iLOOKABOUT Corp.

Consolidated Financial Statements

For the years ended December 31, 2017 and 2016

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of iLOOKABOUT Corp.

We have audited the accompanying consolidated financial statements of iLOOKABOUT Corp., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

KPMG

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of iLOOKABOUT Corp. as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

April 27, 2018

iLOOKABOUT Corp.
Consolidated Statements of Financial Position
(in Canadian dollars)

As at	Note	December 31, 2017		December 31, 2016	
Assets					
Current Assets:					
Cash		$	7,139,614	$	2,221,432
Trade and other receivables, net			798,130		677,125
Prepaid expenses and other current assets			204,829		163,575
			8,142,573		3,062,132
Non-current Assets:					
Equipment	*4*		355,564		429,736
Intangible assets	*5*		1,628,484		1,851,643
			1,984,048		2,281,379
Total Assets		$	10,126,621	$	5,343,511
Liabilities and Shareholders' Equity					
Current Liabilities:					
Accounts payable and accrued liabilities		$	1,566,660	$	1,205,631
Unearned revenue			844,838		980,084
Current portion of long-term debt	*7*		11,523		10,947
			2,423,021		2,196,662
Non-current Liabilities:					
Unearned revenue			283,692		531,228
Long-term debt	*7*		6,543		18,066
			290,235		549,294
Shareholders' Equity			7,413,365		2,597,555
Commitments	*18*				
Subsequent events	*21*				
Total Liabilities and Shareholders' Equity		$	10,126,621	$	5,343,511

The accompanying notes are an integral part of these consolidated financial statements.

iLOOKABOUT Corp.
Consolidated Statements of Comprehensive Loss
(in Canadian dollars)

	Note	Years ended December 31, 2017	Years ended December 31, 2016
Revenue	*10, 12*	$ 9,403,347	$ 8,790,956
Direct operating expenses		3,231,830	3,608,699
Gross margin		6,171,517	5,182,257
Other operating expenses:			
Technology		1,707,114	1,564,395
Selling and business development		892,601	1,074,666
General and administration		3,918,850	3,006,167
		6,518,565	5,645,228
Loss from operations		(347,048)	(462,971)
Finance income (costs)	*15*	24,201	(15,300)
Foreign exchange loss		(111,889)	(19,088)
Loss for the year		$ (434,736)	$ (497,359)
Other comprehensive income:			
Items that will not be reclassified to loss for the year:			
Foreign exchange gain on the translation of foreign operations		63,926	20,719
Comprehensive loss for the year		**$ (370,810)**	**$ (476,640)**
Weighted average number of common shares			
Basic and diluted	*16*	76,576,367	60,563,784
Loss per share			
Basic and diluted	*16*	$ (0.01)	$ (0.01)

The accompanying notes are an integral part of these consolidated financial statements.

iLOOKABOUT Corp.
Consolidated Statements of Changes in Shareholders' Equity
(in Canadian dollars)

Year ended December 31, 2017

	Note	Common share capital	Warrant capital	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at December 31, 2016		$ 13,302,626	$ 338,077	$ 5,424,757	$ (16,144,245)	$ (323,660)	$ 2,597,555
Loss for the year		-	-	-	(434,736)	-	(434,736)
Other comprehensive income:							
Foreign exchange gain on the translation of foreign operations		-	-	-	-	63,926	63,926
Comprehensive loss for the year		-	-	-	(434,736)	63,926	(370,810)
Issuance of common shares and warrants	*8 (a)*	4,423,773	133,423	-	-	-	4,557,196
Warrants exercised	*8 (c)*	290,194	(68,044)	-	-	-	222,150
Warrants expired	*8 (d)*	-	(97,554)	97,554	-	-	-
Options exercised	*8 (e)*	52,031		(25,031)	-	-	27,000
Share-based compensation	*14*	-	-	380,274	-	-	380,274
Balance at December 31, 2017		$ 18,068,624	$ 305,902	$ 5,877,554	$ (16,578,981)	$ (259,734)	$ 7,413,365

Year ended December 31, 2016

	Note	Common share capital	Warrant capital	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at December 31, 2015		$ 13,173,500	$ 717,230	$ 4,558,722	$ (15,646,886)	$ (344,379)	$ 2,458,187
Loss for the year		-	-	-	(497,359)	-	(497,359)
Other comprehensive loss:							
Foreign exchange gain on the translation of foreign operations		-	-	-	-	20,719	20,719
Comprehensive loss for the year		-	-	-	(497,359)	20,719	(476,640)
Issuance of common shares	*8 (b)*	111,781	96,319	-	-	-	208,100
Warrants expired	*8 (d)*	-	(475,472)	475,472	-	-	-
Options exercised	*8 (e)*	17,345	-	(8,345)	-	-	9,000
Share-based compensation	*14*	-	-	398,908	-	-	398,908
Balance at December 31, 2016		$ 13,302,626	$ 338,077	$ 5,424,757	$ (16,144,245)	$ (323,660)	$ 2,597,555

The accompanying notes are an integral part of these consolidated financial statements.

iLOOKABOUT Corp.
Consolidated Statements of Cash Flows
(in Canadian dollars)

	Note	Years ended December 31, 2017	December 31, 2016
Cash flows from operating activities			
Loss for the year		$ (434,736)	$ (497,359)
Adjustments for:			
Loss on disposal of equipment	*4*	43,940	8,528
Loss (gain) on disposal of intangible assets	*5*	229	(387)
Amortization of equipment	*4*	107,814	149,349
Amortization of intangible assets	*5*	231,993	232,170
Unrealized foreign exchange loss		121,307	16,618
Finance (income) costs	*15*	(24,201)	15,300
Share-based compensation expense	*14*	380,274	398,908
		426,620	323,127
Changes in non-cash operating assets and liabilities	*17*	(254,721)	1,499
		171,899	324,626
Interest paid		(1,409)	(178,033)
Interest received		25,610	335
Tax credits received	*13 (a)*	70,709	60,924
Cash provided by operating activities		266,809	207,852
Cash flows from financing activities			
Repayment of secured term credit facility		-	(600,000)
Repayment of debt financing of vehicles	*7*	(10,947)	(10,312)
Proceeds from issuance of common shares and warrants	*8 (a)*	4,557,196	208,100
Proceeds from warrants exercised	*8 (c)*	222,150	-
Proceeds from options exercised	*8 (e)*	27,000	9,000
Cash provided by (used in) financing activities		4,795,399	(393,212)
Cash flows from investing activities			
Purchase of equipment	*4*	(78,832)	(203,947)
Proceeds on disposal of equipment	*4*	1,250	10,410
Purchase of intangible asset	*5*	(9,063)	(4,816)
Proceeds on disposal of intangible assets	*5*	-	775
Cash used in investing activities		(86,645)	(197,578)
Increase (Decrease) in cash for the period		4,975,563	(382,938)
Effect of exchange rate fluctuations on cash		(57,381)	4,101
Cash - beginning of period		2,221,432	2,600,269
Cash - end of period		$ 7,139,614	$ 2,221,432

The accompanying notes are an integral part of these consolidated financial statements.

