iSIGN Media Solutions Inc.

Management's Discussion & Analysis
For the Three Months Ended July 31, 2015 and 2014

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, 2015. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended April 30, 2015 and 2014. 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 Pink Sheets, 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 September 25, 2015.

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 from of a store 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 shopping – the 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 simple static form or in full video with audio, 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 wells 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 within the web browser that is available on their phone, which can include coupons, product info, videos, and games. 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 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.

Our back-end system gathers and records the interaction of mobile devices with our technology. This data, that we term as "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 November 2013, our India reseller, Speech and Software Technologies (1) PVT. Ltd ("SST") issued a $500,000 purchase order for mobile data, gathered from all sources. At that time, we could only forward data gathered from mobile interactions and SST was looking for mobile and related point-of-sale data. Our ability to monetize this order requires us to integrate mobile data with point-of-sale data.

To that end, 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 twelve months 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 they 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 an commercial grade app is a major investment in time, vision and money, that 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.

Background - continued

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.

In past years when the Company was demonstrating its hardware and technology, potential clients focused on whether the system actually worked and if consumers would respond to mobile messaging. The newness of the entire field of proximity marketing to mobile devices has been a hindrance, as companies preferred the tried and proven method of advertising.

Our continued efforts, with the help of our public relations company, SSRP Public Relations Agency ("SSPR") to promote the medium and our technology through articles and interviews, combined with the introduction of Apple's iBeacon is helping to make the proximity marketing to mobile devices field 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 we are finding that 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 personal information and that respects shoppers' privacy), while gathering potentially valuable information that is both preference based and predictive based on a variety of interactions with shoppers' mobile devices.

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

Whereas trials with potential clients used to be in order to prove that the concept of proximity marketing works; 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 June 23, 2015, iSIGN announced the completion of 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; media and advertising lists; contracts and agreements with installation sites and related to trial installations; etc. As a result of this purchase, iSIGN regained full control of the Americas with sole responsibility for all aspects of its operations, from the addition of resellers and expansion of the National Mobile Network ("NMN"), to the sale of advertising on the network.

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

Outlook

In late June 2015, we completed a trial with 38 Golden Pantry Food Stores ("Golden Pantry") located in the greater Atlanta Georgia area. This trial, which concluded in mid to late June 2015 involved third party advertising on our Smart Antennas with four major national brands, Kellogg's, Swisher Sweets, Mars and Coca-Cola.

This trial was the first that involved a retail operation and third party advertisers. The goal of this trial was to prove to the advertisers that the use of our technology in locations where shoppers could immediately respond to messaging would improve their sales. The results as reported by Golden Pantry, was that the four brands received an 11% to 26% lift in advertised product sales.

Based upon these results, in July 2015 the brands agreed to execute proximity to mobile advertising campaigns at National Oil ("National") gas stations/convenience stores equipped with our Smart Antennas.

With the completion of the Golden Pantry trial, we have involved our contacts at Baylor University ("Baylor") to review trial results and to provide additional insights on the results that the brands experienced during the trial period. They are currently in the process of an in-depth review of Golden Pantry's sales data both from the trial period as well as from before the trial, which will be used as base line information that they expect will provide additional trial results and conclusions that we can use in future sales presentations to other advertisers and brands. We anticipate using Baylor's expertise in the future on additional installations. Our expectations is that having a prestigious US university provide independent analysis and reports will be of great value in presentations to future brands and advertising agencies, as well as to future installation sites.

On August 15, 2015, a trial with a national US pizza chain and their carbonated drink supplier at seven outlets owned by one franchiser in Indianapolis was completed. The immediate potential of this trial is a full rollout to the entire chain of approximately 3,500 outlets in the United States. The possible potential of this trial is that the carbonated drink supplier will recommend us to other chains that they supply. The raw point-of-sale data was received from the outlets in early September. This information is currently being reviewed and processed to extract our coupon sales, in order to put together a comprehensive report on the trial to present to all parties.

In July 2015, iSIGN and its reseller Dynamic Digital Sign Solutions, LLC ("DDSS") came to an agreement with one of their clients to install Smart Antennas into locations where their Automated Teller Machines ("ATM") are located.

In mid August 2015, iSIGN introduced AllOver Media, LLC ("AOM") as its exclusive third party advertising reseller for the National Mobile Network ("NMN"). With approximately 1,700 clients in both the United States and Canada and 135 employees, AOM is the largest alternative out-of-home reseller in North America.

