iSIGN Media Solutions Inc.

Management's Discussion & Analysis
For the Three Months Ended July 31, 2016 and 2015

This Management Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of iSIGN Media Solutions Inc. (the "Company" or "iSIGN") for the three months ended July 31, 2016. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended April 30, 2016 and 2015. This discussion contains forward-looking information that is qualified by reference to, and should be read in conjunction with the Caution Regarding Forward Looking Statements below.

This MD&A provides information that the management of iSIGN believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of iSIGN from management's perspective by interpreting the material trends and activities that affect the operating results, liquidity and financial position of iSIGN. All monetary amounts unless otherwise specified are expressed in Canadian dollars.

Additional information relating to iSIGN is available on SEDAR, at www.sedar.com. The common shares of the Company are listed for trading on the TSX Venture Exchange under the trading symbol ISD-V. In addition, iSIGN is also listed on the OTC under the trading symbol ISDSF. For more information on the Company, please visit our website at www.isignmedia.com.

This MD&A is current as of October 31, 2016.

iSIGN's unaudited consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Caution Regarding Forward-Looking Statements

Readers are cautioned that actual results may differ materially from the results projected in any "forward-looking" statements included in the foregoing report, which involve a number of risks or uncertainties. This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of the applicable Canadian securities legislation. Forward-looking statements are not historical facts and include statements regarding the Company's planned development activities, anticipated future profitability, losses, revenues, expected future expenditures, the Company's intention to raise new financing, sufficiency of working capital for continued operations and other statements regarding anticipated future events and Company's anticipated future performance.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes" or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. While iSIGN considers its assumptions to be reasonable and appropriate based on the current information available, there is a risk that they may not be accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievement of iSIGN to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to the integration of acquisitions, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. Before making any investment decisions and for a detailed discussion of the risks, uncertainties and environment associated with our business, fully review the section entitled "Risk Factors" in this MD&A.

Caution Regarding Forward-Looking Statements – continued

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. iSIGN does not undertake to update any forward-looking statements that are incorporated by reference herein, except as required by law.

Background

Proximity marketing has been used for many years – store window displays of goods and products, sandwich boards and people handing out flyers in front of stores are prime examples. While variations of these types of proximity marketing are still in use today, the realization is that a better proximity marketing method would be to market to the one communication device that almost 100% of people have with them whenever they are out – their mobile phone. The personal, always–on nature of mobile allows marketers to reach their customers anywhere and anytime.

iSIGN's goal is to become the leading interactive proximity mobile marketing solution for advertisers, retailers and service providers worldwide, while becoming the world standard for proximity mobile marketing and data capture.

Over the years, iSIGN has refined its product offering and back-end reporting system to the point where it now has a proximity marketing system fully capable of delivering messages, in full video with audio or, in simple static form with the ability to report on the interactive of consumers with the messaging in real-time.

The Company completed its Smart Antenna platform development in late February of 2012. The first delivery of units was received from its supplier in May 2012. During 2014, prototype units of our Smart Player were manufactured and passed the full testing and feature review process as conducted by our Quick Service Restaurant ("QSR") reseller for whom the units were designed.

Both the Smart Antenna and Smart Player were designed and constructed to exacting commercial-grade requirements. This means that both products are fully waterproof, all weather units capable of withstanding extreme weather temperatures, ranging from -40° to +185° Fahrenheit, that can deliver messages to mobile devices simultaneously utilizing Wi-Fi and Bluetooth® technology. Both products communicate with Smartphones with Bluetooth® capabilities as well as with iPhones, iPads and other Wi-Fi capable devices. Both products support wireless connectivity.

The Smart Antenna appears as a free and open access point to mobile device users. Users simply connect to the Smart Antenna and view content, which can include coupons, product info, videos, and games, within the web browser that is available on their phone. Content can be interactive and supports user polling and loyalty membership management.

The Smart Player combines media and customer engagement tools into a single solution. A first for the digital signage industry, iSIGN's Smart Player combines digital signage and mobile messaging with real-time measurement of shopper responses, delivered in a unique, cost-effective package that distributes marketing messages to all screens and devices – whether mobile or stationary - in proximity to a location. In addition, the Smart Player adds wireless connectivity that traditional digital players do not offer. Each Smart Player can manage two digital signs as well as content, combining network management software and wireless connectivity for easy and fast installations. The Smart Player also incorporates the messaging ability of the Smart Antenna to message all mobile devices that come within its set proximity and retrieve customer responses for real-time or future analysis.

Background - continued

On May 16, 2014, the United States Patent and Trademark Office granted patent status (Patent No US 8,781,887 B2) for the Company's "method and system for out-of-home proximity marketing and for delivering awareness information". This has allowed iSIGN to move forward with certain companies and organizations who, although interested in the Company's technology, were concerned over the lack of patent protection. The Patent was issued on July 15, 2014.

Our back-end system gathers and records the interaction of mobile devices with our technology. This data, that iSIGN calls "Clean Data", is data that is entirely anonymous with regards to shoppers' privacy, as it gathers absolutely no personal information whatsoever, while collecting potentially valuable information that is both preference based and predictive on a variety of interactions with shoppers' mobile devices. iSIGN systems do not collect or store any information of a personal nature, such as mobile phone number, name, email address, etc.

Experts from Baylor University/Hankamer School of Business have stated that iSIGN's data has potential commercial value ranging from $0.20 for simple mobile insights to upwards of $4 for mobile insights integrated with point-of-sale information. The Company has shared samples of data/insights with its significant business partner that packages and sells data to global marketing customers and generally, the commercial value ranges have been confirmed as realistic. iSIGN utilizes cloud storage for its data, so that as the Company's amassed data grows in the future, it can facilitate access of significantly more data to its data-partners and customers.

In order to provide point-of-sale data along with mobile data, the Company has commenced development of its Point-of-Sale Data Acquisition ("PDAQ") software that allows purchase data from clients' point-of-sale ("POS") systems to be related to the mobile data gathered by our hardware, either the Smart Antenna or the Smart Player, in real time.

The past year plus has seen a great deal of press generated about the iBeacon and its use in proximity marketing. The publicity about the iBeacon, while helping to further promote proximity marketing has brought many inquiries to us from companies anxious to understand the differences between our two vastly different products and technologies.

While there are many differences between our products, the main difference is that our product does not require an app to be downloaded and activated in order to receive messaging from our system. As there is no app download, there is no need for the individuals to give us any personal information about themselves.

Visit our website at www.isignmedia.com for a comparison of our Smart Antenna to the iBeacon, found under About Us/Reports and Info graphics, as well as our white paper on privacy, found under About Us/White Papers.

The cost of building and maintaining a commercial grade app is a major investment in time, vision and money, which can take a team of six to ten people about six months or more. A high quality, enterprise-class mobile app will involve hundreds of thousands of dollars (Y Media Labs' Chief Technology Officer writing in Forbe.com on November 11, 2014). Companies have also started to realize that apps have a short 'shelf-life' and that many are discarded after being used once or twice.

