LABRADOR TECHNOLOGIES INC.

YEAR ENDED OCTOBER 31, 2016

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 audited financial statements of Labrador Technologies Inc. ("LTI" or the "Company") for the years ended October 31, 2016 and 2015. Additional information with respect to LTI 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 annual financial statements for the year ending October 31, 2016 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

For each reporting period in 2016, the Company also presented comparative information for 2015, both for interim and annual financial statements, as applicable, 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, from which selected information is presented on page (6) herein. 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 may not to be comparable to similar 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 described 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 February 21, 2017.

Outlook

During the twelve months ended October 31, 2016, 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:

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 "Map-Kit" 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 twelve months ended October 31, 2016, 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. Other than the increased cost of R&D, expenses for the year ended October 31, 2016 were in line with the year ended October 31, 2015. 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 October 31, 2016, the Company had cash of $8,268, no long-term debt, a current year net and comprehensive loss of $627,721, and a working capital deficit of $3,093,299.

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 $23,659 during the current fiscal year from the sale of software license fees (2015 - $27,893). 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, marketing and product strategies to increase license fee revenues to sustainable levels.

Presently, the Company has no significant ongoing sources of revenue. The Company, however, has continued it 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 with an initial focus on the Oil & Gas Industry's well and drilling data, under the banner of wellTriever™ .

Financial Summary

Selected Statement of operations and comprehensive income (loss) information for the years ended:	**October 31, 2016**	**October 31, 2015**	**October 31, 2014**
Revenues			
License fees	**$ 23,659**	$ 27,893	$ 33,358
Expenses			
General & Administrative	**186,677**	276,238	320,978
Development & Related	**235,167**	249,479	18,121
Marketing & Sales	**62,850**	81,375	53,624
	484,694	607,092	392,723
Finance Costs	**(171,876)**	(91,279)	(60,220)
Other Income	**5,190**	1,564	34,004
Net loss & comprehensive loss	**$ (627,721)**	$ (668,914)	$ (385,581)
Loss per share (basic & diluted)	**$ (0.01)**	$ (0.01)	$ 0.00

Selected Statement of financial position information as at:	**October 31, 2016**	**October 31, 2015**	**October 31, 2014**
Total assets	**$ 26,243**	$ 42,454	$ 15,719
Total Liabilities	**$ 3,110,997**	$ 2,499,487	$ 1,803,838
Outstanding common shares	**112,926,137**	112,926,137	112,926,137

Expenses

General & Administrative

This category of expenses is comprised primarily of salaries, commissions and short-term employee benefits, stock-based compensation, office rent, office equipment rentals, corporate expenses related to shareholder reporting, and professional fees. General and administration expenses for the current year were $186,677 compared to $276,238 for 2015 a decrease of $89,561, or 32%. The decrease is primarily due to decreased legal fees and salaries.

Development & Related

Development and related costs include programmers' salaries, software costs, and telecommunication costs. This category of expenses totaled $235,167 (2015 - $249,479) showing a decrease of $14,312, or 6%. The significant item included in this category is programmer consultants of $230,860 (2015 – $227,991). The increase in consultant costs is primarily due to the result of the Company investing further in the development of its wellTreiver product.

Marketing & Sales

Sales and marketing expenses include expenses for sales and support salaries/consulting fees, and promotion/advertising. For the year, sales and marketing expenses were $62,850 (2015 - $81,375) showing a decrease of $18,525, or 23%. The decrease is primarily due to less sales contractors in 2016.

Finance Costs

Finance Costs mainly includes interest accrued on loans advanced to the Company by its directors and former directors. For the year, interest expense was $171,876 (2015 - $91,279) showing an increase of $80,597, or 88%. The increase is due to the increase in Notes Payable, which bears interest at 12%, owed to officers, directors and former directors of the Company.

Stock-based compensation

No stock options were issued during 2016 and 2015, all options had expired in 2014.

Depreciation

Depreciation expense for the year was $3,298 (2015 - $3,201) showing an increase of $97, or 3%. Depreciation has been allocated fully to general & administrative expenses in both 2016 and 2015.

Working capital

At year end, LTI had cash of $8,268, no bank debt, and a working capital deficiency of $3,093,299. The Company received loan advances from Officers & Directors of $427,713 in 2016 (2015 - $528,525). The Company has not had any significant 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 year, the Company's cash position decreased by $1,478 as a result a net decrease in loan advances from directors and officers of $427,713 offset by cash used in operating activities of $429,191.

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 October 31, 2016.

There is a material uncertainty that may cast 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 minimal revenue and is now, in the short term, dependent on raising sufficient capital to realize its assets and discharge its obligations, including the working capital deficiency of $3.1 million as at October 31, 2016 (2015 - $2.5 million). In addition, the Company will continue to pursue opportunities to license its eTriever software and to generate revenue from the Company's new product, wellTriever. Revenue realized through these additional sources is expected to assist the Company in realizing its assets and discharging its obligations.

At the period end, the Company had cash of $8,268, a working capital deficiency of $3,093,299 and $3,084,754 of shareholders' deficit. During the year ended October 31, 2016, the Company incurred a net loss of $627,721 (2015 - $668,914) and used cash in operations totaling $429,191 (2015 – used $512,794).

Management believes the going concern assumption is still appropriate for these financial statements but is dependent upon the successful raising of sufficient capital in the future, achieving and sustaining profitable operations, as well as the continued support from related parties and trade and other creditors. 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 would be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the classifications used in the statement of financial position.