We have received a list of approximately 3,200 locations for potential Smart Antenna installation from one of DDSS' major ATM clients. These locations are primarily in convenience stores ("C-stores") and grocery stores in regions that brands asked us to focus on. This list has been reviewed, categorized into industry segments within regions, with demographic information and prepared for presentation and site selection to various nationally known brands.

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. WBA's client Barons Bus Lines, 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, will be having 26 of its buses outfitted with our Smart Antennas in its initial installation phase. We expect this installation to be late in the second quarter of fiscal 2016. Data gathered during the first thirty days of broadcasting will be analyzed to best determine the advertisers to target.

Outlook – continued

On September 25 2015, iSIGN and its reseller Rich Multimedia Technologies Inc. ("RMT") announced their collaboration on integrating iSIGN's Smart Antenna into RMT's best-in-class Tele-Digital Store Front Kiosks ("Kiosks"). 318 of these Kiosks are currently installed in three US airports in Colorado and California, with another 300 currently being deployed in Mexico City's International airport. RMT is positioned to deploy approximately 5,000 Kiosks into Mexico City's subway and transit systems and government facilities and its international airport within 90 to 120 days. Additionally, they have a projected rollout of 3,600 Kiosks into 14 major international airports in the United States and Canada by the end of the 2016 calendar year. Further, they expect to utilize our hardware outside of their Kiosks to expand their in-airport concession relationships.

It is iSIGN's position, that it has successfully gathered together the various 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 as well as to third party data aggregators; (ii) site locations that want proximity marketing solutions installed; (iii) a low cost sales force (i.e. resellers) who are adding additional site locations to our existing NMN inventory of locations; (iv) a major 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.

While there are additional opportunities being worked on and developed with various iSIGN resellers, including the placement of inventory orders by various resellers, these are the ones that iSIGN believes are the major current opportunities.

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) 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 expenditure 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 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 separately. The Company has determined that criteria required to capitalize these costs have been demonstrated at the start of fiscal 2014. In the fiscal year ended April 30, 2015, $427,111 was capitalized as technology development costs (2014 - $419,550) and $611,689 was capitalized as data development costs (2014 - $716,907). The Company anticipates continuing with this accounting policy and capitalizing these costs until the development

Financial Highlights – continued

Accounting Policy - continued

phase is complete as demonstrated by iSIGN's products being available for use and additional sales orders being received.

Summary Results

In the three months ended July 31, 2015, revenues decreased by $282 from the comparable period in the previous fiscal year and the net loss reported by the Company decreased by $32,252. The loss per share at July 31, 2015 was $0.006, the same as at July 31, 2014.

The following table details the financial highlights for the three months ended July 31, 2015 and 2014.

	2015	2014	Increase/(Decrease)
Revenues			
Sales	$ 27,846	$ 5,427	$ 22,419
Services	3,120	25,257	(22,137)
	30,966	30,684	(282)
Gross Margin (Loss)	25,023	(27,139)	52,162
Expenses			
Selling and marketing	3,096	5.563	(2,467)
General and administration	420,894	312,331	108,563
Depreciation – property and equipment	726	4,142	(3,416)
Amortization – intangibles	37,500	38,298	(798)
Bad debt recovery	(10,000)	-	(10,000)
Interest	10,139	17,607	(7,468)
	462,355	377,941	84,414
Net loss and comprehensive loss	$ (437,332)	$ (405,080)	$ (32,252)

Discussion - Financial Results

<u>Revenues</u>

- Sales – revenues are derived from the sale of Smart Antennas.

- Services – in the three month period ended July 31, 2015, revenues are derived from monthly recurring data management fees. During the three month period ended July 31, 2014, revenues were derived from monthly recurring data management fees ($4,386) and digital signage advertising revenue ($20,871). The Company has exited from the digital signage network that it operated in prior years. Stepping away from this network allows the Company to fully concentrate its assets upon its core business – proximity marketing and software development to support proximity marketing. Revenues generated by the digital signage network ended early

Financial Highlights – continued

Discussion - Financial Results

in the fourth quarter of the fiscal year ended April 30, 2015.

<u>*Gross Margin (Loss)*</u>

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

<u>*Interest*</u>

- Interest costs decreased due to the Company's exit from its digital signage business and resulting elimination of the accretion interest calculated on asset retirement obligations.