The result is that companies are starting to recognize that there are advantages of dealing with a technology that can easily communicate with shoppers without the requirement to build and maintain an app.

From the individual's perspective, the security of their personal information given in exchange for the app download is becoming a growing concern, as a result of the number of reports of companies having their systems hacked and clients' personal information stolen. Individuals are becoming more and more concerned that their personal information may to vulnerable to theft, making them more guarded with app downloads.

Background - continued

Our continued efforts to promote the medium and our technology through articles and interviews, combined with the introduction of Apple's iBeacon is helping to make proximity marketing to mobile devices more familiar to potential clients.

This press, as well as our corporate networking and trade show attendance, continues to bring us increasing attention as well as inquiries concerning our technology and our hardware products. More and more this attention is focused on the data gathering capabilities of our technology.

Potential resellers, customers and advertisers/brands are concentrating on our ability to gather "Clean Anonymous Data" (data that is free of personal information and that respects shoppers' privacy), while gathering potentially valuable information that is both preferences based and predictive based on a variety of interactions with shoppers' mobile devices.

The continued successful demonstrations of our technology, and substantial redemption rates obtained under trial conditions has resulted in companies become more receptive to proximity marketing to mobile devices.

Whereas trials with potential clients were once required in order to prove that the concept of proximity marketing worked; trials are now focused on shoppers' interactions with clients' content and acceptance of the concept of mobile messaging within the client's specific environment. The Company anticipates that this will result in revenues from the signing of contracts for installations of our products and the related on-going recurring monthly fees. In addition, growing installations will enable our steady accumulation of data that will give rise to the resulting revenue stream from data sales.

On July 10, 2015, iSIGN completion its asset purchase from its exclusive distributor for the Americas, Graphic Media, Inc. ("Graphic") and Engage Mobile Media Solutions LLC ("Engage"), of all assets relating to iSIGN's proximity marketing business. These assets included distribution and reseller rights; Smart Antenna and related equipment inventories; relationships with media, advertising and potential client companies; etc. The prime reason for this acquisition was the elimination of Graphic's right to share in all revenues generated by the sale of iSIGN's hardware, related monthly fees and data revenues for the remaining term of the distribution agreement.

iSIGN has successfully transitioned from a strict Software as a Service ("SaaS") company to a SaaS company with a data-gathering product that can be monetized. iSIGN continues to develop new software, while improving our products with key input from our major clients and partners. The Company has Smart Antenna inventory on hand that will allow us to quickly deploy units for installations.

Outlook

iSIGN has completed a number of successful trials that involved retail operations as well as third party advertisers. While these tests and trials have not generated immediate revenue to the Company, we have used the resulting metrics from these installations in various presentations and proposals.

On September 1, 2015, iSIGN announced We Build Apps, LLC ("WBA") as a reseller for transit authorities, governments, professional sports teams and stadiums. WBA is a digital marketing firm that specializes in app and mobile marketing development.

On August 19, 2016, WBA signed a contract with a major mall complex (retail stores, restaurants, office towers and residential apartment buildings) located outside of Cleveland, with 18 million visitors annually. Initially the discussion with this end-user was for the use of our Smart Antennas simply for their proximity marketing ability, with an installation of 100 units.

Outlook – continued

When it was realized that our technology and Smart Antennas also serves as a safety and security system, as messages can be created and broadcast in real-time, thus addressing any emergency situation that may arise at the site requiring immediate communication to the site's visitor and tenants, the client's insurance company became involved in the review process. The result being that the client's insurance company has designated our technology and Smart Antennas as a security/safety system and subsequently offered a reduction to their insurance premiums of up to 25% once our technology and hardware is installed, providing that 100% of the site is covered by the broadcasting range of our Smart Antennas.

This realization and resulting requirements to prove full broadcast coverage of the site, with back-up systems (both battery and solar) in place and additional levels of review, has delayed the installation of our Smart Antennas and resulting delivery of revenues. However, it has resulted in a more sizable installation that will also require that as the site expands, which is in their plans, additional Smart Antennas will need to be installed in order to ensure that the insurance premium reduction continues.

In late October, WBA delivered their initial deposit towards the purchase of the 500 Smart Antennas that will grant WBA exclusive reseller status in Ohio and nationally for the US military. Initial shipment will be October 31, 2016

Installation of our Smart Antennas in the shopping complex is projected to commence in early November 2016, according to our reseller, WBA.

The management company for this site also has 16 other shopping properties. The expectations of our reseller, is that installation into this first location, will result in installations into the other 15 sites, in order for the client to maximize their insurance premium savings. Our reseller believes that with the experience gained through this initial installation, installations into these additional properties will be smoother and faster.

This initial installation will result in iSIGN generating revenues over a three-year period of approximately $2.7 million, in hardware and monthly data/broadcasting fees. It is estimated that as each of the other 15 sites are of similar sizes, that each further installation would generate revenues of a similar size to iSIGN.

As the security and safety aspect of our system is of great importance to the shopping complex and their management company, WBA and iSIGN have started the development of a Security Alert and Data Retrieval back-end system, as well as a Loyalty interface. These developments will help to keep iSIGN in its lead position as a mobile proximity security alert system.

WBA has completed a trial installation into one of the buses operated by Barons Bus Lines ("Barons"), a charter bus company that has been in business for over 85 years and operates in 70 communities in Ohio and 6 nearby states, specializing in college campuses and underserved cities. This installation was completed at the end of the Company's second quarter of fiscal 2016. This initial period has been used to gather data on the number of riders and their acceptance or rejection of the Barons offers that have been broadcast. The next step in this project is the installation into multiple buses to gather ridership information on the full line, as a starting point to enticing advertisers.

WBA has also commenced a trial installation into the Cleveland Jet Center, which is affiliated with approximately 300 other private airports in North America. The trial started in December 2015 and involved the broadcasting of announcements, flight schedules and various promotional messages.

WBA has placed both of these projects on hold while they concentrate their efforts on completing the shopping complex installation, given the potential for this one installation to lead to contracts for the other 15 properties, involving a potential of approximately 8,000 Smart Antennas.

Outlook – continued

On October 27, 2015, iSIGN announced the signing of a Systems Integrator and Licensing Agreement with Rich Multimedia Technologies Inc ("RMT"). Under the terms of this five-year renewable Agreement, RMT is responsible

for all the costs of integration redesign and the purchase and integration of Smart Antenna components into RMT's Tele-Digital Store Front Kiosk ("Kiosk") at RMT's factory in China. RMT will also be responsible for the costs of all necessary revisions necessary to iSIGN's back-end reporting system, customization and dashboard changes and functionality integration. iSIGN will review and approve the integration and any back-end reporting changes. The agreement calls for iSIGN to review and approve the integration and any back-end reporting changes. The licensing fee that the Company will receive is based upon the number of Kiosks built during the term of the Agreement. The licensing fee the Company will receive is $3 US per day per Kiosk, to be recognized as Kiosks are installed and activated.