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:

	2016 1Q	2016 2Q	2016 3Q	2016 4Q	2015 1Q	2015 2Q	2015 3Q	2015 4Q
Revenue								
License fees	$ 5,667	$ 5,166	$ 5,167	$ 7,659	$ 8,478	$ 8,998	$ 6,492	$ 3,925
	5,667	5,166	5,167	7,659	8,478	8,998	6,492	3,925
Expenses								
General & Administrative	63,193	71,582	52,176	(274)	77,526	69,069	63,996	65,647
Development & Related	75,503	71,925	63,608	24,131	77,634	49,228	43,714	78,903
Marketing & Sales	17,250	12,000	13,700	19,900	12,000	22,375	32,500	14,500
	155,946	155,507	129,484	43,757	167,160	140,673	140,210	159,050
Operating Loss	(150,279)	(150,341)	(124,317)	(36,098)	(158,682)	(131,675)	(133,718)	(155,125)
Finance Costs	(45,142)	(38,069)	(43,050)	298,137	(19,013)	(24,207)	(27,097)	(20,962)
Other Income	-	-	-	5,190	-	-	-	1,564
Net loss & comprehensive loss	$ (195,421)	$ (188,410)	$ (167,367)	$ 267,229	$ (177,695)	$ (155,882)	$ (160,815)	$ (174,523)
Net loss per share, basic & 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	$ 25,487	$ 28,095	$ 25,755	$ 26,243	$49,117	$32,033	$28,095	$42,454

Please note that quarterly information is unaudited.

The 2016 operations were consistent quarter over quarter resulting in minor fluctuations during each of the years. In the fourth quarter in 2016, general and administrative expenses had decreased $54,450 (100%) due to legal costs incurred in prior years being written off.

The 2016 variances quarter over quarter was the result of the Company ramping up and down on R&D costs during the development cycle of wellTriever.

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 prices 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	**October 31, 2016**	**Level 1**	**Level 2**	**Level 3**
Financial Assets				
Cash		$8,268	$ –	$ –
Financial Liabilities				
Accounts payables and accrued liabilities		$1,572,850	$ –	$ –
Loans payable		$1,530,439	$ –	$ –

Overview

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 in the financial statements for details regarding the going concern assumption.

At October 31, 2016, the Company has cash balances of $8,268, and a working capital deficiency of $3,093,299. The Company has financial liabilities of $3,110,997 classified as current liabilities.

Loans payable and related party transactions:

a) *Related Party Transactions:*

As at October 31, 2016, the Company had $1,530,439 (2015 - $1,102,726) 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. Total interest accrued and payable as at October 31, 2016 was $412,234 (2015 - $243,138). During the year ended October 31, 2016 additional advances on these loans of $427,713 (2015 - $528,525) were made to the Company. Total interest expense of $169,096 (2015 - $89,182) on these loans was recognized

Included in trade payables is $63,691 (2015 - $56,647) owing to an Officer and Directors.

b) *Key Management Personnel Compensation*

The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. These individuals control approximately 16% (2015 – 27%) of the outstanding shares of LTI as at October 31, 2016.

In addition to their salaries and director fees, as applicable, directors and executive officers, along with certain employees of the Company, also participate in the Company's stock option plan (note 10(d)). Compensation expenses paid to key management personnel were as follows:

	2016	**2015**
Salaries	$ 96,000	$ 160,000
Total Compensation	$ 96,000	$ 160,000

Outstanding share data

As of October 31, 2016 LTI had 112,926,137 common shares, 0 warrants and 0 options to acquire shares outstanding.

As of February 21, 2017 LTI had 112,926,137 common shares, 0 warrants and 0 options to acquire shares outstanding.

Future accounting policies

The Company has applied all Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on or after November 1, 2016. The same accounting policies have been applied for all periods presented. The following recent IFRS pronouncements have not been adopted by the Company.

a) *IFRS 9 (2015) Financial Instruments*

IFRS 9 (2015) includes finalized guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment, and new hedge accounting requirements. The Company intends to adopt IFRS 9 (2015) in its financial statements for the annual period beginning on November 1, 2018. The Company is not able at this time to estimate reasonably the impact that IFRS 9 will have on the financial statements.

b) *IFRS 15 Revenue from Contracts with Customers*

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgment thresholds have been introduced, which may affect the amount and/or time of revenue recognized. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on November 1, 2018 The Company is not able at this time to estimate reasonably the impact that IFRS 9 (2015) will have on the financial statements.

c) *IFRS 16 Leases ("IFRS 16")*

On January 13, 2016, the IASB issued IFRS 16. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company is in the process of assessing the impact of this standard on its financial statements.

d) *Amendments to IAS 7 - Disclosure initiative:*

On January 7, 2016 the IASB issued Disclosure Initiative (Amendments to IAS 7). The amendments apply prospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. The Company intends to adopt the amendments to IAS 7 in its financial statements for the annual period beginning on November 1, 2017. The Company does not expect the amendments to have a material impact on the financial statements.

e) *Amendments to IAS 12* - Recognition of Deferred Tax Assets for Unrealized Losses*:*

On January 19, 2016 the IASB issued Recognition of Deferred Tax Assets for Unrealized Losses. The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The Company intends to adopt the amendments to IAS 12 in its financial statements for the annual period beginning on October 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

H. Ronald Sterne	Jeffrey A. Howe
" Signed "	**" Signed "**
Chief Executive Officer and President Labrador Technologies Inc.	Interim Chief Financial Officer Labrador Technologies Inc.