iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations

for the year ended December 31, 2016 (the "Period")

The information set forth below has been prepared as at April 25, 2017, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.ôs (ñiLOOKABOUTò or the ñCompanyò) audited consolidated financial statements for the year ended December 31, 2016, including the accompanying notes (the ñ2016 Consolidated Financial Statementsò), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis (ñMD&Aò) is intended to assist in understanding the dynamics of the Companyôs business and key factors underlying its financial results.

The 2016 Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (ñIFRSò). All dollar figures referred to herein are Canadian dollars unless otherwise stated. For narrative purposes, all dollar amounts have been rounded to thousands unless otherwise stated.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as ñmayò, ñwillò, ñexpectò, ñintendò, ñanticipateò, ñplanò, ñforeseeò, ñbelieveò or ñcontinueò or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Managementôs expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Companyôs 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 Companyôs 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 Companyôs 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 Companyôs Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

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

(i) ñAdjusted Working Capitalò, which is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides meaningful information with respect to the liquidity of the Company.

(ii) ñAdjusted EBITDAò, which is defined and calculated as comprehensive income (loss) before interest, tax, depreciation, amortization and share-based compensation expenses. Management believes Adjusted EBITDA provides meaningful information with respect to the financial performance and value of the Company.

These measures are 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.

Company Overview

iLOOKABOUT is a software, data analytics, and visual intelligence company focused on real property, serving primarily the property assessment, property taxation, municipal, insurance, and appraisal sectors, both public and private, in Canada and the United States (ñUSò). The Companyõs primary offerings are noted below.

GeoViewPort™ and StreetScape™

GeoViewPort™ (ñGVPò) is a real property focused web based application that targets the property assessment and appraisal industry by providing a leading-edge desktop review tool. Following the acceptance by The International Association of Assessing Officers (ñIAAOò) of technology which facilitates assessment review of a property from a desktop computer, iLOOKABOUT expanded from being an imagery provider to a software developer providing tools for the assessment and appraisal industries. Enabling assessment professionals to simultaneously generate customized portals to view multiple elements related to a property, including street level imagery, aerial imagery, property valuation details, comparable property analysis, and structural characteristics, amongst others, has enabled GVP to develop into one of iLOOKABOUT's key product offerings upon which a software architecture has been based to support a full suite of add on tools and services.

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

iLOOKABOUT collects data from public streets in targeted geographic areas to create a database of images and associated metadata (data about data or content items). Through the utilization of proprietary hardware and software systems for the capturing, processing and geo-coding of image data from a moving vehicle, each high-resolution StreetScape™ image is captured with a digital camera and geo-coded using publicly available Global Positioning System (ñGPSò) systems. The iLOOKABOUT StreetScape™ image database is compatible with all major mapping applications including, but not limited to, Google, Bing, Pictometry, ESRI, Intergraph, Bentley and Autodesk, and is accessible through iLOOKABOUTõs secure web service permitting the seamless integration of imagery into our own, partner and end user applications.

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

Real Property Tax Analytics

Real Property Tax Analytics (ñRPTAò) is a powerful property assessment analytics and software platform that combines data attributes of more than 5.1 million properties in Ontario, integrating mapping, imagery, and census data delivering insightful comparable modeling and predictive valuations using proprietary algorithms. RPTA is currently being used by municipal finance and taxation departments across Ontario. Regarded as the only tool in its market space to support appeal management and assessment base management programs, this evolving offering is highly valuable to both the largest and smallest municipal jurisdictions.

Other Applications

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

Data Commercialization

iLOOKABOUT has developed products and services for clients looking to commercialize their assessment data through the delivery of reports and individual data requests to users through secure e-commerce transactions or by account. More than 60 property-related reports, regularly updated by changes to property data, are now accessible to more than 50,000 registered users that purchase approximately 100,000 reports per month. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.

Professional Services

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

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

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUTôs 2016 Consolidated Financial Statements, which can be found on SEDAR at www.sedar.com.

