iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the nine months from January 1, 2012 to September 30, 2012 (the "Period")

The information set forth below has been prepared as at November 22, 2012, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s ("iLOOKABOUT" or the "Company") unaudited condensed interim consolidated financial statements (the "Interim Financial Statements") for the three and nine months ended September 30, 2012, including the accompanying notes, 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 Company's Annual Information Form ("AIF") can also be found on SEDAR at www.sedar.com.

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The Company adopted IFRS effective January 1, 2010.

By their nature, the Interim Financial Statements do not include all the information required for full annual financial statements, and so should be read in conjunction with the Company's 2011 audited annual consolidated financial statements prepared in accordance with IFRS.

All dollar figures referred to herein are Canadian dollars unless otherwise stated. The Company's presentation currency is the Canadian dollar. The functional currency of iLOOKABOUT (US) Inc., a wholly-owned subsidiary of iLOOKABOUT Corp., is the United States ("*US*") dollar.

A cautionary note regarding forward-looking statements and non-GAAP measures follow in the sections "*Forward Looking Statements*" and *"Non-GAAP Financial Measures"* below.

Company Background

iLOOKABOUT is a visual and data intelligence company serving commercial enterprise in the real estate, insurance, municipal, utility, assessment and appraisal sectors in Canada, the US and the United Kingdom ("*UK*"). iLOOKABOUT is a pioneer in visual and data intelligence with its StreetScape™ and Virtual Tour products. StreetScape is a 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 also offers GeoViewPort™, a web-based Geographic Information System (*"GIS"*) application that enables the federation of additional value-added data such as validated addresses, aerial imagery, property values, property attributes, etc. with StreetScape imagery. Headquartered in London, Ontario, Canada, iLOOKABOUT's common shares are traded on the TSX Venture Exchange under the symbol ILA.

Current Overview

Revenue increased from $579,647 to $966,065 and from $1,876,897 to $2,416,251 for the three and nine months ended September 30, 2011 and 2012, respectively. The revenue generated from the property assessment and insurance verticals was significantly greater in the second and third quarters of 2012 as compared to the same period in the prior year, and more than offset the negative impact related to the cancellation of services of a Canadian licensee in the third quarter of 2011 and the expiry of a financial sector agreement in the fourth quarter of 2011.

Gross margin increased from $(31,319) to $731,908 for the three months ended September 30, 2011 and 2012, respectively, and from $436,245 to $1,536,532 for the nine months ended September 30, 2011 and 2012, respectively. These increases are mainly attributable to:

- Custom development and hardware configuration related revenue related to several agreements provided for non-recurring revenue of approximately $252,000, with nominal increase in expenditures required to deliver these services;

- Increased US-based StreetScape licence revenue related to contracts delivered late in fiscal 2011 for which a portion of revenue is being recognized over the multi-year terms of these agreements, but for which the related cost of image capture was incurred in fiscal 2011;

- On a year-to-date basis, new US-based contracts have decreased significantly in 2012 compared to 2011, resulting in significantly reduced image capture expenditures in 2012; and

- Decreased royalty expense primarily attributable to the cancellation of services of a Canadian licensee in the third quarter of 2011 which entailed royalties.

Comprehensive income (loss) moved from $(632,422) to $24,233 for the three months ended September 30, 2011 and 2012, respectively, and from $(1,584,976) to $(571,043) for the nine months ended September 30, 2011 and 2012, respectively. These changes are primarily attributable to:

- Improved gross margin as discussed above, largely driven by the non-recurring revenue related to several sales agreements for the provision of custom development and hardware configuration services;

- Decreased selling costs resulting from the elimination of a sales position and reduced but more targeted participation in tradeshows and other marketing activities.

These positive movements in comprehensive income (loss) were offset somewhat due to the accrued but unpaid dividends on the Series 1 Preference Shares ("Preference Shares") treated as a finance cost for financial reporting purposes; interest expense on a term credit facility established late in the first quarter of 2012; interest expense related to the financing of a software licence established early in the second quarter of 2012; and an increase in bad debt expense due to a decision made by the Company in the third quarter of 2012 to provide a full allowance on one customer account that had previously been partially allowed for.