The initial 5,000 Kiosk build is designated for RMT's Mexican market, with installation into government offices, the transit system in Mexico City and Mexico's international airport. The Mexican installation is to involve the replacement of exiting payphones, with RMT's Tele-Digital Store Front Kiosk, which includes VoIP phone service with free calls domestically and internationally and free re-charging for Smartphones. As this is a replacement of existing phone locations all wiring is in place and usable, which will reduce installation time and is expected to result in a quicker turnaround of activation of the integrated Smart Antennas and faster revenue recognition for iSIGN. RMT has confirmed that all integrated Kiosks will be activated for mobile messaging and that all the Kiosks required for the Mexican order will be integrated with our technology and hardware.

Additionally, RMT has announced a projected rollout of 3,600 Kiosks into 14 major international airports in the United States and Canada. RMT has confirmed that these Kiosks will be integrated with our technology and hardware.

Furthermore, RMT expects to utilize our hardware outside of their Kiosks to expand their in-airport concession relationships with stores operating within the airports that they operate in.

Currently RMT is finalizing several upgrades to their Kiosk such as security features, including facial recognition and new Toshiba digital screens, with airport approval required for certain new design features.

RMT has stated that they will be ordering 130 of our inventoried Smart Antennas for installation along with their Kiosks in various airports in Mexico and the United States to test messaging and acceptance of messaging. These locations are to be determined and the testing period is to be no longer than a month.

Upon completion of the testing period, an initial retrofit of 300 Kiosks in existing North American airports will commence, with the retrofit to be with our inventoried Smart Antennas. Additionally, an installation of a currently undetermined of Kiosks integrated with our Smart Antennas and technology will commence in Mexican airports.

Additionally, RMT and a major Japanese electronics, Kiosk and digital signage corporation are currently in the final stages of designing a new version of RMT's Kiosk, fully integrated with iSIGN's Smart Antenna as manufactured by RMT's Kiosk manufacturer in China. These Kiosks will be sold by the Japanese corporation into their global distribution channel.

While the projects currently underway with WBA and RMT are expected to provide iSIGN with substantial revenue in fiscal 2017 and beyond, the Company's other resellers are working to acquire permanent installations that will generate revenues for iSIGN.

Outlook – continued

iSIGN's other major resellers include: (i) JEA Technologies Pty Ltd. ("JEA"), in Australia; (ii) LED Solutions Manufacturing Inc. ("LED"), a major Canadian exterior signage manufacturer and (iii) Multi Level Technology ("MLT"), our MENA Territory reseller. All of these companies have purchased Smart Antennas from us for use with their extensive client base.

In addition, iSIGN is working with a consulting company to assist iSIGN with business development in order to expand sales and distribution to companies headquartered in Japan, as well as their subsidiaries and affiliates in North America.

On September 13, 2016, iSIGN announced the signing of a two-year exclusive agreement with Unacast, to be iSIGN's international data reseller. Unacast is the world's largest network of beacon and proximity companies, connecting the physical world to the digital world. Unacast enables scalable global solutions for retailers and brands to use proximity data for online retargeting and attribution. Unacast connects their Proximity Solutions Providers ("PSP") to global ad platforms to enable digital ad retargeting based on accurate and deterministic physical behaviour. Unacast is the first company to enable a scalable way for retailers and brands to retarget customers online based on accurate behavior in the physical space.

It is iSIGN's position, that it has successfully gathered together the components required for success: (i) a patented technology with hardware that has been fully field tested and proven to work dependably in all conditions; that gathers and stores data that is of value to advertisers and third party data aggregators; (ii) site locations that want proximity marketing solutions installed; (iii) a low cost sales force (i.e. resellers); (iv) a major data reseller; (v) an advertising reseller with a successful sales track record; and, (vi) a major US university with a background in business and data, willing and anxious to work with us on developing our data inventory.

Generally, the opportunities discussed under the 'Outlook' section are on a best efforts basis and there is no guarantee that any of these potential deals will be successful and result in significant future revenues.

Financial Highlights

Accounting Policy

iSIGN reports outlays on research activities as an expense in the period in which the outlay is incurred. Once an internal project transitions from the research phase to the development phase, it is then recorded as an internally generated intangible asset if, and only if, all of the following have been demonstrated: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible and use or sell it; (iii) the ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Further, the intangible asset is evaluated to determine if it has a finite or indefinite life. If the asset has a finite life, the estimated useful life is determined when the asset is available for use. Intangible assets that have an indefinite or undetermined life are not subject to amortization. Where no internally generated intangible asset can be recognized, development expenditures are recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired

Financial Highlights – continued

Accounting Policy - continued

separately. The Company has determined that criteria required to capitalize these costs have been demonstrated at the start of fiscal 2014. The Company anticipates continuing with this accounting policy and capitalizing these costs until the development phase is complete as demonstrated by iSIGN's products being available for use.

In the three months ended July 31, 2016, $Nil was capitalized as technology development costs (April 30, 2016 - $75,000) and $97,605 was capitalized as data network development costs (April 30, 2016 - $500,739).

Summary Results

In the three months ended July 31, 2016, revenues decreased by $7,379 from the comparable period in the previous fiscal year and the net loss reported by the Company increased by $213,626. The loss per share at July 31, 2016 was $0.006, compared to $0.005 at July 31, 2015.

The following table details the financial highlights for the three months ended July 31, 2016 and 2015.

	2016	2015	Increase/(Decrease)
Revenues			
Sales	$ 13,741	$ 27,846	$ (14,105)
Services	9,846	3,120	6,726
	23,587	30,966	(7,379)
Gross Margin	15,067	25,023	(9,956)
Expenses			
Selling and marketing	249	3,096	(2,847)
General and administration	431,253	420,894	10,359
Depreciation – property and equipment	1,621	726	895
Amortization – intangibles	222,485	37,500	184,985
Bad debt recovery	-	(10,000)	10,000
Interest	10,417	10,139	278
	666,025	462,355	203,670
Net loss and comprehensive loss	$ (650,958)	$ (437,332)	$ (213,626)

Discussion - Financial Results

<u>Revenues</u>

- Sales – revenues are derived from the sale of Smart Antennas.
- Services – revenues are derived from monthly recurring data management/broadcasting fees.

<u>Gross Margin</u>

- Gross margin is impacted by the product mix and revenue volumes recorded during the periods.

Financial Highlights – continued

Discussion - Financial Results- continued

Interest
- Interest increased slightly due to the Company's increased debt levels.

Amortization and depreciation
- Amortization increased as selected intangible assets moved from the development stage, with no amortization required or taken, to an in-use stage, with required amortization, as well as the amortization of the Reacquired rights resulting from the Graphic business combination in July 2015.

Discussion on other financial line items is presented in the "Results" section of the Management, Discussion and Analysis.