Selected Annual Information

	Audited		
Years ended December 31	**2016**	**2015**	**2014**
Revenue	$ 8,790,956	$ 7,481,725	$ 5,657,167
Loss	(497,359)	(959,836)	(943,049)
Comprehensive loss	(476,640)	(1,111,212)	(1,048,613)
Loss per share (basic and diluted)	(0.01)	(0.02)	(0.02)
Total assets	5,343,511	5,758,481	3,819,559
Total liabilities	2,745,956	3,300,294	3,577,393

Comparison of the twelve months ended December 31, 2016 and 2015:

Revenue increased 17% to $8,791,000 from $7,482,000 for the years ended December 31, 2016 and 2015, respectively. This increase is primarily attributable to:

- Commencement in February 2016 of a services agreement with the Municipal Property Assessment Corporation (ñMPACò) with respect to the channel delivery of the Municipal Connect 2.0 platform to MPACôs municipal clients in the Province of Ontario for which corresponding revenue was not recognized in 2015;
- Increased licensing of third party real property related data and increased sales of derivative reports; and
- Increased licensing of the Companyôs RPTA software and related data analytics reports.

This increase in revenue was partially offset by:

- Decreased US-based revenue due to a combination of the timing of initial deliveries and the expiry of several US contracts;
- Custom development work completed in 2015 for which there was not comparable work completed in 2016; and
- Decreased revenue from consulting services.

Comprehensive loss decreased 57% to $477,000 from $1,111,000 for the years ended December 31, 2016 and 2015, respectively. This improvement is primarily attributable to:

- Increased revenue as discussed above;

- Decreased share-based compensation resulting from fewer stock options being granted in 2016 as compared to 2015; and

- Decreased finance costs resulting from the repayment of the Companyφs secured term credit facility early in 2016.

The positive impacts of the above noted items on comprehensive loss were partially offset by:

- Increased third party data licensing expense required to (i) support the generation of revenue related to derivative reports and re-licensing of data to end customers, and (ii) accrue for a minimum purchase commitment under a value added reseller agreement, which commitment was greater for 2016 than for 2015;

- Increased human resource costs and professional fees to support development and promotion in support of certain sales and strategic initiatives;

- The receipt of Ontario Interactive Digital Media Tax Credits in 2015 with no comparative receipt in 2016; and

- Changes in foreign exchange gains and losses attributable to fluctuating US foreign exchange rates and US dollar denominated items.

Total assets decreased 7% to $5,343,000 at December 31, 2016 as compared to $5,758,000 at December 31, 2015. This decrease is primarily attributable a decrease in cash, primarily attributable to repayment of the Companyφs $600,000 secured term credit facility and related bonus interest in the amount of $165,550 in 2016, and a decrease in intangible assets due primarily to amortization of the Software purchased in 2015.

Total liabilities decreased 17% to $2,746,000 at December 31, 2016, as compared to $3,300,000 at December 31, 2015. The most significant change on a year over year basis was the repayment of the Companyφs secured term credit facility and related bonus interest in 2016.

<u>Comparison of the twelve months ended December 31, 2015 and 2014:</u>

Revenue increased 32% to $7,482,000 from $5,657,000 for the years ended December 31, 2015 and 2014, 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 from 2015 to 2014 was partially offset 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 resulting from fewer stock options being granted in 2014 as compared to 2015; 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 partially offset by the receipt of funds resulting from a successful Ontario Interactive Digital Media Tax Credit (ñOIDMTCò) 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 to $1,111,000 from $1,049,000 for the years ended December 31, 2015 and 2014, respectively.

Total assets increased 51% 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.

Total liabilities remained relatively stable at $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 Preference Shares for cash.

Significant developments in 2015 and 2016 included:

- In February 2015, the Company purchased certain technology assets to augment the Companyøs existing software platforms, namely a property tax analytics platform referred to as Real Property Tax Analytics (ñRPTAò) and a property tax workflow management platform known as Realty Tax Management (ñRTMò) (collectively, the ñSoftwareò), from Yeoman and Company Parlalegal Professional Corporation (ñYCPò) and 2025832 Ontario Inc. (collectively, the ñVendorsò). Two of the principals of YCP are the sons of Mr. Gary Yeoman, the Executive Chair of the Company, and thus constituted a non-armøs length transaction under TSXV regulations. As such, it required regulatory and shareholder approval. Upon receiving such approvals, the Company completed the purchase of these software assets and issued 6,000,000 Common Shares to the Vendors at a share price of $0.38, being the closing price of the Companyøs Common Shares on the closing date of the transaction.