Significant developments in the third quarter of 2012 include:

- Completed image capture for Ontario regions scheduled for the 2012 season to support the multi-year services contract with Municipal Property Assessment Corporation (*"MPAC"*) executed in the first quarter of 2012;

- Executed custom development, hardware configuration and system hosting sales agreements, having total contract value of approximately $558,000;

- Completed and released functionality within the Company's GIS application that will enable users to perform desktop reviews using iLOOKABOUT's GeoViewPort™.

Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's Interim Financial Statements for the three and nine months ended September 30, 2012 (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 2012	Unaudited				
Revenue	$ 549,120	$ 901,066	$ 966,065		
Loss	(336,603)	(249,296)	(49,815)		
Comprehensive income (loss)	(288,796)	(306,480)	24,233		
Loss per share (basic and diluted)	(0.01)	(0.01)	-		
Fiscal 2011	Unaudited				Audited
Revenue	$ 577,366	$ 719,885	$ 579,647	$ 859,001	$ 2,735,899
Loss	(454,378)	(511,208)	(524,051)	(424,442)	(1,914,079)
Comprehensive loss	(412,945)	(539,609)	(632,422)	(322,335)	(1,907,311)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)	(0.05)
Fiscal 2010	Unaudited				Audited
Revenue	$ 704,386	$ 698,780	$ 879,188	$ 677,091	$ 2,959,445
Loss	(287,409)	(696,437)	(259,423)	(568,158)	(1,811,427)
Comprehensive loss	(260,346)	(766,626)	(256,575)	(541,106)	(1,824,653)
Loss per share (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)

		Unaudited				Unaudited		
		Three months ended September 30, 2012		Three months ended September 30, 2011		Nine months ended September 30, 2012		Nine months ended September 30, 2011
Revenue	$	**966,065**	$	**579,647**	$	**2,416,251**	$	**1,876,897**
Direct operating expenses		234,157		610,966		879,719		1,440,652
Gross margin		**731,908**		**(31,319)**		**1,536,532**		**436,245**
Other operating expenses:								
Technology		251,919		196,771		717,395		626,329
Selling and business development		111,830		158,203		322,024		501,829
General and administration		306,933		246,081		988,935		898,670
		670,682		601,055		2,028,354		2,026,828
Profit (loss) from operations		**61,226**		**(632,374)**		**(491,822)**		**(1,590,583)**
Finance income (costs), net		(42,986)		(122)		(83,142)		1,661
Foreign exchange gains (losses)		(68,055)		108,445		(60,750)		99,285
Profit (loss) for the period	$	**(49,815)**	$	**(524,051)**	$	**(635,714)**	$	**(1,489,637)**
Other comprehensive income:								
Foreign exchange gain (loss) on the translation of foreign operations		74,048		(108,371)		64,671		(95,339)
Comprehensive income (loss) for the period	$	**24,233**	$	**(632,422)**	$	**(571,043)**	$	**(1,584,976)**
Loss per share (basic and diluted)	$	**-**	$	**(0.01)**	$	**(0.02)**	$	**(0.04)**

Revenue

Revenue increased 67% and 29% for the three and nine months ended September 30, 2012, respectively, as compared to the prior year. The revenue generated from the property assessment and insurance verticals was significantly greater in the second and third quarters of 2012 as compared to the same period in the prior year, and more than offset the negative impact related to the cancellation of services of a Canadian licensee in the third quarter of 2011 and the expiry of a financial sector agreement in the fourth quarter of 2011. In the third quarter of 2012, the Company executed custom development, hardware configuration and system hosting sales agreements having a total contract value approximating $558,000 of which $252,000 was recognized in the quarter with the remainder to be recognized over approximately two and a half years as services are delivered.

