Trading Symbols (TSX-V: LM; OTCQB: LMDCF)

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Lingo Media Corporation

Form 51 – 102 F1

Management Discussion & Analysis

For the Year Ended December 31, 2014

April 30, 2015

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

The following Management Discussion & Analysis ("MD&A") of Lingo Media Corporation's (the "Company" or "Lingo Media") financial condition and results of operations, prepared as of April 30, 2015, should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2014 and 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") are incorporated by reference herein and form an integral part of this MD&A. All dollar amounts are in Canadian Dollars unless stated otherwise. These documents can be found on the SEDAR website www.sedar.com.

Our MD&A is intended to enable readers to gain an understanding of Lingo Media's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the preceding year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Market Trends and Business Uncertainties" section of this MD&A.

Summary Description of Lingo Media

Lingo Media (www.lingomedia.com) is an ESL EdTech industry acquisition company that is '*Changing the way the world learns English'* combining education with technology. The Company is focused on online and print-based technologies and solutions through its four subsidiaries: Lingo Learning Inc. (Lingo Learning"), ELL Technologies Ltd. ("ELL Technologies"); Speak2Me Inc. ("Speak2Me") and Parlo Corporation ("Parlo"). Lingo Learning is a print-based publisher of English language training programs. ELL Technologies is a globally-established English language learning multi-media and online training company. Speak2Me is a free-to-consumer advertising-based online English language learning service in China. Parlo is a fee-based online English language training and assessment service. Lingo Media has formed successful relationships with key government and industry organizations, establishing a strong presence in China's education market of more than 300 million students. The Company is extending its global reach, with an initial market expansion into Latin America and continues to expand its product offerings and technology applications.

As of December 31, 2014, the Company operated two distinct business segments as follows:

Print-Based English Language Learning

Lingo Media continues to maintain and to grow its legacy business through its subsidiary Lingo Learning, a print-based publisher of English language training programs in China since 2001. Lingo Learning has an established presence in China's education market of more than 300 million students. To date, it has co-published in excess of 520 million units from its library of program titles.

Online English Language Learning

(i) Training Model

ELL Technologies, acquired in 2010, offers more than 1,700 hours of interactive learning through a number of product offerings that include *Scholar*, *Master, Kids,* and other tailor-made solutions. ELL Technologies is marketed in 12 countries through a network of distributors and earns its revenues from licensing and subscription fees.

To further leverage its Speak2Me lesson and technology platform, the Company acquired Parlo in 2009 to expand its online offerings to include fee-based spoken English training solutions for corporations, governments, and educational institutions. This fee-based training service incorporates a reporting platform in the form of a Learning Management System for HR administrators. Parlo's spoken language learning platform has now been integrated into ELL Technologies.

(ii) Social Learning Model

The Company operates an online English language learning service in China through www.Speak2Me.cn that includes a unique social learning infrastructure. This website incorporates its proven pedagogy with fun, interactive lesson modules to address the rapidly growing need for spoken English in China. Speak2Me's platform uses speech recognition technology to teach spoken English online through more than 350 targeted lessons that engage users in interactive conversations with a virtual instructor.

Revenue Recognition Policy

Lingo Learning earns royalty revenues from its key customer, People's Education Press and People's Education & Audio Visual Press (collectively "PEP"), who is China's State Ministry of Education's publishing arm, on the following basis:

- Finished Product Sales – PEP prints and sells Lingo Learning's English language training programs to provincial distributors in China; and
- Licensing Sales – PEP licenses Lingo Learning's English language training programs to provincial publishers who then print and sell the programs to provincial distributors in China.

Lingo Learning earns significantly higher royalties from Licensing Sales compared to Finished Product Sales. In accordance with the co-publishing agreement between PEP and Lingo Learning, PEP pays to Lingo Learning a royalty on sales of textbooks and supplemental products called Finished Product Sales and PEP pays to Lingo Learning a percentage of their royalties earned on actual revenues called Licensing Sales. People's Education Press provides Lingo Learning with sales reconciliations on a semi-annual basis, as their reporting systems are unable to provide quarterly sales information. Revenue is recognized upon the confirmation of such sales and when collectability is reasonably assured.