- 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.

- In September 2015, the Company received approximately $197,000 from the 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.

- In February 2016, the Company executed a services agreement with MPAC with respect to the channel delivery of the Municipal ConnectÊ 2.0 platform to MPACøs municipal clients in the Province of Ontario. The Municipal ConnectÊ 2.0 platform provides Ontario municipalities with access to an assessment based management tool.

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

- In October 2016, the Company closed a non-brokered private placement of 1,000,000 Units. Each Unit consisted of one Common Share and one Common Share Purchase Warrant. Each whole Warrant entitles the holder to purchase one Common Share for a period of five years from the date of issuance at an exercise price of $0.40. The subscription price of each Unit was $0.21, for aggregate gross proceeds of

$210,000. Net proceeds were used to help fund the Companyӧs working capital requirements. All of the Units were purchased by the Companyӧs Chief Executive Officer and his spouse.

Significant developments completed subsequent to the reporting period:

- In January 2017, 1,481,000 Series I Purchase Warrants held by the Executive Chair of the Company were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share, for total gross proceeds of $222,150.

Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUTôs 2016 Consolidated Financial Statements for the year ended December 31, 2016 (the ñReporting Dateò), which can be found on SEDAR at www.sedar.com.

	Three months ended				Year ended
	March 31	**June 30**	**September 30**	**December 31**	**December 31**
Fiscal 2016	Unaudited				Audited
Revenue	$ 2,149,704	$ 2,192,692	$ 2,255,283	$ 2,193,277	$ 8,790,956
Earnings (loss)	(154,814)	(295,592)	125,902	(172,855)	(497,359)
Comprehensive income (loss)	(112,157)	(295,354)	121,719	(190,848)	(476,640)
Earnings (loss) per share - basic	-	-	-	-	(0.01)
Earnings (loss) per share - diluted	-	-	-	-	(0.01)
Adjusted EBITDA*	51,504	(82,250)	305,697	44,134	319,085
Fiscal 2015	Unaudited				Audited
Revenue	$ 1,516,419	$ 2,059,810	$ 2,277,269	$ 1,628,227	$ 7,481,725
Earnings (loss)	(537,446)	(541,959)	421,377	(301,808)	(959,836)
Comprehensive income (loss)	(618,964)	(519,666)	352,524	(325,106)	(1,111,212)
Earnings (loss) per share - basic	(0.01)	(0.01)	0.01	(0.01)	(0.02)
Earnings (loss) per share - diluted	(0.01)	(0.01)	0.01	(0.01)	(0.02)
Adjusted EBITDA*	(259,197)	(212,083)	562,481	(38,196)	53,005

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

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

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

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

		Unaudited				Audited		
		Three months ended December 31, 2016		Three months ended December 31, 2015		Year ended December 31, 2016		Year ended December 31, 2015
Revenue	**$**	**2,193,277**	**$**	**1,628,227**	**$**	**8,790,956**	**$**	**7,481,725**
Direct operating expenses		802,790		708,456		3,608,699		3,383,267
Gross margin		**1,390,487**		**919,771**		**5,182,257**		**4,098,458**
Other operating expenses:								
Technology		431,644		308,177		1,564,395		1,182,050
Selling and business development		244,442		317,349		1,074,666		1,250,383
General and administration		918,408		632,804		3,006,167		2,774,086
		1,594,494		1,258,330		5,645,228		5,206,519
Loss from operations		**(204,007)**		**(338,559)**		**(462,971)**		**(1,108,061)**
Finance costs		(412)		(22,052)		(15,300)		(128,222)
Foreign exchange gain (loss)		31,564		58,803		(19,088)		276,447
Loss for the period	**$**	**(172,855)**	**$**	**(301,808)**	**$**	**(497,359)**	**$**	**(959,836)**
Other comprehensive income (loss):								
Items that will not be reclassified to earnings (loss) for the period:								
Foreign exchange gain (loss) on the translation of foreign operations		(17,993)		(23,298)		20,719		(151,376)
Comprehensive loss for the period	**$**	**(190,848)**	**$**	**(325,106)**	**$**	**(476,640)**	**$**	**(1,111,212)**
Loss per share, basic and diluted	**$**	**-**	**$**	**(0.01)**	**$**	**(0.01)**	**$**	**(0.02)**
Adjusted EBITDA*	**$**	**44,134**	**$**	**(38,196)**	**$**	**319,085**	**$**	**53,005**