Business, Products and Strategy

iSIGN has successfully transitioned from a strict SaaS company to a SaaS company with a data-gathering product that can be monetized. The Company continues to develop new software, while improving our products with key input from our major clients and partners. iSIGN has a strong focus on data that collects shopper preferences so that brands can deliver targeted messaging and personalized offers to consumers' mobile devices, in-location and in real-time. The Company's interactive proximity-marketing technology is capable of gathering data on price points, typical purchases, in-store dwell time and other shopper metrics to deliver business intelligence and insights into emerging consumer behaviors that can help brands make better business decisions and measure their marketing efforts. Utilizing Bluetooth® and Wi-Fi to deliver relevant and timely messaging to any screen or mobile device, iSIGN serves rich media, permission-based messages free of charge to consumers that can drive immediate brand engagement, increased customer loyalty and deliver higher ROI on marketing dollars spent.

iSIGN's revenue streams are from: (i) licensing agreements; (ii) the sale and/or leasing of our hardware; (iii) data management/broadcasting fees, including standard Analytic Reporting charged monthly for the duration of each contract; (iv) data and analytic sales to data aggregators and other third parties, as well as charges for non-standard Analytic Reporting to our clients, (v) advertising revenue derived from hardware installations in the NMN; and, (vi) content creation, custom integration of customer loyalty data bases and additional API or software development.

Over the past year plus, iSIGN has added a number of companies as resellers of our hardware and technology, both in North America as well as internationally. Recent additions include: (i) Multi Level Technology ("MLT") located in Abu Dhabi, a hardware and software company, specializing in security, mobile, marketing, smart-government and banking related technologies, for the Middle East and North Africa ("MENA") territory; (ii), Rich Multimedia Technologies Inc. ("Multimedia") located in Corona, California, a company in the telecommunications, advertising, in-airport media and retail travel business, for airports in North, Central and South America; (iii) Selkirk Signs Calgary Ltd. ("Selkirk") located in Calgary, Alberta, a signage company, for the Greater Calgary Area territory; (iv) E3 Solutions S.A. (formerly BE Duke S.A.) ("E3") located in Panama, a security and technology company, for the territory of Panama; (v) We Build Apps, a technology development company, for all transit authorities and companies; government; professional sports teams and stadiums within the State of Ohio; (vi) LED Solutions Manufacturing Inc, a major Canadian company in signage design and manufacturing with notable multi location retail and corporate clients; (vii) SC Best Communication SRL ("SC"), located in Rumania for the territory of Rumania, Bulgaria and Hungary; and (viii) FC Global Trading SPA, located in Chile for the territory of Chile.

Business, Products and Strategy – continued

Additionally, iSIGN has signed AllOver Media ("AOM"), North America's largest alternative out-of-home reseller as its advertising reseller for the National Mobile Network ("NMN") and signed a two-year exclusive agreement with Unacast to be iSIGN's exclusive international data reseller.

While the Company's focus is primarily on North America, as that is where our most immediate and largest growth potential is, iSIGN's belief is that international markets whose potential is sizable cannot be ignored. iSIGN will continue to entertain international requests for reseller status.

It is the Company's belief that the recognition of our technology's ability to be used for security and safety purposes, will improve our profile and make it easier to generate sales and resulting revenues. It is the Company's belief that our patented 'push and pull' technology, combined with the development of a Security Alert and Data Retrieval back-end system, as well as a Loyalty interface, will ensure that iSIGN will maintain its lead position as a mobile proximity security alert system.

Opportunities in proximity marketing have emerged as the logical intersection of three trends:

The first trend is the swift advent of mobile culture. Today's consumers increasingly leverage mobile phones as a de facto portal to the world; the primary interface available anywhere at any time. Through their mobile devices, they conduct research, connect and share with others, and in many cases make purchasing decisions.

The second trend is digital signage, which provides a dynamic opportunity for retailers to promote their brands, their products, and their services via the full power of a multimedia solution.

Third, the expanding commercialization of consumer data reflecting shopping behaviour linked to digital/mobile incentives.

Marketing and Pricing

The Company plans to continue to create resellers in various areas across the world to market iSIGN's technology and hardware. iSIGN views resellers as essentially being its sales force, one that comes with their own existing clients and contacts as well as an existing support structure that should allow for a quicker completion of the sales timeline.

The Company provides qualified clients with two options. The first is the outright purchase of our hardware with monthly payments for the data management/broadcast fee. The second option is that, the Company's products can be leased through a leasing company will whom iSIGN has established a relationship.

At the present time, our gathered data is from the interaction of consumers and shoppers with our Smart Antennas and the offers being broadcasted. As estimated by Dr. J. Tanner of Baylor University/Hankamer School of Business, the minimum commercial value of our data insights is $0.20 per insight.

The true value of our data will come once the Company can link its mobile with data from clients POS systems. Dr. Tanner estimated that this resulting data could increase the commercial value of context-based insights to a range of $1.40 to $2.00 per linked-insight. If integrated into customers' loyalty programs, where customers' permission-based identifications are included, these insights could have a commercial value range of $3 to $4 per integrated insight. The Company anticipates one-off sales of data insights in packages and potentially a subscription based pricing for streaming data/insights monthly service.

Business, Products and Strategy - continued

Marketing and Pricing – continued

The completion of the Company's PDAQ software program that allows purchase data from clients' POS systems to be related to the mobile data gathered by Smart Antennas or Smart Players in real time will help to bring about this increase in data valuation.

Technology Development Strategy - Research and New Product Development

iSIGN continually develops its technology with internal resources, and where necessary with its business partners. The Company has a full-time contract with the original architect of the iSIGN Bluetooth proximity marketing technology. As head developer for the Company, he was core to the improvements as well as the expansion for Wi-Fi connectivity. iSIGN 'push-pull' technology was granted a patent in the United States and applications have been filed for Canada and various other countries. The Company will be expanding its patent applications to other countries and continues to pursue patent applications for its hardware and technology advancements. In addition, the Company has a full-time Chief Technology Officer.

The Company has commenced the development of the PDAQ software program that allows purchase data from clients' POS systems to be related to the mobile data gathered by our hardware, either the Smart Antenna or the Smart Player, in real time will help to bring about this increase in data valuation.

In addition, the Company is developing a system for integrated messaging/coupon solutions with Google Chrome and Apple Passbook on a non-app, non-download basis. Additional integration with Google Wallet and Apple Pay is expected when messaging/coupons drives purchasing. This particular development would allow seamless interaction with all mobile devises, especially Smartphones, including iPhones.

In conjunction with its reseller WBA, iSIGN the development of a Security Alert and Data Retrieval back-end system and Loyalty interface is underway. This development is in recognitions of the importance of the security and safety aspect of our system.

Outsourcing and Strategic Business Relationships

The Company continues to formally partner with other companies to expand its business. In addition to key players such as IBM, who have stated that our technology is their preferred source of proximity marketing content, the Company has partnered with Baylor University, Verizon Wireless, TELUS, Unacast and AOpen. The Company will continue to pursue business relations to expand and grow its business in the North American and other markets.

The Company has signed agreements with several companies to act as resellers and distributors for our technology and hardware in various countries and regions: the United States; Canada; Australia and New Zealand; India; MENA; Panama; Rumania, Bulgaria, Hungary, Spain and Portugal and Chile.