For the three months ended September 30, 2012, two customers each accounted for more than 10% of total revenue, and together represent approximately 82% of total revenue, and for the nine months ended September 30, 2012, three customers each accounted for more than 10% of total revenue, and together represent approximately 84% of total revenue.

Gross margin

Gross margin as a percent of revenue increased to 76% from (5%) for the three months ended September 30, 2012 and 2011, respectively, and to 64% from 23% for the nine months ended September 30, 2012 and 2011, respectively. These increases are attributable to the combination of increased revenue and decreased direct operating expenses. A significant increase in non-recurring custom development and hardware configuration related revenue combined with a nominal associated increase in expenditures required to deliver these services had a significant positive impact on gross margin in the third quarter of 2012. Also contributing to the increase in gross margin on a year to date basis in 2012 was an increase in US-based StreetScape licence revenue recognized related to contracts delivered late in fiscal 2011 for which a portion of revenue is being recognized over the multi-year terms of these agreements, but for which the related cost of image capture was incurred in fiscal 2011. On a year to date basis, new US-based contracts have decreased significantly in 2012 compared to 2011, resulting in significantly lower image capture costs in 2012. Further contributing to the increased gross margin is a decrease in royalty expense primarily attributable to the cancellation of services of a Canadian licensee in the third quarter of 2011 which entailed royalties.

Comprehensive income (loss)

The Company achieved comprehensive income of $24,233 for the three months ended September 30, 2012 as compared to a comprehensive loss of $(634,422) for the same period in 2011. Comprehensive loss decreased from $(1,584,976) to $(571,043) for the nine months ended September 30, 2012 compared to the same period of 2011. These improvements are primarily attributable to the revenue increases and direct operating expense decreases discussed above in the sections entitled *"Revenue"* and *"Gross Margin"*, in addition to a significant decrease in selling costs resulting from the elimination of a sales position, and reduced but more targeted participation in tradeshows and other marketing activities. These positive movements were offset somewhat by accrued but unpaid dividends on the Preference Shares; interest expense on a term credit facility and the financing of a software licence established in 2012; and an increase in bad debt expense due to a decision made by the Company in the third quarter of 2012 to provide a full allowance on one customer account that had previously been partially allowed for.

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 data capture. As the Company's image capture activity to date has primarily been focused in Canada, the northeastern region of the US and the UK, the majority of costs associated with image capture are incurred in the second and third quarters of the year. Should the Company expand its image capture to the southern US, the impact of seasonality on image capture will be less significant.

Outstanding Share Data

		September 30, 2012		December 31, 2011	
	Expiry date	**Issued**	**Amount**	**Issued**	**Amount**
Issued:					
Common shares		40,745,417	$ 8,443,687	40,710,417	$ 8,428,961
Preference shares		750,000	139,468	-	-
Share purchase warrants:					
$1.00 warrants	April 1/13	6,567,500	2,649,239	6,567,500	2,242,054
		6,567,500	2,649,239	6,567,500	2,242,054
Share capital and warrant capital		48,062,917	$ 11,232,394	47,277,917	$ 10,671,015

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series, of which an unlimited number of Series 1 Preference Shares (the "*Preference Shares*") have been created. As at November 22, 2012, the Company's issued and outstanding capital consisted of 40,964,535 common shares (December 31, 2011 – 40,710,417) and 750,000 Preference Shares (December 31, 2011 –nil). In October 2012, the Company issued 219,118 common shares to settle $39,442 of accrued but unpaid dividends on its Preference Shares.

As at the date of this MD&A, a total of 8,943,631 options and warrants to purchase common shares were outstanding, exercisable at prices ranging from $0.12 to $1.00 per share. Subsequent to September 30, 2012 and prior to the date of this MD&A, 175,000 options expired unexercised.

Liquidity, Financing Activities and Capital Resources

Series 1 Preference Shares:

In March 2012, the Company issued 750,000 Preference Shares at a subscription price of $1.00 per share. These Preference Shares carry a cumulative dividend rate of 12% per annum and are convertible into common shares and warrants at the option of the holder, subject to certain conversion requirements. These Preference Shares are treated as a compound financial instrument under IFRS, due to the redemption feature described below.

