LABRADOR TECHNOLOGIES INC.

THREE MONTHS ENDED JANUARY 31, 2017

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the unaudited financial statements of Labrador Technologies Inc. ("LTI" or the "Company") for the three months ended January 31, 2017 and 2016. Additional information with respect to the Company can be found on the Company's website at www.labradortechnologies.com or on SEDAR at www.sedar.com. The functional reporting and measurement currency is the Canadian dollar.

International Financial Reporting Standards

The Company's unaudited financial statements for the three months ending January 31, 2017 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

The Company also presented comparative information for three months ending January 31, 2016, on an IFRS basis.

Non-IFRS Measures

To supplement our financial statements presented in accordance with IFRS, we use non-IFRS measures such as working capital. This measure is provided to enhance readers' overall understanding of our current use of cash resources and liquidity, and is included to provide investors and management with an alternative measure for assessing our financial position in a manner that is focused on the Company's current liquidity and capital position. This measure is based on the Statement of financial position. Working capital is determined using the period end current assets less current liabilities. These measures are not in accordance with and do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other entities.

Forward–looking Information

Certain information included in this MD&A is forward-looking. Forward-looking information includes statements that are not statements of historical fact and which address activities, events or developments that the Company expects or anticipates will or may occur in the future. This includes such things as the development plans and status of the Company's software development projects, the Company's intentions, results of operations, levels of activity, future capital and other expenditures, including the amount, nature and sources of funding thereof, business prospects and opportunities, research and development timetable, and future growth and performance. When used in this MD&A, statements to the effect that the Company or its management 'believes', ' expects', 'plans', 'may', 'will', 'projects', 'anticipates', 'predicts', 'intends' or similar statements, including 'potential', 'opportunity', or variations thereof are not statements of historical fact and should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to the management of the Company. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

With respect to the forward-looking information contained in this MD&A, we have made assumptions regarding the following:

- Future software license sales
- The continued ability of the Company to raise operating capital
- Ability to continue current development and new product development
- Ability to retain and recruit qualified staff

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties, only some of which are describe herein. Many factors could cause the Company's actual results, performance or achievements, or future events or developments, to differ materially from those expressed or implied by the forward-looking information including, without limitation, the following factors:

- Economic conditions in the oil and gas industry
- Reliance on key partner
- Increased competition
- Reliance on employees with specialized skills and knowledge
- Protection of proprietary rights

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of the MD&A.

This MD&A is dated as of March 31, 2017.

Outlook

During the three months ended January 31, 2017, the Company has been dependent on loans from Officers and Directors to meet its month to month financial obligations and cover its substantial Research and Development (R&D) spend for the wellTriever™ product. To improve the financial position, Management is undertaking the following:

Adding New Key Staff & Undertaking a Financing

Together with the considerable advances in our wellTriever™ technology, the Company has reached out to the market to attract key staff to materially advance wellTriever's significant scope. Concurrently, aggressive efforts are being made to finance the Company's growth. Announcements will be forthcoming as appropriate.

Decision to Strategically Expand wellTriever's Scope

The Company continues to offer wellTriever™ on an Annual Subscription basis in a similar manner to the way it has offered its Oil & Gas software products for over thirty years. However, the Company's Management believes that there is a fundamental shift taking place in the market. The appetite for technology is on a steep incline as more and more Oil & Gas related companies look to computer software to improve their bottom-line in countless ways – not only for essential survival, but to maximize their profitability. Technology has already profoundly advanced the role of hydrocarbon recovery throughout North America, and catapulted the role of technology to the forefront. In fact, the ever-increasing technological methods of extracting Oil & Gas assets from the earth have changed the Oil & Gas Industry forever. The Company, now in its 37th year, has always prided itself with its ability to adapt to an endlessly shifting market. Accordingly, wellTriever needed to "shift" with the times and expand its scope.