Royalty revenues from People's Education & Audio Visual Press for audiovisual-based products are recognized upon the confirmation of sales, and when collectability is reasonably assured. Royalty revenues are not subject to right of return or product warranties. People's Education & Audio Visual Press provides Lingo Learning with sales reconciliations on a quarterly basis. Additionally, Lingo Learning has also started earning revenue through its distribution of the *Scholar* and *Master* program. Revenue is recognized upon delivery of materials and collectability is reasonably assured.

ELL Technologies has now fully-integrated Parlo into its offerings, and it earns training revenue by developing and hosting online English language learning solutions for its customers, both off the shelf and customized solutions. Revenue is recognized upon delivery of the training courses to the end client through its distributor and when collectability is reasonably assured.

When the outcome of a contract cannot be reliably estimated, all contract related costs are expensed and revenues are recognized only to the extent that those costs are recoverable. When the uncertainties that prevented reliable estimation of the outcome of a contract no longer exist, contract revenue and expenses are recognized using the percentage of completion method. During the year ended December 31, 2014, the Company had one long-term contract, for which revenues of $230,000 were recognized based on the cost recovery method.

Overall Performance

During 2014, Lingo Media recorded revenues of $2,512,464 as compared to $2,008,066 in 2013, and total comprehensive income of $107,406 as compared to total comprehensive loss of $(56,331) in 2013. In 2014, Lingo Media increased its revenue from $2,008,066 to $ 2,512,464, an increase of 25%, at the same time maintain its selling general and administrative costs at $950,229, less than 1% increase compared to $941,462 in 2013. The Company recorded share-based payments of $65,663 as compared to $61,926 in 2013, and focused on cost control of other expenses resulting in a $0.01 profit per share as compared to $(0.00) loss per share in 2013. In addition, cash generated from operations in 2014 was $953,081 as compared to $845,554 in 2013.

(i) Print-Based English Language Learning

Lingo Media generated print-based revenue of $1,680,814 for the year ended December 31, 2014 compared to $1,541,197 for 2013, an increase of 9%. This increase consists of additional royalties generated through licensing sales from provincial distributors as a result of Lingo Media and PEP's local marketing and teacher training initiatives as well as the distribution of the *Scholar* series. With more than 520 million copies of co-published units to date, Lingo Media continues to maintain its dominant market position in the primary level English language learning school publishing market in China.

PEP continues to represent a significant portion of Lingo Media's overall revenues and the Company's management team in China is focused on maintaining and further strengthening this relationship through ongoing product revisions and updated editions of its existing titles and marketing activities. According to the Lingo Media's current practice of recording revenues from PEP, the Company recognizes limited revenues from People's Education & Audio Visual Press, not including People's Education Press, its print-based English language learning business in the first quarter and third quarter of the year.

(ii) Online English Language Learning

ELL Technologies generated revenue from its suite of products of $831,650 for the year ended December 31, 2014, compared to $466,869 in 2013, an increase of 78%. This increase in sales is due to the Company maximizing its sales efforts related to its ELL Technologies' redesigned suite of products in 2014. Since 2012, the Company has completely redesigned the user interface, learning management system and the multi-browser delivery system for desktops and tablets for its ELL Technologies suite of products including *Scholar*, *Master* and *Kids*. The redesign has now been completed and full sales efforts have resumed, and recorded a 78% increase in revenue.

Speak2Me provides sponsored *Conversational Advertising*™ lessons on www.Speak2Me.cn. In 2012, Speak2Me featured lessons for Mercedes Benz smart fortwo's advertising campaign. Revenue generated from *Conversational Advertising*™ for the year ended December 31, 2014 was $Nil (2013 - $Nil). Speak2Me is in the process of developing a new set of features and platform which it plans to launch and at that time it will resume the sale of sponsorships and banner advertising.

Market Trends and Business Uncertainties

Lingo Media believes that the trends in English language learning in China are strong and continue to grow. Developing countries around the world, specifically in the Latin America and Far East are expanding their mandates for the teaching of English to students, young professionals and adults. Although the outlook for learning English in China, other Far East countries, and Latin America remains positive, there can be no assurance that this trend will continue or that the Company will benefit from this trend.