The key terms of the Preference Shares include the following:

- Redemption Amount of $1.00 per share;
- Fixed preferential cumulative dividends at a rate of 12% per annum, which dividends may be satisfied by the issuance of the common shares in certain circumstances at the option of the holder;
- Convertible at the option of the holder at a conversion rate of 1/0.31 (being approximately 3.226) Units per share until the third anniversary of the issuance of these shares, subject to certain earlier conversion requirements and later conversion rights in specified circumstances;
- Each Unit consists 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, which warrants are exercisable until the last business day preceding the fifth anniversary of the issuance of the Preference Shares, subject to certain earlier exercise requirements in specified circumstances; and
- Redeemable after the third anniversary of the issuance of such date at the option of the Company or the holder.

In June 2012, the Company announced that it does not meet the requirements under the Ontario *Business Corporations Act* to declare or pay the cumulative dividends on the Preference Shares that would otherwise have been payable on June 30th and September 30th , 2012. At that time it also announced that it intends to reinvest its available cash resources, in excess of its operating and capital needs, over the twelve months following June 2012 to support its business development and growth initiatives, and as such, no dividends will be declared on any of the Company's shares, including the Preference Shares, until at least June 2013.

On October 2, 2012, holders of 645,000 Preference Shares exercised their option to have accrued but unpaid dividends of $39,442 on such Preference Shares satisfied by the issuance of 219,188 common shares, which common shares were issued on October 11, 2012.

Secured term credit facility:

The Company has a term credit facility ("*Credit Facility*") which allows the Company to draw up to $2,000,000. The facility provides for the distribution of the financing in 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.

Key terms of the credit facility include the following:

- Principal of $2,000,000 to be released in three disbursements of $600,000, $500,000 and $900,000;
- Disbursements are to be triggered by the achievement of pre-determined sales and financial performance milestones;
- Acceptance of triggered disbursements is at the option of the Company;
- Interest at the rate of 5% per annum, payable monthly;
- Maturity date of April 15, 2016;

- Bonus interest payment, to be calculated and paid at maturity, based on the Company's financial performance in the final two fiscal years of the Credit Facility;
- Provides for monthly interest only. All principal amounts are due and payable at maturity or earlier in the event of default; and
- The credit facility is collateralized by a first ranking general security agreement covering all assets of the Company and a first assignment of keyman life insurance of up to $2 million.

Debt financing of software licence:

In April 2012, the Company executed a financing agreement to finance a software licence in the amount of $354,820. This financing arrangement requires equal monthly payments of $16,361 over a two year term.

Other discussion – liquidity, financing and capital resources:

The Company has a history of operating losses with an accumulated deficit of $12,634,110 (December 31, 2011 - $11,998,396); shareholders' deficiency of $753,549 (December 31, 2011 – $389,539) and working capital surplus (deficiency) of $430,699 (December 31, 2011 –$(293,534)).

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures"*), defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities, was $926,952 as at September 30, 2012 (December 31, 2011 - $112,597). The table below presents a reconciliation of working capital (GAAP measure) to Adjusted Working Capital (non-GAAP).

		September 30, 2012		December 31, 2011
Working Capital (GAAP measure)	$	430,699	$	(293,534)
Less: Prepaid expenses and other current assets		(175,753)		(179,903)
Add: Unearned revenue, current portion		672,006		586,034
Adjusted Working Capital (Non-GAAP measure)	**$**	**926,952**	**$**	**112,597**

Cash flows provided by (used in) operating, financing and investing activities for the three and nine months ended September 30, 2012 and 2011 are presented below.