<u>*Amortization and depreciation*</u>

- Depreciation has decreased as the digital signage network equipment has essentially been fully depreciated/impaired.

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. We continue 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) the sale and/or leasing of our Smart Antenna and Smart Player hardware; (ii) data management fees, including standard Analytic Reporting charged monthly for the duration of each contract; (iii) data and analytic sales to data aggregators and other third parties, as well as charges for non-standard Analytic Reporting to our clients, (iv) advertising revenue derived from hardware installations in the NMN; and, (v) content creation, custom integration of customer loyalty data bases and additional API or software development.

While all business segments can use and benefit from proximity marketing, iSIGN and its North American resellers are currently primarily targeting C-store/gas stations and airport installations.

Historically, the Company has viewed the C-store/gas station channel as prime candidates for its Smart Antennas, given their demographics. There is approximately 150,000 plus C-stores in the United States alone, with approximately $700 billion in annual revenue with approximately 139 million shoppers daily. In addition, there are approximately 126,600 C-stores linked to gas stations in the United States that have 139 million customers a day. Of these customers, 37%, or 51 million people pay at the pump and do not enter the C-store. The 88 million who do go into the store spend on average $4.85 per visit. Margins on store products average about 22.4% vs. roughly 5.1% on gas. All quoted figures are from the 2013 NACS annual report.

Business, Products and Strategy – continued

Our existing NMN installations at National locations have resulted in an increase in foot traffic of 10 to 12 % and increased revenues and profit margins.

iSIGN views airports in the same fashion as large suburban malls, as both incorporate the same features. Both have retail shops and food services to go along with a large foot traffic audience that are in the mall/airport for extended periods. All of this combines to make airports and malls ideal locations for our hardware to be installed to gather data and for advertisers to interact with consumers on their mobile devices.

Over the past number of months, 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 ("NLT") 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) Ad Attack SDN BHN ("Ad Attack") located in Malaysia, a digital signage company specializing in retail sectors, for the Malaysian territory; (iii) Eventuality Limited ("Eventuality") located in Trinidad, a marketing and media company, for the English speaking Caribbean territory; (iv) 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; (v) Selkirk Signs Calgary Ltd. ("Selkirk") located in Calgary, Alberta, a signage company, for the Greater Calgary Area territory; (vi) E3 Solutions S.A. (formerly BE Duke S.A.) ("E3") located in Panama, a security and technology company, for the territory of Panama; and (vii) SC Best Communication SRL ("SC"), located in Rumania for the territory of Rumania, Bulgaria and Hungary. In addition, JEA Technologies Inc. ("JEA") located in Australia requested and was granted an upgrade of their status from reseller to that of distributor.

While the Company's focus is primarily on North America, as that is where our most immediate and largest growth potential is, we believe that we cannot ignore international markets whose potential is sizable. We will continue to entertain international requests for reseller status. We are currently in discussions ranging from preliminary conversations to in-depth negotiations with six companies located across the globe. We expect that some could lead to reseller appointments with exclusive territories and upfront payments for hardware.

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 with its plan to create resellers in various areas across the world to market iSIGN's technology and hardware. iSIGN views resellers as being essentially 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.

Business, Products and Strategy - continued

Marketing and Pricing - continued

The Company's price list provides clients with two pricing options. The first is the outright purchase of our hardware with monthly payments for the software data management fee. The second option is that the hardware, data management fee can be incorporated into a single monthly blended payment. As this second option reduces the customer's upfront costs, we anticipate a growing demand for this pricing option.

The Company anticipates that the advertising fees generated from our installations will grow over time as the benefits of using our NMN networks become more recognized. We will work closely with AOM on the establishment of a pricing structure to ensure that our pricing is both reasonable and attainable.

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.

The completion of the Company 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.

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.

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 and AOpen. The Company will continue to pursue business relations to expand and grow its business in the United States 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: Australia and New Zealand; India; Malaysia; MENA; Panama; English speaking Caribbean; Rumania, Bulgaria and Hungary; the United States and Canada.

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

Business, Products and Strategy - continued

Outsourcing and Strategic Business Relationships – continued

technology is receiving as a result of our efforts, through our public relations firm SSPR, our 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. We feel 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:

Business 2 Community reports that marketers spent $8.5 million on mobile marketing in the United States in 2013 and this is projected to reach $3.1 Billion by 2017.

