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, 2015

April 28, 2016

Notice to Reader

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 28, 2016, should be read in conjunction with the Company's Condensed Consolidated Interim Financial Statements and accompanying Notes for the years ended December 31, 2015 and 2014, which have been prepared in accordance with International Financial Reporting Standards 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 comparable three month period. 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 "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A.

Summary Description of Lingo Media

Lingo Media ("Lingo Media," the "Company," "we" or "us") is an EdTech company that is '*Changing the way the world learns English*' through the combination of education with technology. The Company is focused on online and print-based technologies and solutions through its two subsidiaries: Lingo Learning Inc. (Lingo Learning") and ELL Technologies Ltd. ("ELL Technologies"). Through its two distinct business units, Lingo Media develops, markets and supports a suite of English language learning solutions consisting of web-based software licensing subscriptions, online and professional services, audio practice tools and multi-platform applications. The Company continues to operate its legacy textbook publishing business from which it collects recurring royalty revenues.

Lingo Media's two distinct business units include ELL Technologies and Lingo Learning. ELL Technologies is a global web-based educational technology ("EdTech") English language learning training and assessment company that creates innovative Software-as-a-Service eLearning solutions. Lingo Learning is a print-based publisher of English language learning textbook programs in China. 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.

Lingo Media has undertaken a business transition which began to gather momentum in 2015. Lingo Media has continued to invest in language learning and leverage its industry expertise to expand into more scalable education-technology. Recent product initiatives have allowed us to expand the breadth of our language learning product offerings, and reinforced the belief that the web-based EdTech learning segment continues to present a significant opportunity for long-term value creation. Customers in this market have demands that recur each year, creating a higher likelihood of return business and predictable revenue opportunity. This demand profile also fits well with our suite of products and increasingly recognizable ELL Technologies brand.

Lingo Media continues to focus on software and content development to address market needs within the government, academic and corporate sectors.

Operational Highlights

- Online English Language Learning:
    - ✓ completed the development of two leading-edge technology tools, *Lesson Builder* and *Course Builder* enabling educators to easily create, convert, edit, and arrange online lessons and courses
    - ✓ partnered with Proloux, a subsidiary of the University of Guadalajara, to provide accredited certification of ELL Technologies' online courses
    - ✓ entered into an agreement with ISA Corporativo for advertising services throughout Mexico's metro stations in exchange for software licenses
    - ✓ selected by Peruvian Navy to provide software licenses of ELL Technologies' training products
    - ✓ secured software licensing contract for ELL Technologies' programs with municipal government in Caldas Department, Colombia
    - ✓ completed the development of ELL Technologies' *Winnie's World*, in HTML5 for the pre-kindergarten and kindergarten market
    - ✓ awarded a large government contract in partnership with eDistribution S.A.S for SENA, an organization under the Ministry of Labour of Colombia

- ✓ completed a significant portion of the development of an extensive digital library of English language learning resources for SENA

- Print-Based English Language Learning:
  - ✓ expanded the market for PEP Primary English textbook program by launching into new provinces
  - ✓ conducted extensive teacher training initiatives and workshops
  - ✓ co-published our 550 millionth unit of *PEP Primary English* and *Staring Line* programs with People's Education Press

In 2015, our strategy has been to transition more and more of our business to online subscriptions and digital downloads that enable learners to bring your own device ("BYOD") and beyond paper-based textbook publishing. We believe that these online subscription formats provide customers with an overall better learning experience, the flexibility to use our products on multiple platforms (i.e. beyond desktops to tablets and mobile extensions), and is a more economical and relevant way for us to deliver our products to customers.