The Company continually receives and evaluates requests from companies located around the world inquiring about the possibility of entering into reseller requests with us. These requests highlight the interest that our technology is receiving as a result of interviews, articles, press releases and website priority posts to promote our technology and hardware as well as the overall proximity-marketing field.

Performance Drivers

External factors that exist outside management's ability to control and are significantly key to the success in our business are:

Over the past few years, various studies and reports have been written about the 'Mobile Marketplace'. Generally, these articles have been predicting a bright future for what they have called mobile marketing. iSIGN promotes itself as proximity marketing, as our hardware is installed in close proximity to the point of origin of the message being broadcasted. The Company feels that this makes our mobile broadcasting to be more relevant to shoppers and will result in greater shopper acceptance of our messaging. The entrance of Apple's iBeacon has helped to give this market credibility and to promote the overall idea of proximity advertising. A sampling of the above-mentioned reports follows:

- by the end of 2015, there will be over 1 billion Smartphones worldwide (Business Intelligence).
- 95% of retailers list consumer engagement as a top priority (Business Intelligence).
- only 3% of retailers have the technology to identify customers once they have entered the store – 75% of retailers are planning to enable this in the next 3 years (Business Intelligence).
- 62% of retailers are planning mobile marketing (Business Intelligence).
- 61% of retailers are planning for real-time analytics (Business Intelligence).
- 65% of retailers are planning real-time retail for point-of-sales systems (Business Intelligence).
- 73% of consumers are happy to have location based (relevant) notifications of deals sent to their mobile devices (Business Intelligence).
- overall Mobile internet revenue is expected to grow over 300% by 2017 to $516 billion (Deloitte Consulting).
- In 2013, Smartphone influence retail revenue grew 113% over 2012, with 79% of customers using Smartphones for shopping – 17% 1-time a week, 62% 1-time a month (Deloitte Consulting).
- 94% of Smartphone users look for local information on their phones and take action as a result (Deloitte Consulting).
- 32% of retailers say the biggest impact on their business will be the use of in-store mobile technology engagement and communication (Deloitte Consulting).
- 53% of retailers say mobile marketing efforts are their top priority for 2014 going forward (Deloitte Consulting).
- 65% of customers use their phones while shopping, accounting for $159 billion in sales (5.1% of purchases). By 2016, it is expected that 20% of purchases will be influenced by mobile devices (Deloitte Consulting).
- by 2018, onsite customer searches on mobile and online, are projected to generate $1.8 trillion in purchases (Deloitte Consulting).
- 78% of shoppers are most influenced by price and promotions (Deloitte Consulting).
- American ownership of Smartphones was nearly 66% at April 2015 (Chief Marketing Officer Council World Wide).
- in March 2015, it was reported that 87% of millennials always have their Smartphone at their side, day and night and 84% of 13-17 years olds own a mobile phone (Chief Marketing Officer Council World Wide).
- Flurry Insights reported on November 18, 2014 (Mobile to Television: We Interrupt this broadcast (Again), mobile has passed television as America's first screen, with the average American consumer spending 2 hours and 57 minutes on their mobile devices, a 9.3% increase within the preceding 9 month period. The time spent on television meanwhile, remained flat at 2 hours and 48 minutes, according to the US Bureau of Labor Statistics.
- mobile ads have a profound effect on building store traffic in grocery, drug and mass channels. Consumers exposed to mobile ads for consumer packaged goods products showed a 75% increase in store visits over a control group of similar segments (NinthDecimal).

Performance Drivers - continued

External factors that exist outside management's ability to control and are significantly key to the success in our business are - continued:

- Social Media Hat states "99% of apps only get used once. Unless your app does something amazing that no one else's does, then the reality is it will be downloaded, opened and forgotten about."
- according to The Good Push Index, Urban Airship's landmark study on push notifications, 70% of an app's users will defect after 30 days if the brand does nothing to engage with them.
- among 500 consumers who have used a digital coupon within the past 3 months, 59% have stated that digital coupons and coupon codes are most likely to influence their purchase decision, compared with other types of digital promotions. Of these, one-third will redeem the coupon immediately (Forrester Research).
- 65% of US Smartphone Shoppers prefer mobiles sites to apps (Google Shopper Marketing Agency Council Report In April 2013).
- a recent MobileMarketingDaily article quotes Mike Andrews, chief scientist for Forensiq a digital ad fraud detection firm, as saying in-app fraud could surpass $1 billion globally in 2015. The company's study details the nature and scope of ad fraud in mobile, including a new type of mobile fraud called "mobile device hijacking."

Internal factors which define the Company's performance indicators leading to revenue growth capability:

iSIGN gathers data from its various installations in the United States and Canada. The Company stores raw data in its cloud storage, which is virtually infinite. Data gathering will increase as our network of Smart Antenna installations expands. Data includes: (i) messaging to and from mobile devices including number of unique mobile devices, dwell-time, frequency of return visits and messages accepted, rejected and ignored, call-to-action/coupons downloaded and acted upon; and eventually, (ii) point-of-sale data. All basic insights are completely anonymous and do not violate any privacy issues.

Resources and Capabilities

The Company must pay competitive salaries and benefits in order to attract and maintain its key management and employees. In addition, key employees will participate in bonuses when the Company reaches profitability. No bonuses have been paid by the Company to date. The Company has a stock option plan that is approved by its Shareholders, which is used to provide incentives to employees and management.

Summarized below are details of the Company's key management who are responsible for the development and implementation of the Company's strategy in marketing and technology.

<u>Management</u>

President and Chief Executive Officer
<u>Alex Romanov</u> is an accomplished business executive with a history of identifying opportunities and turning them into high growth and profitable enterprises. Alex has diverse experience in a variety of industries such as consumer electronics, communication, digital imaging, video gaming, and e-commerce. Alex was the CEO and President of Alpine Electronics in Canada for 17 years, building the company to over $50 million in revenue with over 50% of the Canadian market share by 1995. After Alpine, Alex became founder and CEO and major shareholder of Royal Oak Marketing and was responsible for over 100 employees and $120 million in revenue. Royal Oak Marketing was sold for $29 million to an American concern. Alex then co-founded Spherex Inc., which developed and marketed an Xbox gaming audio system. Spherex was then sold to another U.S. concern in 2005. Alex has been iSIGN's Chief

Resources and Capabilities – continued

Management – continued

Executive Officer since November 2007 and has successfully restructured the company, positioning it for rapid growth worldwide.

Vice President, Business Development and Branding
Sandy Clarke assumed her current role with iSIGN in July 2013. Prior to joining iSIGN, she was the founder and President of The North 51st Group, a full service brand and retail marketing support company that developed strategy and executed moment of sale impact for global technology brands and many of North America's largest retailers. Prior to North 51st Group, she was the National Sales Manager for AST Computers and Vice President, Sales and Marketing for Alpine Electronics of Canada. Ms. Clarke has completed courses at York University and the University of Ontario in International Marketing, Financial Management and Board Effectiveness, in addition to various sales courses.