The Evolved Need for mapTriever™ Source Code to Serve a Map-Centric Industry

The Company's Management believes that this market shift has manifested a need to move away from generic software offerings, which have been geared to anticipate a broad cross-section of historical requirements, and towards creating the opportunity for a mapping software environment that readily affords company specific "tailoring", for unique, company specific needs. The Company's Financials clearly demonstrate that it has invested millions of dollars in map-based software for a map-centric industry. It is therefore a logical step-out for the Company to offer non-exclusive source code licenses to use our map-based SaaS WebService across a broad spectrum of company sizes. In so doing, the Company is providing the Oil & Gas Related Sector, as well as the Energy Sector in general, with ultimate flexibility and independence. The logic is simple. Because it takes substantial amounts of capital and time to develop a wellTriever map-based environment from "scratch", Management has determined that the fast-changing industry could benefit considerably from a "head-start" derived from its own relatively massive investment in secure, extremely user friendly, map-based software.

wellTriever Continues to Change the Game

It has been well documented that wellTriever provides secure "bridges" between Financial Reports and Unique Well Identifiers (UWIs) on a map so that financial reports can be accessed quickly, remotely and inexpensively. The Company's timely decision to afford its historical focus on providing critical links between expenses and ongoing production in the form of the licensing of its source code should assist companies painfully conscious of inventing new ways to exploit precious capital with the ability to do it their way, and NOT the way of software companies trying to anticipate the needs of an industry undergoing momentous change. The Company is currently targeting suitable potential clients and partners.

wellTriever is Available for Viewing and Use at www.wellTriever.com

To ensure that potential clients, shareholders and investors have an opportunity to evaluate wellTriever on their own time and schedule, one only need sign up for a free viewing account at wellTriever.com. Offering "test-drives" of a product is a much more streamlined way to save precious time and conduct business.

Continued Tight Management of Expenses and Use of Cash

During the three months ended January 31, 2017, the Company continued to carefully manage its expenses and use of cash. This approach, along with loans received from Management, enabled the Company to make significant improvements to its wellTriever product to expand its sales reach. The funding has been loaned by Management, and to continue to further minimize the use of cash, Officers of the Company are still not drawing salaries or Director's Fees.

Results of Operations

At January 31, 2017, the Company had cash of $8,202, no long-term debt, a current year net and comprehensive loss of $128,822, and a working capital deficit of $3,221,532.

Future operations will be dependent upon the successful ongoing development and marketing of the Company's data retrieval technology and the corresponding generation of future cash flows and/or raising of additional capital.

Revenue

The Company generated revenue of $4,020 during the three months ended January 31, 2017 from the sale of software license fees (2016 - $5,667). This revenue is recognized ratably over the contract period, which ranges from four months to twelve months. The Company is continuing to dedicate its resources to further sales and marketing strategies to increase license fees revenues to sustainable levels.

Presently, the Company has no significant ongoing sources of revenue. The Company, however, has continued its research and development activities to streamline and repackage its eTriever software by "cherry-picking" the best apps, reports and graphs of eTriever and making them available to all consumers on a 'pay-as-you-go' basis with an initial focus on the Oil & Gas industry's well and drilling data, under the banner of wellTriever™.

Financial Summary

	Three months ended			
		January 31, 2017		January 31, 2016
Revenue				
License fees	**$**	**4,020**	$	5,667
		4,020		5,667
Expenses				
General and adminstration		**55,830**		63,193
Development and related costs		**13,248**		75,503
Marketing & Sales		**16,350**		17,250
		85,428		155,946
Operating Loss		**(81,408)**		(150,279)
Financing costs		**47,414**		45,142
Net loss & comprehansive loss	**$**	**(128,822)**	$	(195,421)
Net loss per share	**$**	**(0.00)**	$	(0.00)
Outstanding shares		**112,926,137**		112,926,137

Expenses

General and administrative

This category of expenses is comprised primarily of office rent, administrative salaries, corporate expenses related to shareholder reporting, and professional fees. General and administrative expenses for the three month period ended January 31, 2017 were $55,830 compared to $63,193 for the three month period ended January 31, 2016, a decrease of 12% ($7,363). The decrease was due to less professional fees, insurance, transfer agent fees and equipment rental costs incurred in the quarter compared to prior year, as well as less legal fees incurred.