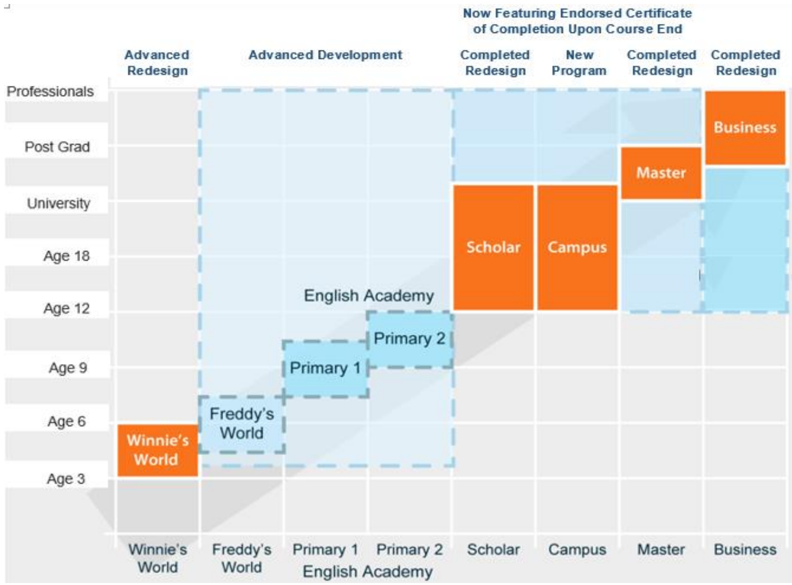
As a result of strategic reorganization and realignment of the business, as of September 30, 2015, we had integrated Speak2Me Inc., Parlo Corporation and ELL Technologies Ltd. into one business segment, ELL Technologies, and now operate only two business segments. Our web-based online English language learning division is ELL Technologies Ltd. ("ELL Technologies") and our print-based English language learning textbook publishing division is Lingo Learning Inc. ("Lingo Learning").

Online English Language Learning

ELL Technologies, acquired in 2010, now offers over 2,000 hours of interactive learning through a number of product offerings that include *Winnie's World, English Academy, Scholar*, *Campus*, *Master* and *Business*, in addition to offering custom solutions. ELL Technologies is primarily marketed in Latin America through a network of distributors and earns its revenues from licensing and subscription fees from its suite of web-based EdTech language learning products and applications.

At the time of the acquisition, ELL Technologies had an extensive existing product line which required substantial revisions in the technology platform and user interface. Over the past few years, our development team has engineered an eLearning platform and has been introducing new products to the market since the beginning of 2015, integrating cutting-edge technologies, solutions, content and pedagogy.

ELL Technologies' high-tech, easy to implement eLearning Software-as-a-Service solutions have positioned the Company to teach the world English. As a result of ongoing investment into product development, we are able to provide learners of all ages and levels of English proficiency with a platform to further their language learning development. See our "Correlation Table" below:



The horizontal axis contains our product line and correlates to the vertical axis which contains the ages and levels of proficiency that the product has been designed for.

To summarize our 2015 product development achievements to date, we have:

- developed of leading-edge technology tools including *Lesson Builder* and *Course Builder*
- completed the redesign of *Scholar* and *Master*
- digitized and released *Campus*
- continuing to advance development of *English Academy*
- completed six additional interactive environments in *Winnie's World*
- launched *Winnie's World* in HTML5
- released Phase I of our new Learning Management System
- completed significant development of an extensive digital library of English language learning resources in partnership with eDistribution for SENA in Colombia

All of our products have been designed for our proprietary learning management system which completes the suite of products and allows ELL Technologies to market and sell to academic institutions, governments and corporations. Educators who license the platform will be able to easily create, convert, edit, and arrange lessons and courses as they see fit.

Formative assessments and data gathering functionality allows us to adapt and improve content. Based on that data, we are able to program iterations to address specific problem areas and to make learning more accessible, efficient and measurable. Built for learners, by learners, we empower educators and allow them to easily transition from pure classroom paper-based teaching to the online world.

Print-Based English Language Learning

The Company continues to maintain its legacy textbook publishing business through Lingo Learning, a print-based publisher of English language learning programs in China since 2001. Lingo Learning has an established presence in China's education market of over 300 million students. To date, it has co-published more than 550 million units from its library of program titles.

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 are 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 agreements between PEP and Lingo Learning, PEP pays to Lingo Learning a royalty on sales of textbooks and supplemental products called Finished Product Sales. In addition, PEP pays to Lingo Learning a percentage of their royalties earned on actual revenues called Licensing Sales. PEP provides Lingo Learning with sales reconciliations on a semi-annual basis, as their reporting systems are not able to provide quarterly sales information. Revenue is recognized upon the confirmation of such sales and when collectability is reasonably assured.