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

Revenue

Nature of Services:

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

	Three months ended				Year ended			
	December 31, 2016		December 31, 2015		December 31, 2016		December 31, 2015	
	(Unaudited)				(Audited)			
Visual and data services	$	1,974,209	$	1,478,480	$	7,902,129	$	6,551,989
Consulting services		219,068		149,747		888,827		929,736
Total	$	2,193,277	$	1,628,227	$	8,790,956	$	7,481,725

Revenue increased 35% to $2,193,000, and increased 17% to $8,791,000, for the three months and year ended December 31, 2016 compared to the same periods in the prior year.

These increases are primarily attributable to:

- Commencement in February 2016 of a services agreement with MPAC with respect to the channel delivery of the Municipal Connect 2.0 platform to MPACȏs municipal clients in the Province of Ontario for which corresponding revenue was not recognized in 2015;
- Increased licensing of third party real property related data and increased sales of derivative reports; and
- Increased licensing of the Companyȏs Real Property Tax Analytics software and related data analytics reports.

This increase in revenue was partially offset by:

- Decreased U.S.-based revenue due to a combination of the timing of initial deliveries and the expiry of several US contracts;

- Custom development work completed in 2015 for which there was not comparable work completed in 2016; and
- Decreased revenue from consulting services.

Geographic Information:

The Company's US-based revenue increased 40% to $331,000 from $237,000 for the three months ended December 31, 2016 and 2015, respectively.

For the years ended December 31, 2016 and 2015, US-based revenue decreased 18% to $1,107,000 from $1,350,000, respectively. This decrease is attributable to the timing of delivery of services and the expiry of several US-based contracts.

Significant Customers:

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

For the three months ended December 31, 2016, the Company had two significant customers: one represented 53%, and the other represented 12% of total revenue. 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 year ended December 31, 2016, the Company had two significant customers: one represented 53%, and the other represented 15% 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.

Gross Margin

Gross margin increased 51% to $1,390,000 from $920,000 for the three months ended December 31, 2016 and 2015, respectively; and increased 26% to $5,182,000 from $4,098,000 for the years ended December 31, 2016 and 2015, respectively. These increases are mainly attributable to increased revenue for the reasons noted in the *"Revenue"* section above.

The increases in gross margin were partially offset by increases in direct operating expenses, including increased third party data licensing expense required to (i) support the generation of increased revenue related to derivative reports and re-licensing of data to end customers, and (ii) accrue for a minimum purchase commitment under a value-added reseller agreement, which commitment was greater for 2016 than for 2015.

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 some of the Company's sales agreements is that costs are incurred at the outset of the arrangement over a period of a few months, while at least a portion of the related revenue is recognized over a period of years. This can result in significant variances in gross margin on a period over period basis.

Comprehensive Loss

Comprehensive loss decreased 41% to $191,000 from $325,000 for the three months ended December 31, 2016 and 2015, respectively. For the years ended December 31, 2016 and 2015, comprehensive loss decreased 57% to $477,000 from $1,111,000. These improvements are primarily attributable to:

- Increased gross margin for the reasons noted in the *"Gross Margin"* section above;
- Decreased share-based compensation expense resulting from fewer stock options being granted in 2016 as compared to 2015; and
- Decreased finance costs resulting from the repayment of the Company's secured term credit facility early in 2016.

These improvements were partially offset by:

- Increased human resource costs and professional fees to support development and promotion in support of certain sales and strategic initiatives;
- The receipt of OIDMTCs in 2015 with no comparative receipt in 2016; and

- Changes in foreign exchange gains and losses attributable to fluctuating U.S. foreign exchange rates and U.S. dollar denominated items.