General Financial Condition

As at December 31, 2014 Lingo Media had a working capital deficiency of $268,066 compared to $537,552 as at December 31, 2013. Total comprehensive income for the year ended December 31, 2014 was $107,406 compared to total comprehensive loss of $(56,331) for the year ended December 31, 2013.

Financial Highlights

	2014	2013
Revenue		
Print-Based English Language Learning	$ 1,680,814	$ 1,541,197
Online English Language Learning	831,650	466,869
	2,512,464	2,008,066
Net Profit for the Year	144,013	22,943
Total Comprehensive Income / (Loss)	107,406	(56,331)
Earnings / (Loss) per Share, Basic and Diluted:	$0.01	$(0.00)
Total Assets	2,423,438	2,214,590
Working Capital Deficiency	(268,066)	(537,552)
Cash Generated from Operations	953,081	845,554

The Company had cash on hand as at December 31, 2014 of $477,001 (2013 - $78,091) and continues to rely on its revenues from its recurring royalty stream of its print-based publications, its online English language learning licensing revenues, and future equity and/or debt financings to fund its operations.

Results of Operations

Publishing revenues from print-based English language learning for the year ended December 31, 2014 were $1,680,814 compared to $1,541,197 for fiscal 2013. Direct costs associated with publishing revenue are kept to a minimum and has been consistent throughout the years. The Company continues to maintain its relationship with PEP and is investing in the development of its existing and new programs and marketing activities to maintain and increase its royalty revenues.

Publishing revenue for the year ended December 31, 2014 increased 9% compared to fiscal 2013. This increase is mainly attributed to the increased royalties through licensing sales to local publishers rather than direct sales made by PEP. Since the State Ministry of Education mandated the increase of licensing sales vs. direct sales to local publishers, PEP had increased its licensing sales revenues. The Company expects this trend to continue but it does not have any control over PEP's focus on licensing sales vs. direct sales with additional local publishers.

In 2014, Lingo Media generated $831,650 in online English language learning revenue as compared to $466,869 in 2013, an increase of 78%. This increase in sales is due to the fact that the Company had increased its sales efforts related to its ELL Technologies redesigned suite of products. The Company has completely redesigned the user interface, learning management system and the multi-browser delivery system for desktops and tablets for its ELL Technologies suite of products including *Scholar*, *Master,* and *Kids.* The product overhaul has been completed and full sales efforts have resumed in 2014.

Selling, General and Administrative Costs

Selling, general and administrative expenses were maintained at $950,229 in fiscal 2014 compared to $941,462 for fiscal 2013, an increase of 1%. Selling, general and administrative expenses for the two segments are segregated below.

(i) Print-Based English Language Learning

Selling, general and administrative costs for print-based publishing decreased significantly from 2013 to 2014. The decrease in sales, marketing & administration, travel and premises was primarily due to cost rationalization efforts in 2014. The following is a breakdown of selling, general and administrative costs directly related to Print-Based English Language Learning:

	2014	**2013**
Sales, marketing & administration	$ 142,544	$ 189,676
Consulting fees	382,564	396,809
Travel	60,007	84,705
Premises	111,598	131,257
Shareholder service	49,399	54,073
Professional fees	79,887	60,696
Less: Grants	(183,131)	(271,647)
	$ 642,868	**$ 645,569**

(ii) Online English Language Learning

Selling, general and administrative costs related to online English language learning were $307,361 for fiscal 2014 compared to $295,893 in 2013. Selling, general and administrative costs for this business unit increased in 2014 as a result of the increase in operations and revenue growth. The following is a breakdown of selling, general and administrative costs directly related to Online English Language Learning:

	2014	2013
Sales, marketing & administration	$ 166,207	$ 133,138
Consulting fees and salaries	79,588	69,213
Travel	13,136	7,990
Premises	45,888	32,814
Shareholder service	-	-
Professional fees	60,876	52,738
Less: Grants	(58,334)	-
	$ 307,361	**$ 295,893**
Total	**950,229**	**941,462**

Government Grants

Lingo Media makes applications to the Canadian Government for various types of grants to support its publishing and international marketing activities. Each year, the amount of any grant may vary depending on certain eligibility criteria (including prior year revenues) and the monies available to and the number of eligible candidates.