Cash flow provided by (used in)	Three months ended September 30, 2012	Three months ended September 30, 2011
Operating activities	$(211,984)	$(116,689)
Financing activities	$(41,286)	$(5,781)
Investing activities	$(7,579)	$134,522

Cash flow provided by (used in)	Nine months ended September 30, 2012	Nine months ended September 30, 2011
Operating activities	$(505,483)	$(412,025)
Financing activities	$1,196,966	$(9,206)
Investing activities	$(19,906)	$871,721

Despite the improved results from operations on a year over year basis, this did not translate into improvements in cash flow used in operations. As the results of operations are not measured on a cash basis, positive movements of the gross margin, net income (loss) and comprehensive income (loss) will not necessarily translate to increases in cash provided by operations in the same reporting period.

In accordance with financial reporting standards, revenue is generally recognized as service is delivered, whereas expenses are generally recognized as incurred. In 2011, the Company had a greater proportion of agreements initiated where expense was incurred at the outset of the agreement, with revenue recognition to occur over several years. This provides for less profitable results of operations in the early portion of the agreement and more profitable results of operations in the latter portion. In 2012, a greater proportion of sales agreements are for services where revenue recognized is more closely matched to when the related expenditures are incurred.

Also in 2011 as compared to 2012, the Company received significantly more payments in advance of service delivery (i.e. unearned revenue), in many cases payment for a multi-year term at the outset of the agreement, This change is due to the combination of a shift in customer composition and in the nature of services being provided.

The Company's ability to continue operations is dependent on, but not limited to, Management's ability to successfully execute its business plan, including a substantial increase in revenue while maintaining an appropriate level of expenses and retaining key personnel. To support the Company's development and continued operations and to continue to meet the Company's liabilities and commitments as they become due, the Company must raise additional funds through operating revenues and/or financing activities. To trigger the release of the second and third disbursement of funds available under the Credit Facility, the Company must meet pre-determined sales and financial performance milestones. Further, the Company must continue to maintain pre-determined financial ratios which represent ongoing funding requirements of the Credit Facility.

Commitments and Contingent Liabilities

The Company is committed to minimum payments under operating leases for a vehicle and premises in the following amounts:

As at	September 30, 2012	December 31, 2011
Due within 1 year	$ 115,654	$ 119,532
Due from 1 to 5 years	75,464	162,444
Due thereafter	-	-

The interest bonus payment related to the Credit Facility (see section entitled "*Liquidity, Financing Activities and Capital Resources*") represents a contingent liability, as it will be calculated based on future events that are currently not determinable, including the amount of total disbursements under the credit facility and sales and financial performance of the Company over the final two years of the Credit Facility.

The Company does not currently have any capital expenditure commitments.

Off Balance Sheet Arrangements

Off balance sheet arrangements include items 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. As at September 30, 2012, iLOOKABOUT had no off balance sheet arrangements, other than the commitments and contingent liabilities disclosed above.

Financial Instruments

iLOOKABOUT's financial instruments held as at September 30, 2012, are described in the table below. Management does not believe that these financial instruments expose iLOOKABOUT to any significant interest, currency or credit risks.

Financial instrument	Financial statement classification	Income, expense, gains and losses for the nine months ended September 30, 2012
Cash and cash equivalents	Cash and cash equivalents	Foreign exchange loss of $5,434
Trade and other receivables	Trade and other receivables	Bad debt expense of $66,000
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	Nil
Finance lease liability	Finance lease liability	Nominal interest for the period
Software financing	Long-term debt, and current portion of long-term debt	Interest expense of $13,560
Secured term credit facility	Long-term debt	Interest expense of$14,452; deferred financing cost accretion of $6,305
Debt component of convertible preference shares	Long-term debt	Interest expense of $45,000; deferred financing cost accretion of $3,658

All financial instruments are measured at fair value on initial recognition. The carrying amounts of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

The fair value of the Credit Facility was determined by present valuing the expected cash inflows and outflows associated with this financial instrument, including loan disbursements, interest, expected bonus payment at maturity and principal repayment. Key assumptions in this analysis included the discount rate, which was determined to be 19%, expected amount and timing of loan disbursements, and projected revenue and earnings before interest, tax, depreciation and amortization for the last two fiscal years of the Credit Facility, as these amounts are components of the calculation of the bonus payment due at maturity.