Adjusted EBITDA

Adjusted EBITDA improved 216% to $44,000 from ($38,000) for the three months ended December 31, 2016 and 2015, respectively. For the year ended December 31, 2016 Adjusted EBITDA increased 502% to $319,000 from $53,000 in 2015. These improvements are primarily attributable to: (i) increases in Revenue; (ii) expansion of Gross Margin, (iii) a decrease in finance costs in 2016 due to the repayment of the Companyợs secured term credit facility early in 2016; and (iv) a decrease in share-based compensation resulting from fewer stock options being granted in 2016 as compared to 2015.

Outstanding Share Data and Dividends

As at December 31, 2016, iLOOKABOUT had:

- 61,388,784 Common Shares issued and outstanding;
- 1,785,792 Deferred Share Units convertible into an equal number of Common Shares;
- Warrants outstanding to purchase 4,538,611 Common Shares, exercisable at prices ranging from $0.15 to $0.40 per share; and
- Options outstanding to purchase 5,727,475 Common Shares, exercisable at prices ranging from $0.12 to $0.335 per share.

Subsequent to December 31, 2016 the following share-related events occurred:

- 1,481,000 Series I Warrants held by the Executive Chair of the Company were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share, for total gross proceeds of $222,150;
- 576,611 Series G Warrants having an exercise price of $0.31 expired unexercised;
- 240,000 options to purchase Common Shares were granted to a consultant to provide marketing and corporate communications services; and
- 175,000 options were exercised, resulting in the issuance of 175,000 Common Shares.

Liquidity and Capital Resources

Adjusted Working Capital

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures"*) is defined and calculated by the Company as current assets less current liabilities (as shown on the consolidated Statement of Financial Position), excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company than does Working Capital.

		December 31, 2016		December 31, 2015
Working Capital (GAAP measure)	$	865,470	$	686,863
Less: Prepaid expenses and other current assets		(163,575)		(158,902)
Add: Unearned revenue, current portion		980,084		746,584
Adjusted Working Capital (Non-GAAP measure)	**$**	**1,681,979**	**$**	**1,274,545**

The primary changes in components of Adjusted Working Capital between December 31, 2015 and December 31, 2016 were a decrease in cash, as discussed further below in the section entitled *"Cash Flows"*, and decreases in the current portion of long-term debt and accrued liabilities due to the repayment in 2016 of the Companyợs secured term credit facility and associated bonus interest payment.

Cash Flows

Cash flows provided by (used in) operating, financing and investing activities for the years ended December 31, 2016 and 2015 are presented below.

Cash flow provided by (used in)		**Years ended December 31, 2016**		**Year ended December 31, 2015**
Operating activities	$	207,852	$	343,877
Financing activities		(393,212)		(419,600)
Investing activities		(197,578)		(100,775)
Effect of exchange rate fluctuations on cash		4,101		141,988
	$	**(378,837)**	**$**	**(34,510)**

The changes in cash sources and uses for the year ended December 31, 2016 as compared to the prior year are explained below.

(i) The decrease in cash provided by operations is primarily attributable to payment of the bonus interest, in the amount of $165,550, with respect to the Company's secured term credit facility in 2016, and the receipt of approximately $197,000 in 2015 related to the Company's successful application under the OIDMTC program for a prior period for which no such receipt of funds was received in 2016. These decreases were offset to some extent by increased cash generated from operations.

(ii) The primary changes in cash provided by or used in financing activities are (i) repayment of the Company's $600,000 secured term credit facility in 2016; (ii) redemption of 392,500 Series 1 Preference Shares and accrued dividends for an aggregate redemption amount of approximately $406,000 in 2015, and (iii) receipt of funds in 2016 of $210,000 resulting from a private placement.

(iii) Cash used in investing activities increased for 2016 as compared to the prior year, primarily due to expenditures related to leasehold improvements as a result of the Company exercising its option to expand its leased premises of its office in London, Ontario.

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at December 31, 2016.