Development and related costs

Computer and related costs include programmers' salaries, programmers' consutling fees, software costs, and telecommunication costs. This category of expenses totaled $13,248 for the three month period ended January 31, 2017 compared to $75,503 for the three month period ended January 31, 2016, a decrease of 82% ($62,255). The decrease was due to less consulting fees incurred in the quarter compared to prior year as a result of less programmers.

Marketing & Sales Expenses

Marketing & sales expenses include expenses for sales and support salaries/consulting fees, and promotion/advertising. For the three month period ended January 31, 2017, marketing & sales expenses were $16,350 compared to $17,250 for the three month period ended January 31, 2016, a decrease of 5% ($900).

Financing Costs

Financing costs includes mainly interest paid on loans advanced to the Company by its officers, directors, former directors, and shareholders. For the three months ended January 31, 2017, interest expense was $47,414 compared to $45,142 for 2016, an increase of 5% ($2,272). The increase is primarily due to additional loan financing received by the Company.

Depreciation

Amortization expense for the three month period ended January 31, 2017 was $589 compared to $824 for the three month period ended January 31, 2016. There were no additions to property and equipment in the period.

Working capital

At January 31, 2017, the Company had cash of $8,202, no long-term debt, and working capital deficiency of $3,221,532. The Company received loan advances from Officers & Directors of $35,645 for the three months ended January 31, 2017 (2016 – $86,648). The Company has not had any sources of ongoing revenue for many years as it has been developing its eTriever and wellTriever web applications. The Company's ability to maintain its operations in the future is still dependent on its ability to generate sufficient revenue, and/or raise sufficient capital to continue to fund its strategic business plan.

Liquidity and Capital Resources

During the three month period ended January 31, 2017, the Company's cash position decreased $66 (2016 – $2,916) as a result of loan advances from Officers & Directors of $35,645 (2016 – $86,648) offset by cash used in operating activities of $35,711 (2016 – $89,564).

Going Concern

In recent years, the Company has raised capital in order to fund the development of its web-based oil and gas data retrieval software products, eTriever and wellTriever. The Company has raised in excess of $5.6 million during the period August 1, 2005 through January 31, 2017.

There is a material uncertainty that raises a significant doubt about the appropriateness of using the going concern assumption because the Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash to settle its existing liabilities and fund its strategic business plan. To date, the Company has had minimal revenue and is now, in the short term, dependent on the raising of sufficient capital to realize its assets and discharge its obligations, including the working capital deficiency of $3.2 million as at January 31, 2017 (2016 - $2.7 million). In addition, the Company will continue to license its eTriever software and to generate revenue from the Company's new product, wellTriever. Revenue realized through these additional sources will assist the Company in realizing its assets and discharging its obligations.

The Company received loan proceeds of $35,645 in 2017 (2016 - $86,648) from officers and directors.

At the period end, the Company had cash of $8,202, no long term debt and a working capital deficiency of $3,221,532. During the three months ended January 31, 2017, the Company incurred a net loss of $128,822 (2016 - $195,421) and used cash in operations totaling of $35,711 (2016 – $89,564).

In the circumstances, management believes the going concern assumption is still appropriate for these financial statements but is contingent upon the successful raising of sufficient capital in the future, as required. There can be no assurance that the steps management is taking will be successful. This assumption will be reviewed on an ongoing basis by management and the Board of Directors. If the going concern assumption were not appropriate for these financial statements, adjustments may be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the balance sheet classifications used.

Capital Management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth to maximize the return to its shareholders. The capital structure of the Company consists of cash and shareholders' deficit. The Company does not have any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

The Company makes adjustments to its capital structure in light of general economic conditions and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may pay dividends, buy back shares or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business.