Technology

Chief Technology Officer
Mark Janke is a graduate of the Alberta Institute of Technology and the University of Alberta with a Bachelor of Science in Electrical Engineering. He has a wealth of experience in developing solutions within a variety of verticals including biomedical, automation and mobile advertising. Prior to 2000, Mark managed a team at Universal Dynamics that was responsible for development of sophisticated model based control software for limekilns, breweries and other cost sensitive systems. After 2000, Mark managed the Field Applications group at Intrinsyc Software. Mark's team at Intrinsyc was responsible for system architecture, development, testing and customer support for mobile applications including biomedical devices, gaming systems and a variety of other platforms. Mark left Intrinsyc in 2005 and continued supporting mobile device development projects as a private consultant and as the founder of Deviceworx Engineering Inc. Mark joined iSIGN in 2009 and leads a team in improving iSIGN's ground breaking Interactive Marketing Solution ("IMS").

Head Developer
Chris Losari is a graduate of the University of British Columbia with a Bachelor of Applied Science in Electrical Engineering. After graduating, Chris worked for Research In Motion in Waterloo, Ontario. From there, he joined Polycom Canada, based in Vancouver, British Columbia. Chris has been with iSIGN since its inception and developed the first version of iSIGN's IMS software system. Chris has over 7 years of experience in development of marketing solutions that leverage the Bluetooth Object Push Profile and Object Exchange protocol.

Liquidity and Capital Resources

Private Placements

The Company requires additional capital to continue its operations, and to continue to successfully pursue specific opportunities, until it can sustain itself by revenues.

Resources and Capabilities – continued

Cash Resources

The Company's cash resources increased by $2,407 in the three months ended July 31, 2016 compared with a increase of $75,139 in the comparable period of the prior year.

	Three Months ended July 31, 2016		2015	
Net cash generated by/(used in) operating activities	$	78,812	$	(642,946)
Net cash used in investing activities		(97,605)		(192,855)
Net cash provided by financing activities		21,200		910,940
Cash decrease	$	2,407	$	75,139

Net Cash used in Operating Activities - the variances reflect the various non-cash items recorded during the three months ended July 31 of each fiscal year and the transfer of costs into Intangible Assets as Data Network Development.

Net Cash used in Investing Activities - the results during the three months ended July 31, 2016 reflects the continuing transfer of costs into Data Network Development costs. The results during the year ended July 31, 2015 numbers reflect the Company's development of its Push Sensor technology and transfer of costs into Data Network Development.

Net Cash provided by Financing Activities - is a reflection of the timing of the proceeds of private placements, loans, advances, convertible note and the exercise of stock options and warrants.

Cash and Working Capital

	July 31, 2016		April 30, 2015		Increase (decrease) in working capital	
Cash and cash equivalents	$	7,165	$	4,758	$	2,407
Current assets	$	1,390,769	$	1,394,632	$	(3,863)
Current liabilities		2,515,437		2,518,510		3,073
Working capital deficit	$	(1,124,668)	$	(1,123,878)	$	(790)

The Company's cash balances increased to $7,165 from the April 30, 2016 year-end of $4,758 mainly due to advances received. The decrease in current assets to $1,390,769 from the April 30, 2016 year-end of $1,394,632 is primarily the result of decreased inventories as a result of Smart Antenna sales. The decrease in current liabilities to $2,515,437 from the April 30, 206 year-end of $2,518,510 primarily reflects the extension of payment terms for the convertible note payable and resultant movement into non-current liabilities.

The working capital deficit at July 31, 2016 increased by $790 to $1,124,668 from the April 30, 2015, year-end deficit of $1,123,878.

Resources and Capabilities - continued

Cash and working capital – continued

The Company continues to expend cash over and above its revenues. This will continue until the Company achieves breakeven. The Company continues to depend heavily on debt and equity financing to fund its operating losses.

The Company will be consuming its cash resources at approximately $275,000 - $295,000 per fiscal quarter for its operating activities. The Company's cash reserves, collection of receivables will enable the Company to operate into the middle of the Company's third quarter of fiscal 2017.

The table below details the Company's current liabilities and long term contractual commitments on a cash basis, as of July 31, 2016:

	Total	Under 1 Year	1 – 3 Years	After 3 Years
Bank indebtedness	$ 20,200	$ 20,200	$ -	$ -
Trade accounts payable and accrued liabilities	2,224,837	2,224,837	-	-
Advances	111.000	111,000	-	-
Note payable	60,000	60,000	-	-
Operating leases	35,548	22,786	12,762	-
Total	$ 2,451,585	$ 2,438,823	$ 12,762	$ -

Results

Expenses for the Three Months Ended July 31, 2016 and 2015

The following tables and discussion provides more in depth detail on the Company's expenses as required by National Instrument 51-102 for venture exchange companies with minimal revenues.

	For the Three Months ended July 31, 2016		2015		Increase (decrease)
Hardware	$ 7,510	88.2%	$ 5,891	99.1%	$ 1,619
Shipping and packaging	1,010	11.8%	52	0.9%	958
Total - Cost of Sales	$ 8,520	100.0%	$ 5,943	100%	$ 2,577

Hardware costs include the cost of Smart Antennas and ancillary equipment being sold.

	For the Three Months ended July 31, 2016		2015		Increase (decrease)
Travel, tradeshows and promotional	$ -	- %	$ 2,862	92.4%	$ (2,862)
Other	249	100%	234	7.6%	15
Total - Selling and marketing	$ 249	100%	$ 3,096	100%	$ (2,847)

Results – continued

Expenses for the Three Months Ended July 31, 2016 and 2015 – continued

	For the Three Months ended July 31,				Increase
	2016		2015		(decrease)
Salaries	$ 12,976	3.0%	$ 13,745	3.3%	$ (769)
Benefits	1,347	0.3%	1,308	0.3%	39
Contractual services	65,877	15.3%	56,221	13.4%	9,656
Stock-based compensation	163,667	37.9%	195,533	46.5%	(31,866)
Travel and auto	3,689	0.8%	2,960	0.7%	729
Office costs	40,552	9.4%	14,486	3.4%	26,066
Occupancy and operating costs	13,596	3.2%	13,710	3.3%	(114)
Professional	39,321	9.1%	33,196	7.9%	6,125
Consulting	8,000	1.9%	11,170	2.7%	(3,170)
Directors' fees	22,000	5.1%	60,000	14.3%	(38,000)
Other (income)/expense	60,228	14.0%	18,565	4.2%	41,663
Total - General and administration	$ 431,253	100.0%	$420,894	100%	$ 10,359

Contractual services reflects the allocation of costs into Data Network Development costs. Stock-based compensation, a non-cash expense, varies according to the timing and quantity of stock options being granted. Office costs reflect charges for late payment fees by suppliers. Professional and Consulting reflect the expiry and non-renewal of various contracted services. Director's fees reflect the reduction in their fees effective as of the start of the second quarter of the prior fiscal year. Other income/expense reflects currency exchange gains or losses, which is a function of fluctuating exchange rates during each of the Company's quarterly periods and any reversal of cost accruals that management deems to no longer be required.