			Contractual cash outflows								
As at December 31, 2016		**Carrying Amounts**		**Total**		**within 1 year**		**1 - 2 years**		**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$	1,205,631	$	1,205,631	$	1,205,631	$	-	$	-	$ -
Debt financing of vehicles		29,013		31,345		12,390		12,390		6,565	-
Operating leases		-		748,377		205,992		165,275		377,110	-
Purchase commitments		-		7,720,000		615,000		765,000		2,895,000	3,445,000
	$	1,234,644	$	9,705,353	$	2,039,013	$	942,665	$	3,278,675	$ 3,445,000

In addition to the above-noted contractual cash flows, the Company expects to incur future capital expenditures, primarily with respect to replacement of its image capture equipment; expansion of its computer hardware which hosts the Company's imagery; and further leasehold improvements required for the Company's London office location. Data capture equipment, which includes vehicles, cameras and lenses, is replaced as this equipment is depleted or the purchase of improved equipment is determined to be appropriate. The extent of these capital expenditures will be based on the Company's planned future image capture activities and the age of existing equipment. The Company expects that capital expenditures required in 2017 will be approximately $245,000.

In order to fund its day-to-day operations and repay the Companyôs 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.

Off-Balance Sheet Arrangements

As at December 31, 2016, iLOOKABOUT had no off-balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company, and the Company does not expect to enter into any in the near to mid-term.

Financial Instruments

iLOOKABOUTôs 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

Private Placement:

In October 2016, the Company completed a non-brokered private placement of 1,000,000 Units with the Companyôs Chief Executive Officer, Mr. Laurence Rose, and his spouse for gross proceeds of $210,000. Each Unit was issued for $0.21 and consisted of one Common Share, and one Series L Warrant, with each full Warrant entitling the holder to purchase one Common Share of the Company at an exercise price of $0.40. The Warrants expire 60 months from the date of issuance.

Software Asset Purchase:

In February 2015, the Company purchased certain technology assets to augment the Companyôs existing software platforms, namely the property tax analytics platform referred to as Real Property Tax Analytics (ñRPTAò) and a property tax workflow management platform known as Realty Tax Management (ñRTMò) (collectively, the ñSoftwareò), from Yeoman and Company Parlalegal Professional Corporation (ñYCPò) and 2025832 Ontario Inc. (collectively, the ñVendorsò). Two of the principals of YCP are the sons of Mr. Gary Yeoman, the Executive Chair of the Company, and thus constituted a non-armôs length transaction under TSXV regulations. As such, it required regulatory and shareholder approval. Upon receiving such approvals, the Company issued 6,000,000 Common Shares to the Vendors at a share price of $0.38, being the closing price of the Companyôs Common Shares on the closing date of the transaction in full satisfaction of the purchase price of the Software. Prior to purchasing the Software, the Company licensed it from the Vendors.

YCP relicenses and/or utilizes the Software in order to provide services to YCPôs end customers. Included in the Companyôs 2016 revenue are software licence fees of $40,406 (2015 ï $17,800).

Software Consulting Services:

To provide for ongoing support and development of the Software, the Company entered into a consulting agreement with YCP in December 2014 (ñConsulting Agreementò). 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-user customers use of the Software (the ñYCP Feesò). For the year ended December 31, 2016, the Company paid YCP Fees of $356,465 (2015 ï $283,361) to YCP, which were included in the Companyôs direct operating expense and technology expense.

The Company also provides business development related consulting services to YCP. For the year ended December 31, 2016, the Company received compensation of $28,372 for these services from YCP (2015 ï $6,835).

Real Property Rental:

One of the premises occupied by the Company is rented on an annual basis from a company owned, in part, by Jeff Young, an officer and director of the Company. For the year ended December 31, 2016, the

Company paid rent of $12,000 for such premises (2015 - $12,000), which is included in the Companyôs 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 Companyôs 2016 Consolidated Financial Statements.

IAS 1 - Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1 - Presentation of Financial Statements as part of its initiative to improve presentation and disclosure in financial reports. These amendments did not require any significant change to current practice, but should facilitate improved financial statement disclosures. Management adopted these amendments in its consolidated financial statements for the annual period beginning on January 1, 2016. These amendments did not have a material impact on the consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

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

IFRS 9 - Financial Instruments

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

IFRS 15 - Revenue from Contracts with Customers

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

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

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

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

The standard is effective for annual periods beginning on or after January 1, 2018. Management is currently assessing the impact of this standard and therefore cannot yet reasonably estimate its effect on the consolidated financial statements.

IFRS 16 - Leases

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

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

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

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

Additional Information

Additional information relating to iLOOKABOUT, including the Companyǿs 2016 Consolidated Annual Financial Statements, can be found on SEDAR at www.sedar.com.