As reported on Flurry Insights 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.

As reported by NinthDecimal, a leading mobile audience intelligence company, 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

Fast Company reports that 25% of Smartphone owners aged 18 to 44 "Can't recall the last time their smartphone wasn't near them."

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.

Forrester Research states that 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.

As quoted in The Gapster, Location-Based Mobile Marketing Takes Off, July 2013; a recent survey of brand executives by Balihoo found that 91% are planning to invest in some location-based service.

A Google Shopper Marketing Agency Council Report in April 2013 reported the 65% of US Smartphone Shoppers prefer mobiles sites to apps.

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

A recent report by Deloitte "The Dawn of Mobile Influence", studied the growing impact of mobile devices in the retail sector. It discussed the fact that mobile influenced a significant 5.1% of in-store sales in the U.S.; that percentage, Deloitte states, translated into $159 billion in forecasted sales in 2012. They project that the mobile influence factor will reach 17-21% over the next four years, which will translate to $628-$752 billion in mobile influenced sales and that mobile has surpassed eCommerce as the greatest influencer.

Their study described the 'influence factor' as whether the shopper had used their Smartphone to shop, either before they go to the store or in the store. Moreover, their survey indicated that Smartphone shoppers are 14 % more likely that non-Smartphone shoppers to convert in store. In addition, 61% said that they would likely use their Smartphone while in the store.

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 in-ass 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.

Management

President and Chief Executive Officer
Alex Romanov 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

Liquidity and Capital Resources - continued

Cash Resources

The Company's cash resources increased by $75,139 in the three months ended July 31, 2015 compared with an increase of $282,467 in the comparable period of the prior year.

	Three Month Period ended July 31	
	2015	2014
Net cash used in operating activities	$ (642,946)	$ (760,358)
Net cash used in investing activities	(192,855)	(207,175)
Net cash provided by financing activities	910,940	1,250,000
Cash increase	$ 75,139	$ 282,467

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

Net Cash used in Investing Activities - the results during the three months ended July 31, 2015 reflects the continuing transfer of costs into Data Development. The July 31, 2014 numbers reflect the Company's Smart Player development and transfer of costs into Data Development (both recorded under Intangible Assets).

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

Cash and Working Capital

	July 31, 2015	April 30, 2015	Increase (decrease) in working capital
Cash and cash equivalents	$ 81,582	$ 6,443	$ 75,139
Current assets	$ 1,492,299	$ 1,215,513	$ 276,786
Current liabilities	2,037,120	2,168,784	131,664
Working capital deficit	$ (544,821)	$ (953,271)	$ 408,450

The Company's cash balances increased to $81,582 from the April 30, 2015 year-end of $6,443 mainly due to the closing of private placements and the issuance of a convertible note. The increase in current assets to $1,492,299 from the April 30, 2015 year-end of $1,215,513 is primarily the result of increased inventory, obtained in the asset purchase acquisition completed in July 2015. The decrease in current liabilities to $2,037,120 from the April 30, 2015 year-end of $2,168,784 reflects payments of accounts payable and a payment towards Note payable offset by the Company's issuance of a Convertible note on May 7, 2015.

The working capital deficit at July 31, 2015 decreased by $408,450 to $544,821 from the April 30, 2015, year-end deficit of $953,271. This improvement is primarily the result of the private placements completed and the Convertible note issued during the three month period ended July 31, 2015.

Resources and Capabilities - continued

Cash Resources – 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 equity financing to fund its operating losses.

The Company will be consuming its cash resources at approximately $395,000 - $410,000 per fiscal quarter for its operating activities. The Company's cash reserves, collection of receivables and financing received subsequent to the quarter-end will enable the Company to operate into the middle of the Company's third quarter of fiscal 2016.

The table below details the Company's current liabilities and long term contractual commitments on a cash basis, as of July 31, 2015:

	Total	Under 1 Year	1 – 3 Years	After 3 Years
Trade accounts payable and accrued liabilities	$ 1,480,960	$ 1,480,960	$ -	$ -
Note payable	60,000	60,000		-
Convertible note payable	360,000	360,000		-
Operating leases	96,544	47,526	49,018	-
Total	$ 1,997,504	$ 1,948,486	$ 49,018	$ -

Results

Expenses for the three month periods Ended July 31, 2015 and 2014

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,				Increase
	2015		2014		(decrease)
Purchases of goods and services	$ 5,891	99.9%	$ 53,538	92.6%	$ (47,647)
Shipping and packaging	52	0.1%	-	0.0%	52
Travel	-	0.0%	2,394	4.1%	(2,394)
Operations facility	-	0.0%	1,891	3.3%	(1,891)
Total - Cost of Sales	$ 5,943	100.0%	$ 57,823	100%	$ (437,441)

The costs for the current three month period relates strictly to proximity marketing. The costs for the previous year's period predominately reflect costs related to the digital signage networks.