Summary of Quarterly Results

	31-Jan-17	31-Oct-16	31-Jul-16	30-Apr-16	31-Jan-16	31-Oct-15	31-Jul-15	30-Apr-15
Revenue								
License fees	**$ 4,020**	$ 7,659	$ 5,167	$ 5,166	$ 5,667	$ 3,925	$ 6,492	$ 8,998
	4,020	7,659	5,167	5,166	5,667	3,925	6,492	8,998
Expenses				-	-	-	-	-
General and administration	**55,830**	(274)	52,176	71,582	63,193	65,647	63,996	69,069
Development and related costs	**13,248**	24,131	63,608	71,925	75,503	78,903	43,714	49,228
Marketing & Sales	**16,350**	19,900	13,700	12,000	17,250	14,500	32,500	22,375
	85,428	43,757	129,484	155,507	155,946	159,050	140,210	140,673
Operating loss	**(81,408)**	(36,098)	(124,317)	(150,341)	(150,279)	(155,125)	(133,718)	(131,675)
Financing costs	**47,414**	298,137	(43,050)	(38,069)	(45,142)	(20,962)	(27,097)	(24,207)
Other income		5,190	-	-	-	1,564	-	-
Net loss & comprehensive loss	**(128,822)**	267,229	(167,367)	(188,410)	(195,421)	(174,523)	(160,815)	(155,882)
Net loss per share, basic and diluted	**$ 0.00**	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Outstanding shares	**112,926,137**	112,926,137	112,926,137	112,926,137	112,926,137	112,926,137	112,926,137	112,926,137
Total assets	**$ 16,381**	$ 26,243	$ 25,755	$ 28,095	$ 25,487	$ 42,454	$ 28,095	$ 32,033

Financial Instruments and Financial Risk Management

i) Classification of financial instruments:

	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Other financial liabilities	Amortized cost
Loan payables	Other financial liabilities	Amortized cost

ii) Determination of Fair Values

The following table analyzes recurring assets and liabilities measured at fair value in the statement of financial position. The different levels are defined as follows:

Level 1 - Determined by reference to quoted in active markets for identical financial assets and liabilities.

- The fair value of loans payable approximates their carrying value as they are payable on demand.
- The fair value of trade payables and accrued liabilities approximates their carrying value due to their short term to maturity.

Level 2 – Inputs to the valuations, other than quoted prices, are observable for the financial assets and liabilities, either directly or indirectly.

Level 3 – Inputs to the valuations are based on inputs that are not observable for the financial assets and obligations.

Recurring Measurements	**January 31, 2017**	**Level 1**	**Level 2**	**Level 3**
Financial Assets				
Cash		$ 8,202	$ –	$ –
Financial Liabilities				
Accounts payables and accrued liabilities		$ 1,653,956	$ –	$ –
Loans payable		$ 1,566,084	$ –	$ –

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below.

a) Interest rate risk:

Interest rate risk is the risk that fair value of a financial instrument or its cash flows will fluctuate as a result of changes in interest rates.

The Company maintains its short-term deposits in instruments that are redeemable at any time without penalty, thereby reducing its exposure to interest rate fluctuations.

The loans payable bear interest at a fixed rate of 12% and are due upon demand, thus the cash flows are not subject to interest rate risk.

b) Liquidity risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Given that the Company continues to use cash in operations, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company on a timely basis. Refer to note 3 for details regarding the going concern assumption.

At January 31, 2017, the Company has cash balances of $8,202 and a working capital deficiency of $3,221,532. The Company has financial liabilities of $3,229,957 classified as current liabilities.

Loans Payable and Related Party Transactions

As at January 31, 2017, the Company had $1,566,084 (2016 - $1,189,374) of loans payable to certain officers, directors, former directors, and shareholders. These loans bear interest at 12% per year, are unsecured and due on demand. Included in accounts payable is total interest accrued and payable as at January 31, 2017 was $458,958 (2016 - $287,518). During the three months ended January 31, 2017 additional advances on these loans of $35,645 (2016 - $86,648) were made to the Company.

The fair value of these loans and transactions approximated their carrying values due to the short term nature of these items.

Outstanding Share Data

As of January 31, 2017, the Company had 112,926,137 common shares.

"Signed"

H. Ronald Sterne
Chief Executive Officer
Labrador Technologies Inc.

"Signed"

Jeffrey Howe
Interim Chief Financial Officer
Labrador Technologies Inc.