Results – continued

Rolling Eight Quarters Analysis

The following table details the last eight consecutive quarters, revenues, gross profit (loss) gross margin percentage, and major expense categories.

Quarter (3 months) ending (unaudited)	Q1 F2016 31-Jul 2016 $	30-Apr 2016 $	31-Jan 2016 $	31-Oct 2015 $	Q1 F2015 31-Jul 2015 $	30-Apr 2015 $	31-Jan 2015 $	31-Oct 2014 $
Revenue - sales	13,741	13,858	58,694	6,448	27,846	7,430	2,897	30,000
Revenue - service	9,846	9,002	625	119	3,120	28,121	71,715	132,736
Total revenue	23,587	22,860	59,319	6,567	30,966	35,551	74,612	162,736
Cost of sales	8,520	59,943	40,674	(2,073)	5,943	107,017	64,908	61,029
Gross profit (loss)	15,067	(37,083)	18,645	8,640	25,023	(71,466)	9,704	101,707
Gross margin	63.9	(162.2)	31.4	134.3	80.8	(201.0)	13.0	62.5
Selling and marketing	249	739	1,861	2,369	3,096	16,410	5,483	23,883
General and administration	431,253	472,219	78,900	208,599	420,894	476,192	441,166	291,857
Bad debt (recovery)	-	(10,570)	(2,500)	(15,000)	(10,000)	(10,000)	(23,825)	-
Depreciation	1,621	2,177	2,176	3,626	726	11,463	4,142	4,143
Amortization	222,485	720,321	38,428	39,220	37,500	38,470	38,374	38,298
Impairment – goodwill	-	165,000	-	-	-	-	-	-
Interest	10,417	10,327	10,345	10,330	10,139	(17,786)	6,039	37,961
Total operating expense	666,025	1,360,213	129,210	249,144	462,355	514,749	471,379	396,142
Loss before extraordinary gain and income tax	(650,958)	(1,397,296)	(110,565)	(240,504)	(437,332)	(586,215)	(461,675)	(294,435)

Revenue for the October 2014 quarter was predominately digital signage advertising and digital signage hardware sales. Revenue for the January and April 2015 quarters were predominately digital signage advertising and Smart Antenna hardware sales. Revenue for the July 2015 through July 2016 quarters were entirely related to the sale of Smart Antennas and related monthly fees.

The October 2014 quarter reported a substantial improvement in gross profit, compared to other quarters, mainly due to the higher margin realized on the sale of digital signage ancillary hardware as well as to increased revenue levels for the digital signage network in relation to its fixed costs and the transfer of costs into Intangible Assets for Data Network Development. The January and April 2015 quarters were affected by the booking of costs relating to cancelling the digital signage network's content management services as well as the transfer of costs into Intangible Assets for Data Network Development. The July 2015 quarter is substantially higher than previous quarters due to the transfer into revenue from deferred revenue with little related cost impact and the transfer of costs into Intangible Assets for Data Development. The October 2015 quarter reflects a correction to a cost

Results – continued

Rolling Eight Quarters Analysis - continued

quarters due to the transfer into revenue from deferred revenue with little related cost impact and the transfer of costs into Intangible Assets for Data Development. The October 2015 quarter reflects a correction to a cost allocation in the previous quarter. The January 2016 quarter reflects the fluctuation in the exchange rate between the US and Canadian dollar, which impact upon our export Smart Antenna sales. The April 2016 quarter reflects a cost adjustment based on the valuation of inventories acquired in the Graphic acquisition. The July 2016 quarter reflects the sales mix between hardware and monthly data management/licensing fees.

Selling and marketing fluctuations in all quarters from October 2014 through April 2015 are impacted by a combination of commissions and royalties on digital signage revenue and by trade show attendance. The quarters from October 2014 on are impacted by the transfer of costs into Intangible Assets for Data Network Development.

The General and administrative costs in October 2014, January, April and July 2015 quarters were impacted by the transfer of costs into Intangible Assets for Data Network Development as well as by increased directors' fees and stock based compensation. April 2015 was also impacted by management's reversal of accruals that were deemed no longer necessary, and the costs of our AGM, held in March 2015. The October 2015 quarter was impacted by the transfer of costs into Intangible Assets for Data Network Development and by a reduction in directors' fees. The January 2016 quarter was impacted by the transfer of costs into Intangible Assets for Data Network Development and by the reversal of cost accruals that management deems to no longer be required. The April 2016 quarter was impacted by the transfer of costs into Intangible Assets for Data Network Development and by suppliers' late payment charges and exchange fluctuations. The July 2016 quarter was impacted by the transfer of costs into Intangible Assets for Data Network Development, stock-based compensation and by increased exchange losses.

In the quarters from January 2015 through April 2016, the Company collected upon amounts previously set-up as a bad debt allowance that related to the Company's digital signage resellers.

In accordance with the Company's accounting policies, Impairment losses were recorded in April 2016 for the goodwill related to the Graphic business combination.

Interest in the quarters from October 2014 through January 2015 included accretion interest related to the Asset retirement accrual for the Mac's network. Interest in the quarters of July 2014 through July 2016 included interest relating to the various interest bearing fundings that the Company has entered into. The April 2015 quarter was impacted by the reversal of previously recorded accretion interest.

Results – continued

Common shares - outstanding share data

	As at July 31, 2016	As at April 30, 2015
Basic common shares	107,005,555	107,005,555
Convertible securities:		
Warrants	26,443,870	26,443,870
Options	8,356,667	8,706,667
Fully diluted common shares	141,806,092	142,156,092

Significant ownership concentration at July 31, 2016:		Percentage of Issued Shares
Alex Romanov - CEO and director	11,247,325	10.51%
Graphic Media/Ron Leman	10,000,000	9.35%
Korona Group Ltd.	12,228,438	11.43%
Cancore Enterprise Inc.	6,585,152	6.16%
Tesar Inc.	5,166,667	4.83%
	45,227,582	42.27%

Changes in Internal Controls and Assessment of Financial Information Controls and Procedures

The Company made no changes to its internal controls at the Board of Directors' meeting held subsequent to the Company's September 19, 2016 Annual General Meeting. The Company previously reviewed the Company's internal controls and procedures and determined that they are appropriate for the Company's current needs in December 2013.

Disclosure controls and procedures ("DCP") are intended to provide reasonable assurance that information required are disclosed, processed, summarized and reported within the time periods specified by securities regulations, and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in their annual and interim filings related to the establishment and maintenance of DCP and ICFR, as defined in Multinational Instrument MI 52-109.

In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

The issuers' certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificate regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DCP and

Results – continued

Changes in Internal Controls and Assessment of Financial Information Controls and Procedures - continued

ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Management's Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant management estimates include allowance for doubtful accounts, useful lives of capital and intangible assets, impairment of assets and share-based payments. Actual results could differ materially from those estimates. There have been no changes to critical accounting estimates in the current reporting period.

