1, 2014. The Company adopted these amendments in its financial statements effective January 1, 2015. The adoption of these amendments did not have a material impact on the financial statements.

Use of Non-GAAP Financial Measures

Management has included a non-GAAP financial measure, "Adjusted Working Capital", to supplement information contained in the MD&A. This non-GAAP measure does not have any standardized meaning prescribed under IFRS and therefore it may not be comparable to similar measures employed by other issuers. Adjusted Working Capital is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. The measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Management believes that Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Management's expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company's stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company's dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Additional information about some of these risk factors can be found in the Company's Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com. Unless otherwise required by applicable securities laws, the

Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to iLOOKABOUT, including the Company's 2015 Consolidated Annual Financial Statements, can be found on SEDAR at www.sedar.com.