(in Canadian dollars)

1. Corporate Information

iLOOKABOUT (the ñCompanyò) 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 Companyôs principle place of business is located at 383 Richmond Street, Suite 408, London, Ontario, Canada.

The Companyôs shares are traded in Canada on the TSX Venture Exchange (ñTSX-Vò) under the symbol ILA.

The consolidated financial statements comprise the subsidiaries presented below.

Subsidiary[1]	Voting Securities	Jurisdiction of Incorporation	Year End
iLOOKABOUT Inc.	100%	Ontario	December 31
iLOOKABOUT (US) Inc.	100%	Delaware	December 31
Municipal Tax Advisory Group Inc.	100%	Ontario	December 31
MTAG Paralegal Professional Corporation[2]	0%	Ontario	December 31

Note:
1. Subsidiaries are legal entities controlled by the Company. Control exists when the Company has power to direct the relevant activities of an entity and is exposed to or has rights to variable returns from its involvement with the entity. In certain circumstances, the Company may have control over an entity in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations.
2. As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. While the Company does not have any voting rights in this entity, the Company controls the entity through contractual arrangements.

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared by management in compliance with International Financial Reporting Standards (ñIFRSò), as issued by the International Accounting Standards Board (ñIASBò).

These consolidated financial statements for the years ended December 31, 2017 and 2016 were authorized for issuance by the Board of Directors of the Company on April 27, 2018.

(Note 2 - continued)

(b) Basis of measurement

These consolidated financial statements are prepared mainly on the historical cost basis. Other measurement bases used are described in the applicable notes.

The consolidated statements of comprehensive loss are presented using the functional classification for expenses.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars (ñCADò), which is the Companyøs functional currency. Functional currency is also determined for each of the Companyøs subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency.

(d) Use of estimates and judgements

Critical accounting estimates

The preparation of these consolidated financial statements requires management to apply judgement when making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ materially from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Key areas of estimation are as follows:

Revenue recognition

Revenue from sales arrangements that include multiple elements is allocated amongst the separately identifiable components based on the relative fair value of the components included in the arrangement. In order to allocate the total revenue from an arrangement with multiple elements, management is required to estimate the fair value of each of those elements. These estimates can affect the timing of revenue recognition over the term of the sales arrangement.

Non-monetary transactions

In order to account for non-monetary transactions, Management is required to make certain estimates in the determination of the fair values of goods/services received by and/or goods/services provided by the Company. These fair value estimates can affect the amount and timing of revenue and expense recognition resulting from non-monetary transactions.

Share-based compensation

Management is required to make certain estimates and assumptions when determining the grant date fair value of stock option awards and the number of awards that are expected to vest. Fair value is determined using the Black-Scholes option pricing model. Estimates are made with respect to expected share volatility and expected life.

Warrants

Management is required to make certain estimates and assumptions when determining the fair value of warrants. Fair value is determined using the Black-Scholes option pricing model. Estimates are made with respect to inputs to the Black-Scholes option pricing model including expected share volatility and expected life.

(Note 2 - continued)

Intangible assets

Management is required to make certain estimates related to the expected useful lives of intangible assets, upon which amortization for those assets are based.

Impairment of non-financial assets

When the Company identifies indicators of a potential impairment of non-financial assets, analysis is performed to estimate the recoverable amount of such assets. The recoverable amount of an asset or Cash Generating Unit (ñCGUò) is the greater of its value in use and its fair value less costs to sell. In calculating the value in use, the Company uses expected future cash flows which are discounted using a rate specific to the asset or CGU. Significant estimates used in the preparation of the value in use calculation include future cash flows and projections, estimates of achieving specific operating results, estimates of future capital expenditures and the weighted average cost of capital used to discount the future cash flows.

Critical judgements in applying accounting policies

In the preparation of these consolidated financial statements management has made judgements, aside from those that involve estimates, in the process of applying the accounting policies. These judgements can have an affect on the amounts recognized in the financial statements.

Revenue recognition

Management must use judgement in determining whether the Company is acting as an agent or principal in a transaction based on an evaluation of risks and responsibilities taken by the Company. Judgement is required in each applicable revenue arrangement and all relevant facts and circumstances must be considered.

Management must also use judgement in determining whether components within a revenue arrangement have stand alone value.

Income tax

Management is required to apply judgement in determining whether it is probable that deferred income tax assets will be realized. At December 31, 2017 and 2016, management had determined that future realization of its deferred income tax assets did not meet the threshold of being probable, and as such, has not recognized any deferred income tax assets in the consolidated statements of financial position.

In addition, the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgements in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Accounts receivable

Management is required to use judgement in assessing the collectability of accounts receivable. Factors considered in making theses judgements include, but are not limited to, age of the receivable, payment history and financial condition of the debtor.

(Note 2 - continued)

Impairment of non-financial assets

Management exercises judgement in assessing whether there are indications that an asset may be impaired. Factors considered include whether an active market exists for the output produced by the asset or group of assets, as well as how management monitors and makes decisions about the Companyôs operations. Management must also use judgement in regularly assessing whether any previously recorded impairment losses should be reversed.

Cash Generating Units

Cash Generating Units (ñCGUsò) are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors operations.

3. Significant Accounting Policies

The significant accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The accounting policies have been consistently applied by the Companyôs subsidiaries.

(a) Revenue recognition

The Company earns revenue primarily from customer subscriptions to access real property related data and imagery, customer subscriptions for the use of the Companyôs related web-based applications, data commercialization and other related services. The Company also generates revenue from the provision of professional services.

The services and products offered by the Company can be sold on a stand alone basis or in a sales arrangement containing multiple elements.

Subscription and transaction based revenue is primarily generated from the delivery of geo-coded, street-level images, related data and access to real property web-based applications. This revenue is recognized as service is delivered, when persuasive evidence of an arrangement exists, the fee is fixed and determinable and collection is considered probable. Revenue for long term licensing contracts is generally recognized over the life of the contract, in accordance with contract terms, as service is provided. Transaction based revenue is recognized as transactions are completed and service is provided.

Revenue related to professional services is recognized as service is delivered, when persuasive evidence of an arrangement exists, the amount of revenue can be measured reliably, and collection is considered probable.