Results

Expenses for the three month periods Ended July 31, 2015 and 2014

	For the three months ended July 31, 2015		For the three months ended July 31, 2014		Increase (decrease)
Travel, tradeshows and promotional	$ 2,862	92.4%	$ -	0.0%	$ 2,862
Third party commissions	-	0.0%	5,354	96.2%	(5,354)
Other	234	7.6%	209	3.8%	25
Total - Selling and marketing	$ 3,096	100%	$ 5,563	100%	$ (2,467)

The costs for the current three month period relates strictly to proximity marketing. The costs for the previous year's period predominately reflect costs related to the digital signage networks.

	For the three months ended July 31, 2015		For the three months ended July 31, 2014		Increase (decrease)
Salaries	$ 13,745	3.3%	$ 20,926	6.7%	$ (7,181)
Benefits	1,308	0.3%	1,979	0.6%	(671)
Contractual services	56,221	13.4%	60,094	19.2%	(3,873)
Stock-based compensation	195,533	46.5%	53,583	17.3%	141,950
Travel and auto	2,960	0.7%	2,526	0.8%	434
Office costs	14,486	3.4%	16,813	5.4%	(2,327)
Occupancy and operating costs	13,710	3.3%	14,765	4.7%	(1,055)
Professional	33,196	7.9%	45,245	14.5%	(12,049)
Consulting	11,170	2.6%	36,596	11.7%	(25,426)
Directors' fees	60,000	14.2%	50,000	16.0%	10,000
Other (income)/expense	18,565	4.4%	9,804	3.1%	8,761
Total - General and administration	$ 420,894	100.0%	$ 312,331	100%	$ 108,563

Stock-based compensation, which is a non-cash expense, varies according to the timing and quantity of stock options being granted. Professional and Consulting reflect the expiry and non-renewal of various contracted services. Director's fees reflect the addition of a Director to our Board in mid-March 2015. Other income/expense reflects currency exchange gains or losses, which is a function of fluctuating exchange rates during each of the three month periods.

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 2015 $	30-Apr 2015 $	31-Jan 2015 $	31-Oct 2014 $	Q1 F2015 31-Jul 2014 $	30-Apr 2014 $	31-Jan 2014 $	31-Oct 2013 $
Revenue - sales	27,846	7,430	2,897	30,000	5,427	2,235	-	-
Revenue - service	3,120	28,121	71,715	132,736	25,257	57,129	153,560	233,524
Total revenue	30,966	35,551	74,612	162,736	30,684	59,364	153,560	233,524
Cost of sales	5,943	107,017	64,908	61,029	57,823	(12,688)	259,549	251,707
Gross profit (loss)	25,023	(71,466)	9,704	101,707	(27,139)	72,052	(106,289)	(18,183)
Gross margin	80.8	(201.0)	13.0	62.5	(88.4)%	121.0%	(69.0)%	(8.0)%
Selling and marketing	3,096	16,410	5,483	23,883	5,563	(91,858)	200,247	253,370
General and administration	420,894	476,192	441,166	291,857	312,331	1,003	722,143	361,140
Bad debt (recovery)	(10,000)	(10,000)	(23,825)	-	-	19,248	-	(28,873)
Depreciation	726	11,463	4,142	4,143	4,142	20,306	10,053	9,829
Amortization	37,500	38,470	38,374	38,298	38,298	78,512	130,644	130,644
Research and development	-	-	-	-	-	(17,450)	4,000	1,900
Impairment – digital signage	-	-	-	-	-	380,902	-	-
Impairment – interactive media devices	-	-	-	-	-	51,204	-	-
Interest	10,139	(17,786)	6,039	37,961	17,607	13,705	3,998	7,136
Total operating expense	462,355	514,749	471,379	396,142	377,941	455,572	1,071,085	735,146
Loss before extraordinary gain and income tax	(437,332)	(586,215)	(461,675)	(294,435)	(405,080)	(383,520)	(1,177,374)	(753,329)

Revenue for the October 2013 quarters was predominantly from digital signage advertising. Revenue for the January 2014 quarter was primarily from digital signage advertising and data sales. Revenue for the April 2014 quarter was primarily digital signage advertising, as well as antenna licensing fees and Smart Antenna sales to our Australian distributor. Revenue for the July 2014 quarter was primarily Smart Antenna sales to our Australian distributor and digital signage advertising. 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 quarter was entirely related to the sale of Smart Antennas and related monthly fees.