Transactions with Related Parties

All related party transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by both parties. In the normal course of operations, the Company:

- records the monthly fees of our Chief Executive Officer to a company that he owns.
- records the monthly fees of our Chief Financial Officer to a company that he owns.
- entered into secured convertible notes with shareholders of the Company.
- records directors' fees and from time to time issues stock options to the directors, thus incurring non-cash Stock-based compensation costs.
- entered into a shares for debt transaction with the Company's directors on August 25, 2015.
- during the year ended April 30, 2015 entered into a secured note with a shareholder of the Company and during fiscal 2016, made a partial repayment of the loan.
- received non-interest bearing advances with no terms of repayment from a shareholder and the Company's Chief Executive Officer.
- subsequent to the end of the three months ended July 31, 2016, entered into shares for debt transactions with the Company's Chief Executive Officer and with a company controlled by two shareholders who are considered to be insiders of the Company due to diluted ownership in excess of 10% of the common shares of the Company.

Management Contracts

Alex Romanov

- Agreement signed with an effective date of Jan 6, 2015,
- Term is for 5 years, expiring Jan 6, 2020,
- Automatic renewals of 1 year terms, unless notice in writing is given 6 months prior to the expiration of the term,
- Consulting salary of $15,000 per month plus a monthly car allowance of $1,480,
- Severance is required equal to 12 months of Alex' consulting fee - $180,000,
- U.S. dollar $6,000 per month salary with respect to operations based out of Company offices in Florida USA.

Risks and Uncertainties

Any investment in the Company's securities is speculative due to the nature of its business and its general stage of development. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In addition to the usual risks associated with investment in a business, investors should carefully consider the following risk factors:

- No History of Profits

  iSIGN has not earned profits to date and there is no assurance that iSIGN will earn profits in the future, or that profitability, if achieved, will be sustained. The success of iSIGN ultimately depends upon its abilities to generate significant revenues to finance operations as opposed to external funding. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities.

- Future Capital Requirements

  iSIGN will require additional financing in order to grow and expand its operations. Additional financing could include the incurrence of debt and the issuance of additional equity securities, which could result in substantial dilution to existing shareholders. It is possible that required future financing will not be available, or if available, will not be available on favourable terms. If adequate funds are not available, or are not available on acceptable terms, iSIGN may not be able to take advantage of opportunities or otherwise respond to competitive pressures and remain in business. There can be no assurances that iSIGN will be able to raise additional capital if its capital resources are exhausted.

- Management of Growth

  Any expansion of iSIGN's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurances that iSIGN will be able to manage growth successfully. Any inability of iSIGN to manage growth successfully could have a material adverse effect on the Company's business, financial condition and operational results.

- Our sales efforts require significant time and effort and could hinder our ability to expand our customer base and increase revenue

  Attracting new customers requires substantial time and expense and the Company cannot assure that it will be successful in establishing new relationships, or maintaining or advancing our current relationships. For example, it may be difficult to identify, engage and market to customers who do not currently perform mobile marketing or advertising or are unfamiliar with our current services or platform. Further, many of our potential customers typically require input from one or more internal levels of approval. As a result, during our sales effort, iSIGN must identify multiple people involved in the purchasing decision and devote a sufficient amount of time to presenting our products and services to those individuals. The newness and complexity of our services, including our software as a service model, often requires us to spend substantial time and effort assisting potential customers in evaluating our products and services, including providing demonstrations and benchmarking against other available technologies, as well as trial periods. This process can be costly and time consuming. The Company expects that our sales process will become less burdensome as our products and services become more widely known and used. However, if this change does not occur, the Company will not be able to expand its sales effort as quickly as anticipated and our sales will be adversely affected.

Risks and Uncertainties – continued

- Proximity Advertising Medium

  Although there is a large and growing amount of interest in this field from both the advertising community and digital sign companies, it is still new and relatively untested. There can be no assurances that advertisers will accept proximity messaging as an acceptable advertising medium or that they will increase their advertising spending to include this medium or divert some of their existing advertising budget to this medium.

- Technology

  iSIGN currently holds patent pending applications in Canada, China, Singapore and Malaysia, and is patented in the United States. Despite precautions that iSIGN may take to protect its rights, third parties may copy or obtain and use our intellectual property and other proprietary information without our authorization or they may develop similar or superior technologies. iSIGN enters into confidentiality agreements with its employees, clients, prospective clients and others. However, these agreements may not provide meaningful protection of our technologies in the event of unauthorized use or disclosure. Policing unauthorized use of intellectual property is difficult and the cost of enforcing our rights by way of litigation may be prohibitive. iSIGN's success will partially depend upon its ability to obtain, enforce and maintain patent protection for its intellectual property worldwide.

- Creating New Product Features

  iSIGN's ability to grow its revenue and client base will be impacted to a degree, by its ability to create and/or to react to the desire for additional features and functions for its technology.

- Competition

  iSIGN's competition for advertising dollars, are the more traditional forms of advertising - television, the print mediums (magazines and newspapers), radio and out-of-home advertising – that advertisers immediately consider when they think of communicating with potential consumers. Additionally, the Company has competition in the proximity-marketing field itself, from the iBeacon. As stated in the Background section, there are many differences between our products and the iBeacon, with the chief difference being that our product operates without the need for an app to be downloaded and activated to receive messaging. As there is no app download, the individual does not have to give us any personal information about themselves. The Company encourages you to visit our website at www.isignmedia.com, for comparison of our Smart Antenna to the iBeacon, found under About Us/Reports and Info graphics, as well as our white paper on privacy, found under About Us/White Papers.

- Dependence on Key/Qualified Personnel

  The Company's success is dependent on the abilities, experience and efforts of its senior staff. The experience of these individuals, as well as new employees that iSIGN attracts to our organization, will be an important factor contributing to iSIGN's continued success and growth. While iSIGN has entered into employment agreements with its senior management and staff, should these persons be unable or unwilling to continue their employment with the Company, the loss of one or more of these individuals could have an adverse effect upon iSIGN's operations and business prospects. In particular, the loss of our CEO would severely affect business prospects. There can be no assurance that iSIGN will not experience employee turnover in the future, or that iSIGN's staffing costs will not increase. There is no assurance that the Company will be able to continue to hire and retain a sufficient number of qualified personnel. The Company does not presently carry "key man" insurance policies on any of its officers, directors or employees.

Risks and Uncertainties – continued

- Vulnerability to Economic Conditions
  iSIGN is dependent upon the economic environments in which it operates. Demand for iSIGN's product could be adversely affected by economic conditions in the countries in which iSIGN's clients operate. iSIGN's business may be sensitive to external factors such as events that may adversely affect the economy and consumer spending. There can be no assurance that such factors may not have an adverse effect upon iSIGN's business.

Approval

The Audit Committee and the Directors of iSIGN Media Solutions Inc. have approved the disclosures in this MD&A and the accompanying audited consolidated annual financial statements for the three months ended July 31, 2016.