These government grants are recorded as a reduction of general and administrative expenses to offset direct costs funded by the grant. During the year, the Company recorded $241,465 of such grants.

One government grant for the print-based English language learning segment is repayable in the event that the segment's annual net income for each of the previous two years exceeds 15% of revenue and at such time a liability would be recorded. During the year, the conditions for the repayment of the government grant were not met and no liability was recorded.

One grant, relating to the Company's "Development of Comprehensive, Interactive Phonetic English Learning Solution" project, is repayable semi-annually at a royalty rate of 2.5% per year's gross sales derived from this project until 100% of the grant is repaid. No royalty was paid in 2014, 2013 or 2012 as no sales were generated from this project.

During 2008, Lingo Media was audited by a government grant agency and was assessed with a repayment of $115,075 relating to a publishing grant. In 2010, the Company was reassessed with a reduction to the repayment to $100,000 which is recorded in accrued liabilities and this audit finding was appealed by the Company. In 2013, the appeal was approved and the liability was reduced to $16,263, which was paid, and the difference of $87,737 was recorded as grant during the year.

While the Company will continue to apply for various government grants to fund its ongoing development and market expansion, there can be no assurance the Company will be successful in obtaining these grants in the future or that the Company will meet the eligibility requirements for the grants or that the grant programs will continue to be offered.

Segmented Information

Total comprehensive income for the Company was $107,408 for the year ended December 31, 2014 as compared to total comprehensive loss of ($56,331) in 2013. The profit can be attributed to the two operating segments and other financial costs as shown below:

Online English Language Learning	**2014**	**2013**
Revenue	$ 831,650	$ 466,869
Expenses:		
Direct costs	286,945	153,200
Selling, general & administrative	307,361	295,893
Amortization of property & equipment	3,253	3,533
Amortization of development costs	582,857	431,049
Income taxes and other taxes	399	2,638
	1,180,815	886,313
Segmented Loss - Online English Language Learning	(349,165)	(419,444)

Print-Based English Language Learning	**2014**	**2013**
Revenue	1,680,814	1,541,197
Expenses:		
Direct costs	95,649	42,124
Selling, general & administrative	642,868	645,569
Amortization of property & equipment	4,133	4,091
Income taxes and other taxes	268,720	239,028
	1,011,370	930,812
Segmented Income – Print-Based English Language Learning	669,444	610,385

Other	**2014**	**2013**
Foreign exchange gain	106,437	134,444
Interest and other financial expenses	(217,040)	(240,516)
Share-Based payments	(65,663)	(61,926)
Other comprehensive income	(36,607)	(79,274)
	(212,873)	(247,272)
Total Comprehensive Income/ (Loss)	**$ 107,406**	**$ (56,331)**

During the year, the Company continued to invest in product development and redesigned its fee-based online training products. The majority of its expenses consist of selling, general and administrative expenses, detailed above. The profit was achieved as a result of an increase in revenue and a decrease of expenditures related to cost rationalization, and reduced financial expenses and share-based payments.

Share-Based Payments

The Company amortizes share-based payments with a corresponding increase to the contributed surplus account. During 2014, the Company recorded an expense of $65,663 compared to $61,926 during 2013. The increase in this expense is due to stock options granted and vested in 2014.

Foreign Exchange

The Company recorded foreign exchange gain of $106,437 as compared to a gain of $134,444 in fiscal 2013, relating to the Company's currency risk through its activities denominated in foreign currencies. The

Company is exposed to foreign exchange risk as a significant portion of its revenue and expenses are denominated in US Dollars, European Euros, and Chinese Renminbi.

Income Tax Expense

The Company recorded a tax expense of $269,119 for the year ended December 31, 2014 compared to a tax expense of $241,666 in 2013. This tax is a withholding tax paid on revenues earned in China and repatriated outside of China and increased as a result of the increase in revenue.

Net Profit for the Year

The Company reported an increase in net profit of $144,013 for the year ended December 31, 2014, as compared to $22,943 in 2013, an operational improvement of $121,070. This improvement in profitability is primarily attributed to increase in revenue accompanied by a proportionate increase in direct costs.