(Note 3 - continued)

Revenue from sales arrangements that include multiple components is allocated amongst the components based on the relative fair value of the components included in the arrangement. An element is considered to be separately identifiable if the service delivered has stand-alone value to the customer and the fair value can be measured reliably. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting. The amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole. The fair value of each component is based on a hierarchy of (1) vendor specific objective evidence (ñVSOEò) of selling price, if available, (2) third-party evidence (ñTPEò) of selling price, if VSOE is unavailable, and (3) the cost-plus-margin (ñCPMò) method if neither VSOE nor TPE is available.

Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as unearned revenue.

(b) Financial instruments – non-derivative

(i) Initial recognition

The Company recognizes loans and receivables on the date that they originate. All other financial assets and financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All of the Companyôs financial assets are classified as loans and receivables. Under IFRS, loans and receivables are defined as financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value less any directly attributable transaction costs.

All of the Companyôs financial liabilities are classified as other liabilities. Other liabilities are recognized initially at fair value less any directly attributable transaction costs.

(ii) Measurement

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method less any impairment losses. Loans and receivables comprise cash and trade and other receivables.

Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Accounts payable, accrued liabilities, and long-term debt are classified as other liabilities.

(iii) Offsetting policy

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

(iv) De-recognition policy

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(Note 3 - continued)

(v) Impairment

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative affect on the estimated future cash flow of that asset that can be estimated reliably. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset is measured at amortized cost, calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assetӧs original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for managementӧs judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Losses are recognized in the statements of comprehensive loss and reflected as an allowance account against trade and other receivables.

(c) Equipment

Equipment is stated at cost less accumulated amortization. Cost includes expenditures that are directly attributable to the acquisition of the asset. When significant parts of an item of equipment have different useful lives, those components are accounted for as separate items of equipment and amortized separately.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized in profit or loss.

Equipment is amortized over the estimated useful life of the asset based on the following:

Asset	Rate	Method of Amortization	Recorded as
Computer hardware	30%	Declining balance	Direct operating expenses
Equipment ï StreetScape Imaging	2-4 years	Straight-line	Direct operating expenses
Furniture and equipment	20%	Declining balance	General and administration expenses
Leasehold improvements	lease term	Straight-line	General and administration expenses
Vehicles	30%	Declining balance	Direct operating expenses

In the year of acquisition, a half-year of amortization is recorded.

Management reviews amortization methods and rates annually and adjusts amortization accordingly on a prospective basis.

(Note 3 - continued)

(d) Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Intangible assets include Real Property Tax Analytics software and Realty Tax Management software (the ñSoftwareò) purchased in February 2015. Amortization is recorded in direct operating expenses on a straight-line basis over ten years, which corresponds to the expected useful life of the Software.

Annually, Management assesses the appropriateness of the estimated useful life and amortization method.

(e) Impairment of non-financial assets

At each reporting date, the Companyôs non-financial assets, such as equipment and intangible assets, are reviewed to determine whether there is an indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

At each reporting date, Management assesses whether there is an indication that a previously recognised impairment loss has reversed, and accordingly whether the impairment loss should be reversed.

The recoverable amount of an asset or CGU is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been recorded had no impairment losses been recognized for the asset in prior years

(f) Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred, unless certain criteria are met for recognition as an intangible asset. Software development costs incurred prior to establishment of technological feasibility do not meet these criteria. To date, the Company has not recognized any development costs as intangible assets.

(Note 3 - continued)

(g) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized through profit or loss unless they arise from business combinations or items charged directly to equity or in other comprehensive income (loss).

Current tax is the expected taxes payable or receivable within the following twelve months and is based on taxable income or loss using tax rates enacted or substantively enacted at the reporting date, combined with any adjustments to taxes payable in respect of previous years.

Deferred tax assets and liabilities are recognized based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levies by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced when, in managementôs judgement, it is no longer probable that the related tax benefit will be realized.

(h) Short-term employee benefits

Short-term employee benefit obligations including wages, benefits and bonuses, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid in relation to bonuses if the Company has a present legal or constructive obligation to pay this amount as a result of past service by the employee and the obligation can be estimated readily.

(i) Investment tax credits and government assistance

The Company applies for investment tax credits in relation to scientific research and experimental development expenditures incurred, as well as product commercialization. The Company also applies for government grants. When the Company has reasonable assurance that the funding will be received, the amount can be reasonably estimated and when the Company has complied with conditions of the funding, they are accounted for as a reduction in the related expenditure.

(j) Lease payments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in profit or loss as the payments become due.

(k) Finance income and finance costs

Finance income comprises interest income and finance costs comprise interest on long-term debt which are recognized in profit (loss) as they accrue using the effective interest method.

(Note 3 - continued)

(l) Foreign currency translation

Transactions denominated in a foreign currency are translated into Canadian dollars using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars at the rates of exchange in effect at each reporting date. Foreign exchange gains and losses are recognized in profit or loss.

Assets and liabilities of a foreign operation that has a functional currency other than the Canadian dollar are translated into Canadian dollars at the reporting date exchange rate, and transactions are translated using the exchange rate prevailing at the dates of the transaction. All resulting changes are recognized in other comprehensive income (loss) in the translation reserve in shareholdersô equity.

(m) Share-based compensation

Stock options

All stock options granted to employees, directors and contractors are settled with common shares of the Company. The expense and corresponding increase in contributed surplus in shareholdersô equity are determined based on the grant date fair value of the award and recognized using the graded method over the period that the employees unconditionally become entitled to the awards. Upon the exercise of the option, consideration received, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no adjustment for the difference between expected and actual outcomes.

Stock options issued to contractors are measured based on the fair value of the goods and services received unless that fair value cannot be estimated reliably. If the fair value of the goods and services cannot be reliably measured, then the fair value of the equity instruments granted will be used to recognize the expense.

Deferred Share Units

The Company has a Directorsô Deferred Share Unit Plan for its non-management directors. As the Company has the option and intent to settle the Deferred Share Units (ñDSUsò) in common shares upon the retirement of a director, upon the grant of DSUs the Company records an expense with a corresponding increase to contributed surplus.

(n) Loss per share

The Company presents basic and diluted loss per share data. Basic loss per share is calculated by dividing loss for the year by the weighted average number of shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. When a loss is incurred, basic and diluted loss per share are the same because the exercise of options and warrants are anti-dilutive.

(Note 3 - continued)

(o) New accounting policy adopted

In July 2017, the Company adopted the following accounting policy.