Results – continued

Rolling Eight Quarters Analysis – continued

Gross profit for the October 2013 and January 2014 quarters were all impacted by the Company's decision, effective July 1, 2013, to outsource services previously handled by salaried and contractual staff at a flat fixed monthly fee, as well as by fluctuating revenues from the digital signage network. The April and July 2014 quarters were impacted by reduced digital signage advertising revenues and the transfer of costs into Intangible Assets for Data Development. 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 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 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.

Selling and marketing fluctuations in all quarters from October 2013 through April 2015 are impacted by a combination of commissions and royalties on digital signage revenue and by trade show attendance. The quarters from April 2014 on have been impacted by the transfer of costs into Intangible Assets for Data Development.

General and administration for the October 2013 quarter was impacted by increased consulting fees related to investor relations and the absence of any stock-based compensation. The January 2014 quarter was impacted by stock-based compensation, an increase in directors' fees and various public company costs, including the costs of our AGM, held in December 2013. The April 2014 quarter was impacted by stock-based compensation, increased directors' fees and various public company costs, including investor relation programs that started in July 2013, as well as by the transfer of costs into Intangible Assets for Data Development. The July and October 2014, January, April and July 2015 quarters were impacted by the transfer of costs into Intangible Assets for Data 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.

Research and development costs expensed in the October 2013 quarters and January 2014 quarter, were capitalized in April 2014 in accordance with the Company's adapted policy on data development costs.

During the October 2013, January, April and July 2015 quarters, the Company reversed portions of amounts previously set-up as a bad debt allowance in the April 2014 quarter and in periods prior to October 2013 that related to the Company's digital signage resellers. In the April 2014 quarter, an additional bad debt allowance was recorded related to one of the Company's digital signage resellers.

In accordance with the Company's accounting policies, Impairment losses were recorded in April 2014 relating to the equipment other intangible assets of the digital signage network.

Interest in the quarters from October 2013 through January 2015 included accretion interest related to the Asset retirement accrual for the Mac's network. Interest in the quarters of April 2014 through July 2015 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 accretion interest previously recorded.

Results – continued

Common shares - outstanding share data

	As at July 31, 2015	As at April 30, 2015
Basic common shares	104,230,741	90,919,631
Convertible securities:		
Warrants	26,279,904	23,102,127
Options	8,156,667	6,990,000
Fully diluted common shares	138,667,312	121,011,758

Significant ownership concentration at July 31, 2015:		Percentage of Issued Shares
Alex Romanov - CEO and director	10,910,784	10.47%
Graphic Media/Ron Leman	8,150,000	7.82%
Korona Group Ltd.	12,228,438	11.74%
Cancore Enterprise Inc.	6,585,152	6.32%
Tesar Inc.	5,166,667	4.96%
	43,041,041	41.30%

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 March 13, 2015 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:

- Pays the monthly fees of our Chief Executive Officer to a company owned by him.
- Pays the monthly fees of our Chief Financial Officer to a company owned by him.
- During the year ended April 30, 2015 and the three month period ended July 31, 2015, entered into a secured promissory notes and convertible notes with shareholders of the Company.
- Pays directors fees and from time to time issues stock options to the directors, thus incurring non-cash Stock-based compensation costs.

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 securities of the Company 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:

Risks and Uncertainties – continued

- 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 we cannot assure that we 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, we 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. We expect 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, we will not be able to expand our sales effort as quickly as anticipated and our sales will be adversely affected.

- Location-based Interactive 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 either increase their advertising spending to include this medium or divert some of their existing advertising budget to this medium.

Risks and Uncertainties – continued

- 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, we have 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. We encourage 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 we attract 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.

- 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 unaudited condensed consolidated interim financial statements for the three months ended July 31, 2015 and 2014.