Total Comprehensive Income (Loss)

The total comprehensive income (loss) is calculated after the application of exchange differences on translating foreign operation gains (losses). The Company reported a total comprehensive income of $107,406 for the year ended December 31, 2014, as compared to a total comprehensive loss of $(56,331) in 2013. The earning per share in 2014 was $0.01 as compared to earnings per share $0.00 in 2013.

Summary of Quarterly Results

	Q1-14	Q2-14	Q3-14	Q4-14
Revenue	$236,051	$877,879	$222,468	$1,176,066
Income/(Loss) Before Taxes and Other Comprehensive Income	(44,110)	339,769	(169,200)	286,673
Total Comprehensive Income/(Loss)	(181,565)	200,534	(255,659)	344,096
Earnings/(Loss) per Share - Basic and Diluted	(0.00)	0.01	(0.01)	0.01

	Q1-13	Q2-13	Q3-13	Q4-13
Revenue	$137,754	$715,618	$130,139	$1,024,555
Income/(Loss) Before Taxes and Other Comprehensive Income	(364,031)	220,240	(338,785)	747,185
Total Comprehensive Income/(Loss)	(398,951)	107,080	(323,227)	558,763
Earnings/(Loss) per Share - Basic and Diluted	(0.02)	0.00	(0.02)	0.03

Fourth Quarter Ended December 31	**2014**	**2013**
Revenue	$ 1,176,066	$ 1,024,555
Operating Expenses	465,078	163,374
Amortization, share-based payments, and depreciation	188,866	125,826
Finance charges, taxes, foreign exchange	363,729	114,686
Total Expenses	1,017,674	403,886
Total comprehensive income	**$ 344,096**	**$ 558,765**

In the fourth quarter ended December 31, 2014, revenues increased to $1,176,066 from $1,024,555 in 2013, an increase of 15%. This increase in revenue is attributed to increase in royalty received from People's Education Press and new licensing revenue from online training. Net comprehensive income in fourth quarter of 2014 was $344,096, as compared to $558,765 for 2013. The decrease in comprehensive income is due to the increased efforts in sales and marketing and expenses related to the new contracts.

Liquidity and Capital Resources

As at December 31, 2014, the Company had cash of $477,001 compared to $78,091 at the end of 2013. Accounts and grants receivable of $849,344 were outstanding at the end of 2014 compared to $1,003,440 at the end of 2013. PEP represented 65% of the accounts receivable and the collection cycle is 90 - 180 days post semi-annual royalty period. Total current assets amounted to $1,411,416 (2013 - $1,166,151) with current liabilities of $1,679,482 (2013 - $1,703,703) resulting in a working capital deficit of $268,066 (2013 - $537,552).

The Company receives government grants based on certain eligibility criteria for international marketing support and publishing industry development in Canada. These government grants are recorded as a reduction of general and administrative expenses to offset direct costs funded by the grant. The Company receives these grants throughout the year from different agencies and government programs. Each grant is applied for separately based on the Company meeting certain eligibility requirements. The Company has relied on obtaining these grants for its operations and has been successful at securing them in the past, but it cannot be assured of obtaining these grants in the future.

The Company has raised additional equity through either a private placement equity financing or a debt financing, as the capital markets permit, in an effort to finance its growth plans and expansion into new markets. The Company has been successful in raising sufficient working capital in the past.

The Company has incurred significant losses over the years. This raises significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon raising additional financing through the issuance of equity, debt financing, sales contracts and distribution agreements. The outcome of these matters is partially dependent on factors outside of the Company's control.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company has incurred significant losses over the years. During the year ended December 31, 2014, the Company reported a net profit of $144,013 (2013 – net profit of $22,943; 2012 – net loss of $1,362,526), positive cash flows from operations of $953,081 (2013 - $845,554; 2012 - negative cash flows from operations of $665,304). As at December 31, 2014, the Company had a working capital deficiency of $268,066 (2013 - $537,552). The Company's success depends on the continued profitable commercialization of its online English language learning technology. Given the fact that the Company has had an increase in revenue of $504,398, increase in net profit of $121,070 and an increase in cash flows of $398,910, and the Company's current operating and financial plans, management of the Company believes that it will have sufficient access to financial resources to fund the Company's planned operations through fiscal 2015.