Non-monetary transactions

Revenue and expense are recognized by the Company when goods or services are provided in exchange for dissimilar goods or services. Revenue is measured at the fair value of the goods or services received, adjusted by any cash or cash equivalents received or paid, unless the fair value cannot be measured reliably. In such cases, the revenue is measured at the fair value of the goods or services given up, adjusted by any cash or cash equivalents received or paid. These fair value estimates can affect the amount and timing of revenue and expense recognition resulting from non-monetary transactions.

(p) 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, 2017, 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 Construction Contracts, IAS 18 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.

(Note 3 - continued)

The Company will have the option to either:

- apply IFRS 15 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 15 as an adjustment to opening equity at the date of initial application.

The Company expects that it will apply IFRS 15 with full retrospective effect.

The Company is executing an implementation plan to select and apply the appropriate accounting policies, estimates and judgments required to adopt IFRS 15. The implementation plan includes analysis of the Companyôs revenue contracts to apply the appropriate accounting treatment and to implement any changes required to business processes, systems and internal controls upon adoption of IFRS 15. Although Management is in the final stages of implementation, a reliable estimate of the final overall impact of IFRS 15 on the Companyôs consolidated financial statements cannot be made. However, Management has determined that the quantitative impact is likely to be significant. Additional disclosure with respect to the nature of revenue and the status of performance obligations is also expected.

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.

(in Canadian dollars)

4. Equipment

	Computer hardware	Equipment – Imagery	Furniture and equipment	Leasehold improvements	Vehicles	Total
Cost						
Balance at December 31, 2015	1,044,064	424,957	159,194	70,179	151,028	1,849,422
Additions	44,628	-	55,548	103,771	-	203,947
Disposals	(1,731)	(679)	-	-	(56,091)	(58,501)
Balance at December 31, 2016	1,086,961	424,278	214,742	173,950	94,937	1,994,868
Additions	19,939	735	54,758	3,400	-	78,832
Disposals	(567,341)	(3,947)	(90,629)	(19,169)	-	(681,086)
Balance at December 31, 2017	$ 539,559	$ 421,066	$ 178,871	$ 158,181	$ 94,937	$ 1,392,614
Amortization						
Balance at December 31, 2015	806,953	386,947	120,886	54,389	86,171	1,455,346
Amortization	77,720	29,066	13,216	14,677	14,670	149,349
Disposals	(1,072)	(594)	-	-	(37,897)	(39,563)
Balance at December 31, 2016	883,601	415,419	134,102	69,066	62,944	1,565,132
Amortization	58,900	9,042	21,556	8,718	9,598	107,814
Disposals	(538,259)	(3,947)	(81,971)	(11,719)	-	(635,896)
Balance at December 31, 2017	404,242	420,514	73,687	66,065	72,542	1,037,050
Carrying amounts						
At December 31, 2017	135,317	552	105,184	92,116	22,395	355,564
At December 31, 2016	203,360	8,859	80,640	104,884	31,993	429,736

(in Canadian dollars)

5. Intangible assets

Cost		
At December 31, 2015	$	2,404,699
Additions		4,816
Disposal		(775)
At December 31, 2016	$	2,408,740
Additions		9,063
Disposal		(4,050)
At December 31, 2017	$	2,413,753

Accumulated Amortization and Impairment Loss		
At December 31, 2015	$	325,314
Amortization		232,170
Disposal		(387)
At December 31, 2016	$	557,097
Amortization		231,993
Disposal		(3,821)
At December 31, 2017	$	785,269

Carrying amounts		
At December 31, 2017	$	1,628,484
At December 31, 2016		1,851,643

6. Income taxes

The components of income tax expense (benefit) for the years ended December 31, 2017 and 2016 were as follows:

		Year ended December 31, 2017		**Year ended December 31, 2016**
Current tax expense	$	-	$	-
Deferred tax expense (benefit)				
Origination and reversal of temporary differences	$	51,000	$	10,000
Change in unrecognized deductible temporary differences		367,500		81,900
Other		(418,500)		(91,900)
Deferred tax benefit	$	-	$	-

(in Canadian dollars)

(Note 6 - continued)

The recovery of income tax differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate to the comprehensive loss before income taxes for reasons as follows:

		Year ended December 31, 2017		Year ended December 31, 2016
Statutory income tax rate		26.50%		26.50%
Comprehensive loss	$	(370,810)	$	(476,640)
Computed income tax expense (recovery)	$	(98,300)	$	(126,300)
Increase (decrease) in income tax resulting from:				
Amounts not deductible for tax		154,400		141,400
Change in unrecognized deductible temporary differences		367,500		81,900
Other		(423,600)		(97,000)
Income tax expense	$	-	$	-

As at December 31, 2017 and 2016, deferred tax assets have not been recognized in respect of the following items:

		December 31, 2017		December 31, 2016
Non-capital losses	$	1,580,400	$	1,848,600
Deductible temporary differences		2,510,000		1,811,300
	$	4,090,400	$	3,659,900

In assessing the ability to realize the benefit of the deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. Management considers the likelihood of future profitability, the character of the deferred tax assets and available tax planning strategies in making this assessment. To the extent that management believes it is probable the deferred tax assets will be realized, that portion of the deferred tax assets is recognized in the financial statements. Based on this assessment, the deferred tax assets as at December 31, 2017 and 2016 have not been recognized in the consolidated financial statements.

As at December 31, 2017, the Company had non-capital loss carry-forwards of approximately $5,876,000 that expire between 2028 and 2037.

As at December 31, 2017, the Company also had Scientific Research and Experimental Development (ñSR&EDò) expenditures of approximately $5,404,000 available for future years. These SR&ED expenditures do not expire. In addition, the Company has unused investment tax credits of approximately $1,061,000.

(in Canadian dollars)

7. Long-term debt

		December 31, 2017		December 31, 2016
Due within 1 year	$	11,523	$	10,947
Due between 1 and 5 years		6,543		18,066
	$	**18,066**	**$**	**29,013**

		Carrying Value
Balance, December 31, 2015	$	39,325
Repayment of financing		(10,312)
Balance, December 31, 2016	$	29,013
Repayment of financing		(10,947)
Balance, December 31, 2017	**$**	**18,066**

In 2014, the Company financed the purchase of three vehicles at an effective interest rate of 6.00%. These financing arrangements require equal monthly payments over each of their 5 year terms.

8. Shareholders' Equity

			December 31, 2017		December 31, 2016	
	Expiry date	Exercise price	Issued	Amount	Issued	Amount
Issued and outstanding:						
Common shares			83,614,784	$ 18,068,624	61,388,784	$ 13,302,626
Share purchase warrants:						
Series G warrants	March 29, 2017	0.31	-	-	576,611	97,554
Series I warrants	January 24, 2017	0.15	-	-	1,481,000	68,044
Series J warrants	January 24, 2018	0.15	1,481,000	76,160	1,481,000	76,160
Series L warrants	October 24, 2021	0.40	1,000,000	96,319	1,000,000	96,319
Series M warrants	June 16, 2019	0.25	1,044,000	133,423		
Share capital and warrant capital			87,139,784	$ 18,374,526	65,927,395	$ 13,640,703

The authorized capital is an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value and are each entitled to one vote. All issued common shares are fully paid.