The fair value of the debt component of the Preference Shares was determined by present valuing the expected cash inflows and outflows associated with this financial instrument. Key assumptions in this analysis included the discount rate, which was determined to be 19%, expected timing of cash dividend payments, and expected amount and timing of redemption.

At the inception of the financing arrangement relating to the software licence, the Company recognized a liability at an amount equal to the estimated fair value of the payments based on the borrowing rate implicit in the agreement, which the Company determined to be 9.93%.

Transactions with Related Parties

One of the premises occupied by the Company is rented on an annual basis from a company which is partially owned by an officer and director of the Company. The Company paid rent of $3,000 and $9,000 to the related company in the three month and nine month periods ended September 30, 2012, respectively.

These transactions are in the normal course of operations and are disclosed at the exchange amount, being the amount of consideration established and agreed to by the related parties.

The Company has initiated proceedings to dissolve iLOOKABOUT (Global) Inc., an inactive subsidiary.

Changes in Accounting Policies

IFRS 7, Financial Instruments: Disclosures

In October 2010, the IASB amended IFRS 7, Financial Instruments: Disclosures ("IFRS 7"). This amendment enhances disclosure requirements to aid financial statement users in evaluating the nature of, and risks associated with an entity's continuing involvement in derecognized financial assets. This amendment is effective for the Company's interim and annual consolidated financial statements commencing January 1, 2012. Management has assessed the impact of this amendment and determined there is no impact on the Company's interim financial statements.

Future Accounting Policy Changes

The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards that have not been applied in preparing the Company's Interim Financial Statements. Unless otherwise indicated, the following accounting pronouncements are required to be applied beginning on or after January 1, 2013. Refer to pages 18 and 19 of the Company's 2011 MD&A and note 4(t) of the Company's audited consolidated financial statements for the year ended December 31, 2011, for a brief description of each accounting pronouncement. The Company is assessing the impact of the following accounting pronouncements on its consolidated financial statements:

- IFRS 10, Consolidated Financial Statements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 1, Presentation of Financial Statements
- IAS 27, Separate Financial Statements
- IFRS 9, Financial Instruments

In addition, in May 2012, the IASB published *Annual Improvements to IFRSs* – 2009-2011 Cycle as part of its annual improvements process to make non-urgent but necessary amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2013, with retrospective application permitted.

The new cycle of improvements contains amendments to the following four standards (excluding IFRS 1) with consequential amendments to other standards and interpretations.

- IAS 1 *Presentation of Financial Statements*
  - Comparative information beyond minimum requirements
  - Presentation of the opening statement of financial position
- IAS 16 *Property, Plant and Equipment*
  - Classification of servicing equipment
- IAS 32 *Financial Instruments: Presentation*
  - Income tax consequences of distributions
- IAS 34 *Interim Financial Reporting*
  - Segment assets and liabilities

The Company intends to adopt the amendments to the standards in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of the amendments has not yet been determined.

Risk Factors

Significant risks that could materially affect iLOOKABOUT's future financial and/or operating results are contained in the Company's Annual Information Form that can be found on SEDAR at www.sedar.com.

Significant doubt exists as to whether the Company will be able to execute on its business plan as currently contemplated or that cash generated from operations will be sufficient to satisfy liquidity requirements. No assurance can be given at this time that new sources of operating revenue will be secured or that additional equity or debt financing will be available or, if available, such financing can be obtained on terms favourable to the Company.

Further discussion with respect to the above noted risks is contained in the section entitled *"Liquidity, Financing Activities and Capital Resources"*.

Use of Non-GAAP Financial Measures

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

Management believes that Adjusted Working Capital, calculated as current financial assets less current financial liabilities, provides more meaningful information with respect to the liquidity of the Company.

Forward-Looking Statements

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

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company's stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company's dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Additional information about some of these risk factors can be found in the Company's Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to iLOOKABOUT, including the Company's 2011 Consolidated Financial Statements and Annual Information Form, may be found on SEDAR at www.sedar.com.