Financing Subsequent to Year End

On April 17, 2015, the Company closed a non-brokered private placement financing of 5,000,000 units at $0.10 per unit for gross proceeds of $500,000. Each Unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.125 per share until April 17, 2016. No finders' fee was paid. One director participated private placement financing.

Off-Balance Sheet Arrangements

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

Contractual Obligations

Future minimum lease payments under operating leases for premises and equipment are as follows:

2015	$ 192,804
2016	35,990
2017	-

Transactions with Related Parties

During the year, the Company had the following transactions with related parties, made in the normal course of operations, and accounted for at an amount of consideration established and agreed to by the Company and related parties.

(a) Key management compensation was $361,405 (2013 - $228,800) and is reflected as consulting fees paid to corporations owned by a director and officers of the Company, of which, $385,566 (2013 - $340,944) is unpaid and included in accounts payable and accrued liabilities. Options granted to key management during the year are valued at $36,050 (2013 - $nil).

(b) At the year end, the Company had loans payable bearing interest at 9% per annum due to corporations controlled by directors and officers of the Company in the amount of $480,000 (2013 - $480,000). Interest expense related to these loans is $43,200 (2013 - $48,731).

(c) Common shares issued to lenders for the extension of the $880,000 loan include 327,273 common shares issued at $0.10 per share to lenders' corporations controlled by directors and an officer.

<u>Additional Disclosure</u>

Intangibles

	Software and Web Development	**Content Platform**	**Total**
Cost, January 1, 2013	$ 6,792,163	$ 1,477,112	$ 8,269,275
Additions	431,711	-	431,711
Effect of foreign exchange	1,191	-	1,191
Cost, December 31, 2013	7,225,065	1,477,112	8,702,177
Additions	544,635	-	544,635
Effect of foreign exchange	11,911	-	11,911
Cost, December 31, 2014	**$ 7,781,611**	**$ 1,477,112**	**$ 9,258,723**
Accumulated depreciation, Jan. 1, 2013	$ 6,626,596	$ 766,446	$ 7,393,042
Charge for the year	135,627	295,422	431,049
Effect of foreign exchange	1,191	-	1,191
Accumulated depreciation, Dec. 31, 2013	6,763,414	1,061,868	7,825,282
Charge for the year	287,435	295,422	582,857
Effect of foreign exchange	2,986	-	2,986
Accumulated depreciation, Dec. 31, 2014	**$ 7,053,835**	**$ 1,357,290**	**$ 8,411,125**
Net book value, Dec. 31, 2013	**$ 461,651**	**$ 415,244**	**$ 876,895**
Net book value, Dec. 31, 2014	**$ 727,776**	**$ 119,822**	**$ 847,598**

Property and Equipment

Property and Equipment consist of the following:

Cost, January 1, 2013	$ 212,329
Additions	-
Effect of foreign exchange	3,270
Cost, December 31, 2013	$ 215,599
Additions	9,536
Disposal	(41,551)
Effect of foreign exchange	(9,905)
Cost, December 31, 2014	**$ 173,679**
Accumulated depreciation, January 1, 2013	$ 173,973
Charge for the year	7,624
Effect of foreign exchange	2,076
Accumulated depreciation, December 31, 2013	$ 183,673
Charge for the year	7,386
Disposal	(33,778)
Effect of foreign exchange	(8,408)
Accumulated depreciation, December 31, 2014	**$ 148,873**
Net book value, December 31, 2013	**$ 31,926**
Net book value, December 31, 2014	**$ 24,806**

Disclosure of Outstanding Share Data

As of April 30, 2015, the followings are outstanding:

Common Shares –-	27,379,177
Warrants –-	10,533,668
Stock Options –-	3,767,500

Subsequent Event

On April 17, 2015, the Company closed a non-brokered private placement financing of 5,000,000 units at $0.10 per unit for gross proceeds of $500,000. Each Unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.125 per share until April 17, 2016. No finders' fee was paid. One director participated in the private placement financing.

Approval

The Directors of Lingo Media have approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.