(in Canadian dollars)

(Note 8 - continued)

The following table presents changes in common share capital:

		Number of shares		Amount
Balance, December 31, 2015		**60,313,784**		**13,173,500**
Shares issued, private placement	(b)	1,000,000		111,781
Options exercised	(e)	75,000		17,345
Balance, December 31, 2016		**61,388,784**	**$**	**13,302,626**
Shares issued, brokered public offering	(a)	20,520,000		4,423,773
Shares issued, warrant exercise	(c)	1,481,000		290,194
Options exercised	(e)	225,000		52,031
Balance, December 31, 2017		**83,614,784**	**$**	**18,068,624**

The following table presents changes in warrant capital:

		Number of warrants		Amount
Balance, December 31, 2015		**8,352,944**	**$**	**717,230**
Warrants issued, private placement	(b)	1,000,000		96,319
Warrants expired	(d)	(4,814,333)		(475,472)
Balance, December 31, 2016		**4,538,611**	**$**	**338,077**
Warrants issued, brokered public offering	(a)	1,044,000		133,423
Warrants exercised	(c)	(1,481,000)		(68,044)
Warrants expired	(d)	(576,611)		(97,554)
Balance, December 31, 2017		**3,525,000**	**$**	**305,902**

Other components of shareholders' equity

Other components of shareholdersô equity include:

(i) Contributed surplus, which represents contributions by equity holders in excess of amounts allocated to share capital; and

(ii) Translation reserve, which represents the accumulated impact of foreign exchange translation of foreign operations.

(a) Public Offering

In May 2017, the Company completed a brokered public offering. In total, 20,520,000 common shares were issued for gross proceeds of $5,130,000, less cash based issuance costs of $572,804.

In addition to cash compensation, brokers of the public offering completed in May 2017 were granted a total of 1,044,000 warrants, having an exercise price of $0.25, and a term to expiry of 24 months.

Net proceeds from the public offering were allocated to common share capital.

(in Canadian dollars)

(Note 8 - continued)

The fair value of the warrants granted, being $133,423, was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2017 Broker Warrants
Exercise price	$0.25
Risk free interest rate	0.72%
Expected dividend yield	0%
Expected share volatility	98%
Expected life	24 months

(b) Private Placement

In October 2016, the Company completed a non-brokered private placement, resulting in the issuance of 1,000,000 Units for $0.21 per Unit. Each Unit 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.

In total, 1,000,000 common shares and 1,000,000 common share purchase warrants were issued for gross proceeds of $210,000, or $208,100 net of cash issuance costs of $1,900. All of the Units were subscribed for by the Companyês former Chief Executive Officer and his spouse.

Proceeds from the private placement were allocated to common share capital and warrant capital using the relative fair value method. The fair value of common share capital was determined using the TSXV closing price of the Companyês common shares on October 24, 2016, being the closing date of the private placement, and the fair value of warrant capital was determined using the Black-Scholes option pricing model, using the following assumptions:

	Series L Warrants
Exercise price	$0.40
Risk free interest rate	0.68%
Expected dividend yield	0%
Expected share volatility	138%
Expected life	60 months

(c) Warrants exercised

In January 2017, 1,481,000 Series I purchase warrants previously issued under a private placement to the Chair and Chief Executive Officer of the Company, were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share, for gross proceeds of $222,150.

(d) Warrants expired

In January 2016, 1,481,000 Series H common share purchase warrants previously issued for the purchase of 1,481,000 common shares at a price of $0.15 expired unexercised.

In December 2016, 3,333,333 Series K common share purchase warrants previously issued for the purchase of 3,333,333 common shares at a price of $0.60 expired unexercised.

In March 2017, 576,611 Series G common share purchase warrants previously issued for the purchase of 576,611 common shares at a price of $0.31 expired, unexercised.

(Note 8 - continued)

(e) Options exercised

In December 2016, 75,000 stock options with an an exercise price of $0.12 per option were excercised, resulting in the issuance of 75,000 Common Shares, for gross proceeds of $9,000.

In March 2017, 50,000 stock options with an exercise price of $0.12 per share were exercised, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

In April 2017, 125,000 stock options with an exercise price of $0.12 per share were exercised, resulting in the issuance of 125,000 Common Shares, for gross proceeds of $15,000.

In May 2017, 50,000 stock options with an exercise price of $0.12 per share were exercised, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

9. Related party transactions

Consulting services:

To provide for ongoing support and development of certain software initially licensed then purchased from Yeoman & Company Paralegal Professional Corporation (ñYCPò), in December 2014 the Company entered into a consulting agreement with YCP (ñConsulting Agreementò). The Consulting Agreement has a term of twenty years and provides for an annual fee of $265,000 plus 15% of consideration received by the Company from end customers (the ñYCP Feesò) for use of the Software. For the year ended December 31, 2017, the Company paid YCP Fees of $391,467 (2016 ï $356,466) to YCP, which were included in direct operating expense and technology expense. Two of the principals of YCP are the sons of the Chair and Chief Executive Officer of the Company.
Until December 2016, the Company provided 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.

Software licensing:

YCP relicenses and/or utilizes the Companyôs software in order to provide certain services to YCPôs end customers. Included in revenue for the year ended December 31, 2017 are software licence fees of $45,575 (2016 - $40,406).

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 an officer and director of the Company. For the year ended December 31, 2017, the Company paid rent to the related company of $12,000 (2016 - $12,000), which is included in general and administration expense.

Consolidated Entity:

As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Chair of the Board of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the Company controls the entity through contractual arrangements, which also provide that all economic benefit or loss resulting from the entity will be received by the Company. In September 2017, MTAG Paralegal Professional Corporation commenced the delivery of paralegal services.

(Note 9 - continued)

Equity Transactions:

In May 2017, the Company completed a public offering for gross proceeds of $5,130,000. The Company's former Chief Executive Officer purchased 700,000 Common Shares at a price of $0.25 per share under this public offering.

In May 2017, the Company's Chief Financial Officer exercised 50,000 stock options at an exercise price of $0.12 per share, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

In January 2017, 1,481,000 Series I purchase warrants previously issued under a private placement to the Chair and Chief Executive Officer of the Company, were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share.

In December 2016, the Company's Chief Financial Officer exercised 50,000 stock options at an exercise price of $0.12 per share, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

In October 2016, the Company completed a non-brokered private placement, resulting in the issuance of 1,000,000 Units for $0.21 per Unit. Each Unit 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. In total, 1,000,000 common shares and 1,000,000 common share purchase warrants were issued for gross proceeds of $210,000, or $208,100 net of issuance costs of $1,900. All of the Units were subscribed for by the Company's Chief Executive Officer at the time, and his spouse.

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.

10. Non-monetary transactions

The Company licenses real property related data from a third party for use in one of the Company's applications. Compensation to the licensor for this data is made by the Company through a combination of cash payments, access to one of the Company's applications and the provision of custom development services. The data licensing expense is recognized evenly over the period of access to the data, and the revenue related to the provision of services by the Company is recognized as those services are delivered. As the timing of access to the data and delivery of services by the Company may not align, the related revenue and expense may not match in a reporting period. For the year ended December 31, 2017, visual and data services revenue of $160,232 (2016 - $nil) and direct operating expense of $226,331 (2016 - $nil) related to this transaction were recognized.

11. Key Management Personnel Compensation

Key management personnel include the directors and officers of the Company.

In addition to their salaries and any bonuses, the Company also provides non-cash benefits to key management personnel. Key management personnel are also entitled to participate in the Company's Stock Option Plan discussed in note 14.

(in Canadian dollars)

(Note 11 - continued)

Key management personnel compensation is included in General and administration and Technology expenses and is comprised of the following:

		2017		2016
Short-term employee benefits	$	1,835,549	$	1,135,407
Share-based compensation		340,656		398,483
	$	**2,176,205**	**$**	**1,533,890**

Employment agreements with key management personnel typically provide for termination payments under certain specified conditions. These termination payments generally include 6 to 24 months of base salary, and in some cases also provide for amounts related to historic average annual cash bonuses. In such cases, these amounts are included in short-term employee benefits.

12. Revenue

The Company operates and reports its results as one operating segment which is real property related products and services.

Nature of services:

The Company generates revenue from the provision of visual and data services, and from consulting services.

	Year ended			
	December 31, 2017		December 31, 2016	
Visual and data services	$	8,609,604	$	7,902,129
Consulting services		793,743		888,827
Total	$	9,403,347	$	8,790,956

Significant customers:

Customers representing more than 10% of revenue are classified as significant customers.

For the year ended December 31, 2017, the Company had one significant customer who represented 57% 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.

(in Canadian dollars)

(Note 12 - continued)

Geographic information:

Geographically, the Company operates primarily in Canada and the United States.

Information regarding the results of each geographic area is included below:

	Year ended December 31, 2017			Year ended December 31, 2016		
	Canada	United States	Total	Canada	United States	Total
Revenue	$ 7,986,687	$ 1,416,660	$ 9,403,347	$ 7,683,710	$ 1,107,246	$ 8,790,956
Finance income (costs)	24,201	-	24,201	(15,300)	-	(15,300)
Amortization	(339,807)	-	(339,807)	(381,519)	-	(381,519)
Trade and other receivables	645,575	152,555	798,130	610,040	67,085	677,125
Equipment	355,564	-	355,564	429,736	-	429,736
Intangible assets	1,628,484	-	1,628,484	1,851,643	-	1,851,643

13. Investment Tax Credits and Government Assistance

(a) Scientific Research and Experimental Development (“SR&ED”) tax credits

The Company received a refund with respect to Scientific Research and Experimental Development (ñSR&EDò) tax credits in the amount of $70,709 during the year ended December 31, 2017 (2016 - $60,924). These amounts were recorded as a reduction of technology expense in the consolidated statements of comprehensive loss.

(b) Canada Summer Job Placement Program

The Company received funding with respect to Canada Summer Jobs program in the amount of $5,451 during the year ended December 31, 2017 (2016 - $nil). These amounts were recorded as a reduction of direct operating expense in the consolidated statements of comprehensive loss.

(c) Ontario-Jiangsu Industrial Research and Development Program (OJIRDP)

The Company received funding from the Ontario Centres of Excellence with respect to the Ontario-Jiangsu Industrial Research and Development Program (OJIRDP) in the amount of $60,000 during the year ended December 31, 2017 (2016 - $nil). Of the total amount received, $19,440 was recorded as a reduction of technology expense in the consolidated statements of comprehensive loss. The balance of $40,560 is accrued as a liability in the statement of financial position, until such time as conditions of the funding are met.

(in Canadian dollars)

14. Personnel expenses and share-based compensation

Personnel expenses

Personnel expenses consist of and are presented in the consolidated statements of comprehensive loss as follows:

		2017		2016
Wages, salaries and benefits	$	4,885,369	$	4,392,136
Share-based compensation		343,095		398,907
	$	**5,228,464**	**$**	**4,791,043**
Direct operating expenses		548,866		577,060
Technology		1,751,279		1,587,854
Selling and business development		552,000		709,171
General and administration		2,376,319		1,916,958
	$	**5,228,464**	**$**	**4,791,043**

Share-based compensation comprises amounts related to stock options granted to employees, officers and directors, and amounts related to deferred share units granted to directors. Wages, salaries and benefits also include termination payments, if any.

Share-based compensation

		2017		2016
Share-based compensation - stock options	$	215,274	$	233,907
Share-based compensation - deferred share units		165,000		165,000
	$	**380,274**	**$**	**398,907**

Stock Options

The Company has established a Stock Option Plan (ñOption Planò) whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants. The number of authorized common shares that may be issued upon the exercise of options granted under the Option Plan, at any time, plus the number of common shares reserved for issuance under outstanding incentive stock options otherwise granted by the Company, may not exceed 10% of the Companyøs then issued and outstanding common shares on a non-diluted basis. Such aggregate number of common shares shall automatically increase or decrease as the number of issued and outstanding common shares changes. The Board of Directors has authority to determine which eligible persons will be issued options, the number of options to be granted to each, the time when options shall be granted, when such options will vest, when such options will expire, and at what price the options may be exercised.

(in Canadian dollars)

(Note 14 - continued)

The number and weighted average exercise prices of share options are as follows:

	Number of Options		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding December 31, 2015	4,852,475	$	0.255	3.6
Granted	1,000,000	$	0.300	
Exercised	(75,000)	$	0.120	
Expired	(50,000)	$	0.290	
Outstanding December 31, 2016	5,727,475	$	0.264	3.0
Granted	290,000	$	0.278	
Exercised	(225,000)	$	0.120	
Forfeited	(37,500)	$	0.170	
Outstanding December 31, 2017	5,754,975	$	0.271	2.2

The fair value of options granted during the period was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Exercise price	$0.17 and $0.30
Common share value at grant date	$0.23 and $0.28
Risk free interest rate	1.00% to 1.51%
Expected dividend yield	0%
Expected share volatility	118.76% to 124.55%
Expected life	5 years

Volatilities are calculated based on the actual historical trading statistics of the Companyǿs common shares for the period commensurate with the expected option term.

For the year ended December 31, 2017, the Company recorded share-based compensation expense of $215,274 (2016 - $233,908) related to stock options granted to employees, officers, contractors and directors, which is included in technology expense, selling and business development expense, and general and administration expense.

			For the Year Ended December 31, 2017					
Range of Exerice Prices	Options Granted and Outstanding at December 31, 2017	Vested	Unvested		Weighted Average Exercise Price of Outstanding Options	Weighted Average Remaining Contractual Life in Years		Weighted Average Exercise Price of Vested Options
$0.14 to 0.20	1,856,250	1,856,250	-	$	0.171	1.3	$	0.171
$0.21 to 0.30	1,565,725	1,404,475	161,250		0.296	3.4		0.296
$0.31 to 0.34	2,333,000	1,749,750	583,250		0.335	2.1		0.335
	5,754,975	5,010,475	744,500	$	0.271	2.2	$	0.263

(in Canadian dollars)

(Note 14 - continued)

For the Year Ended December 31, 2016						
Range of Exerice Prices	Options Granted and Outstanding at December 31, 2016	Vested	Unvested	Weighted Average Exercise Price of Outstanding Options	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price of Vested Options
$0.11 to 0.20	2,068,750	2,068,750	-	$ 0.165	2.0	$ 0.165
$0.21 to 0.30	1,325,725	575,725	750,000	0.295	4.2	0.289
$0.31 to 0.40	2,333,000	1,166,500	1,166,500	0.335	3.1	0.335
	5,727,475	3,810,975	1,916,500	$ 0.264	3.0	$ 0.236

Deferred Share Unit Plan

The Company has a Directors Deferred Share Unit Plan (ñDSU Planò) for non-management directors. Under the DSU Plan, Directors who are entitled to receive compensation under the Companyôs Director Compensation Program, which currently excludes Directors who are also employees of the Company, are granted DSUs in lieu of some or all of their Director compensation entitlement. Under this plan, Deferred Share Units (ñDSUsò) are granted to eligible Directors bi-annually in arrears on the last trading day prior to the Companyôs annual meeting and the last trading day of December and vest immediately upon being granted. The number of DSUs to be granted is calculated by dividing the amount that the Director would have received as compensation in cash by the market price of the Companyôs common shares on the relevant date. Upon the Director ceasing to be a Director, the value of his or her Deferred Share Unit Account (ñDSU Accountò) will be determined on the date specified in the DSU Plan by multiplying the number of DSUs in the Directorôs DSU Account by the market price of the common shares as at such date, and will be settled prior to December 31st of the year following the date that the Director ceases to be a director of the Company. The actual settlement of a DSU Account will be made by way of cash or shares, or a combination of both, as determined under the Companyôs then-current Director Compensation Program. It is currently the Companyôs option and intent to settle any DSU redemptions with common shares.

A summary of the DSUs outstanding under this share based incentive plan is presented below.

	Number of Units	Amount
Outstanding December 31, 2015	1,219,667	$ 326,325
Granted	566,125	165,000
Outstanding December 31, 2016	1,785,792	$ 491,325
Granted	751,549	165,000
Outstanding December 31, 2017	2,537,341	$ 656,325

For the year ended December 31, 2017, the Company recorded share-based compensation expense of $165,000 (2016 ï $165,000) related to DSUs granted to directors, which is included in general and administration expense.

(in Canadian dollars)

15. Finance income (costs)

		2017		2016
Finance income	$	25,610	$	335
Finance costs:				
Secured term credit facility - accretion expense		-		(3,153)
Secured term credit facility - interest costs		-		(10,404)
Debt financing of vehicles		(1,409)		(2,078)
	$	**24,201**	**$**	**(15,300)**

16. Loss per share

There were no dilutive items outstanding at December 31, 2017 or at December 31, 2016. Diluted loss per share does not take into account any outstanding warrants, options, or deferred share units as their affect would be anti-dilutive for these periods. As at December 31, 2017, there were a total of:

- 3,525,000 warrants outstanding (2016 ï 4,538,611);
- 5,754,975 options outstanding (2016 ï 5,727,475); and
- 2,537,341 deferred share units outstanding (2016 ï 1,785,792)

17. Supplementary cash flow information

	Year Ended			
		December 31, 2017		December 31, 2016
Changes in non-cash operating assets and liabilities:				
Trade and other receivables	$	(191,714)	$	(212,200)
Prepaid expenses and other current assets		(41,254)		(4,673)
Accounts payable and accrued liabilities		361,029		126,768
Unearned revenue		(382,782)		91,604
	$	**(254,721)**	**$**	**1,499**

- Excluded in the changes in trade and other receivables in 2017 is tax received of $70,709 related to Scientific Research and Experimental Development (ñSR&EDò) tax credits (see note 13(a)). This amount is included in tax credits received in the Consolidated Statement of Cash Flows (2016 - $60,924).

18. Commitments

The Company is committed to minimum payments under purchase commitments and operating leases in the following amounts:

As at		**December 31, 2017**
Due within 1 year	$	531,223
Due from 1 to 2 years		548,178
Due from 2 to 5 years		1,343,978
Due more than 5 years		3,186,861

19. Financial risk management

The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities. Financial risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Financial risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee is responsible for assisting in developing and monitoring the Company's financial risk management policies. The Audit Committee reports regularly to the Board of Directors.

The Company's financial risk management policies are established to identify and analyze the financial risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits and controls. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's financial risk management policies and procedures, and reviews the adequacy of the financial risk management framework in relation to the financial risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash.

Cash
The credit risk related to cash is minimized by ensuring cash is held only in highly rated financial institutions.

(in Canadian dollars)

(Note 19 - continued)

Trade and other receivables

The Companyǿs exposure to credit risk is influenced by the individual characteristics of each customer. Given the current volume of customers, the Company assesses the credit worthiness of each customer on a

customer by customer basis. Management also considers the demographics of the Companyǿs customer base, including the default risk of the industry in which the customers operate, as these factors also have an influence on credit risk. A large portion of the Companyǿs accounts receivable are with public sector government or government related agencies, or with partners for whom the end customer is a public sector government or government related agency, where credit risk has historically been assessed as low.

The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade and other receivables. The allowance is comprised entirely of a specific loss component that relates to individually significant exposures. The Company writes off balances when it becomes apparent that the customer has no intent or no ability to pay for the Companyǿs services.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

As at		December 31, 2017		December 31, 2016
Cash	$	7,139,614	$	2,221,432
Trade and other receivables, net		798,130		677,125
	$	7,937,744	$	2,898,557

At December 31, 2017, one customer accounted for more than 10% of trade accounts receivable, net, totalling approximately 50% of trade accounts receivable at December 31, 2017, of which 100% was collected subsequent to December 31, 2017.

At December 31, 2016, two customers each accounted for more than 10% of trade accounts receivable, net, totalling approximately 62% of trade accounts receivable at December 31, 2016, of which 100% was collected subsequent to December 31, 2016.

Impairment losses

The aging of loans and receivables at the reporting date was:

As at		December 31, 2017		December 31, 2016
Current		665,538	$	598,082
Past due 1-90 days		69,252		29,268
Past due over 90 days		63,340		49,775
	$	798,130	$	677,125

(in Canadian dollars)

(Note 19 - continued)

Specific provisions are made against trade receivables for any customer that is known to be in poor financial condition or for any other reason it is considered doubtful that the customerǿs balance outstanding will be settled in full. The Company recorded an impairment allowance with respect to one of its customers which is included as a reduction of trade and other receivables at December 31, 2017 of $nil (2016 - $45,538). This allowance has been established based on managementǿs assessment of the likelihood of collection for specific customer balances. Based on historic default rates, the Company believes that, apart from the above, no further impairment allowance is necessary with respect to trade and other receivables.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. On an ongoing basis, the Company monitors and manages its actual and projected cash flows, with the primary objectives of maintaining liquidity and financial flexibility.

The following are the remaining undiscounted contractual cash flows, including estimated interest payments of financial liabilities at the end of the reporting dates:

		Contractual cash outflows				
As at December 31, 2017	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 1,566,660	$ 1,566,660	$1,566,660	$ -	$ -	$ -
Debt financing of vehicles	18,066	18,955	12,390	6,565	-	-
Operating leases	-	980,240	241,223	258,178	473,978	6,861
Purchase commitments	-	4,630,000	290,000	290,000	870,000	3,180,000
	$ 1,584,726	$ 7,195,855	$2,110,273	$ 554,743	$ 1,343,978	$ 3,186,861

		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

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Companyǿs income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(Note 19 - continued)

Currency risk
The international operations of the Company expose it to foreign currency exchange risk in the ordinary course of business. The Company is exposed to this risk primarily through its United States dollar denominated cash, accounts receivable, accounts payable and accrued liabilities. The nature, extent and timing of foreign currency denominated cash flows are regularly monitored to identify changes in exposure and assess the need for active management. The Company does not hedge its foreign currency exchange risk at this time.

The Companyǿs exposure to foreign currency risk was as follows based on notional amounts (all amounts shown in CAD):

As at		**December 31, 2017**				
		CAD		**USD**		**Total**
Cash	$	5,768,524	$	1,371,090	$	7,139,614
Trade and other receivables		645,575	$	152,555	$	798,130
Accounts payable and accrued liabilities		(1,328,683)		(237,977)		(1,566,660)
Long-term debt		(18,066)		-		(18,066)
	$	5,067,350	$	1,285,668	$	6,353,018

As at		**December 31, 2016**				
		CAD		**USD**		**Total**
Cash	$	1,408,536	$	812,896	$	2,221,432
Trade and other receivables		610,040	$	67,085		677,125
Accounts payable and accrued liabilities		(1,067,691)		(137,940)		(1,205,631)
Long-term debt		(29,013)		-		(29,013)
	$	921,872	$	742,041	$	1,663,913

Sensitivity analysis

A 5% strengthening of the USD against the CAD at December 31, 2017 would have increased equity and decreased the loss for the year by approximately $64,000. A 5% weakening of the USD against the CAD at those dates would have had the equal but opposite effect, on the basis that all other variables remain constant.

Interest rate risk

All of the Companyǿs debt has fixed interest rates; therefore, changes in interest rates do not have an impact on the results of the Company.

(in Canadian dollars)

(Note 19 - continued)

Capital management

The Company defines capital as debt and equity, which it determines as follows:

As at		December 31, 2017		December 31, 2016
Debt financing of vehicles	$	18,066	$	29,013
Shareholders' Equity		7,413,365		2,597,555
	$	7,431,431	$	2,626,568

The Companyӧs objectives in managing capital are to:

- Ensure financial capacity to meet current obligations is maintained and continue as a going concern;
- Ensure financial capacity to execute strategic plans is maintained; and
- Prevent capital erosion.

In order to manage capital, the Company regularly identifies and assesses risks that threaten the ability to meet the Companyӧs capital management objectives, and determines the appropriate strategy to mitigate these risks. In order to maintain or adjust the capital structure, the Company may incur or repay debt, issue new shares, purchase shares for cancellation, or a combination thereof.

The Company is not subject to any externally imposed capital requirements as at December 31, 2017.

20. Financial instruments

Fair Values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statements of financial position, are as follows:

As at	December 31, 2017				December 31, 2016			
	Carrying amount		Fair value		Carrying amount		Fair value	
Cash	$	7,139,614	$	7,139,614	$	2,221,432	$	2,221,432
Trade and other receivables		798,130		798,130		677,125		677,125
Accounts payable and accrued liabilities		(1,566,660)		(1,566,660)		(1,205,631)		(1,205,631)
Debt financing of vehicles		(18,066)		(18,066)		(29,013)		(29,013)
	$	6,353,018	$	6,353,018	$	1,663,913	$	1,663,913

Cash, trade and other receivables, and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the debt financing of vehicles was determined based on present valuing future estimated cash flows using market rates of interest.

21. Subsequent events

(i) In January 2018, 1,481,000 Series I purchase warrants previously issued under a private placement to the Chair and Chief Executive Officer 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.

(ii) In March 2018, 1,012,500 options having exercise prices ranging from $0.17 to $0.30 expired unexercised.

(iii) In April 2018, the Company executed a Consulting Agreement with Cherre, Inc. (ñCherreò), a US based developer of an inter-connected market platform that provides residential real estate data to investors and brokerage firms. Under the terms of the Consulting Agreement, Cherre will receive a fixed monthly fee as well as 1,000,000 stock options, such options having an exercise price of $0.30 and vesting on mutually agreed upon milestones.

(iv) In April 2018, in accordance with an Executive Employment Agreement, the Company issued 1,000,000 stock options to the Companyôs Chair and Chief Executive Officer, such options having an exercise price of $0.20 and vesting 25% upon grant and 25% on each of the three anniversaries of grant thereafter. These options expire five years after the date of grant.