Royalty revenues from PEP's audiovisual-based products are recognized quarterly upon the confirmation of sales, and when collectability is reasonably assured. Royalty revenues are not subject to right of return or product warranties. Revenue from the sale of published and supplemental products is recognized upon delivery and when the risk of ownership is transferred and collectability is reasonably assured.

ELL Technologies has now fully-integrated Parlo and Speak2Me 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 online 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.

Overall Performance

During 2015, Lingo Media recorded revenues of $4,925,735 as compared to $2,512,464 in 2014 an increase of 96%. Net profit was $2,532,057 as compared to $144,013 in 2014 resulting in a $0.10 profit per share as compared to $0.01 per share in 2014. At the same time, its selling general and administrative costs was $1,059,703, a 12% increase compared to $950,229 in 2014. The Company recorded share-based payments of $151,038 as compared to $65,663 in 2014. In addition, cash generated from operations in 2015 was $1,539,651 as compared to $953,081 in 2014.

Online English Language Learning

ELL Technologies earned revenue from its portfolio of products of $2,954,614 for the year, compared to $831,650 in 2014, an increase of 255%. This increase in sales is due to the Company maximizing its sales efforts related to its ELL Technologies' redesigned suite of products. 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 *Winnie's World, English*

Academy, Scholar, *Campus Master* and *Business*. The redesign has now been completed and full sales efforts have resumed and recorded a 255% increase in revenue in the 2015 as compared to 2014.

Print-Based English Language Learning

Lingo Media earned royalty revenue of $1,971,121 in 2015 compared to $1,680,814 in 2014 from People's Education Press and People's Education & Audio Visual Press, an increase of 17%. 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.

Market Trends and Business Uncertainties

Lingo Media believes that the global market trends in English language learning are strong and will continue to grow at a rapid pace. Developing countries around the world, specifically in Latin America and Asia are expanding their mandates for the teaching of English amongst students, young professionals and adults.

The British Council suggests that there are 1.6 Billion people learning English globally. English language learning products and services are a US$56.3 Billion global market notes Ambient Insight, who also forecasts digital English learning expenditures to account for US$3.1 Billion by 2018.

Markets and Markets forecasts the global EdTech market to grow from US$43.27 Billion in 2015 to US$93.76 Billion to 2020, or at a CAGR or 16.72%.

GSV Advisors forecasts digital English learning product expenditures to be US$2.5 Billion (or 7.3%) of the global market by 2016, with Latin America representing approximately US$260.9 Million of that figure. Students attending English language training ("ELT") classes in Latin America accounted for approximately 14 per cent of worldwide revenues, or US$321-million in 2013. Growth has been very rapid in the region, and represents a particularly strong opportunity moving forward relative to other geographic regions. The remaining market for ELT is largely concentrated in Europe, the Middle East and Africa (45 per cent of revenues or US$1.04-billion) and the Asia Pacific region (35 per cent of revenues or US$825-million).

Lingo Media is uniquely positioned to take advantage of the market opportunity for teaching English in Latin America and Asia, with its scalable web-based learning technology and solutions. Although the market outlook 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, 2015 Lingo Media had working capital of $1,672,543 compared to a working capital deficiency of $(268,066) as at December 31, 2014. Net profit for the year ended December 31, 2015 was $2,532,057 compared to net profit of $144,013 for the year ended December 31, 2014.

Financial Highlights

For the Year Ended December 31	2015	2014
Revenue		
Print-Based English Language Learning	$1,971,121	$ 1,680,814
Online English Language Learning	2,954,614	831,650
	4,925,735	2,512,464
Net Profit for the Year	2,532,057	144,013
Earnings per Share		

Basic	$0.10	$0.01
Fully Diluted	$0.09	$0.01
Total Assets	5,232,951	2,423,438
Working Capital / (Deficit)	1,672,543	(268,066)
Cash Provided – Operations	1,539,651	953,081

The Company had cash on hand as at December 31, 2015 of $409,022 (2014 - $477,001) and accounts receivable of $1,961,534 (2014 - $849,344) to settle its current liabilities of $1,186,167 (2014 – 1,679,482) leaving a working capital balance of $1,672,543 (2014 – deficiency of $268,066).

Results of Operations

During the year, Lingo Media earned $2,954,614 in online licensing sales revenue as compared to $831,650 in 2014. This revenue increase from online English Language Learning is a result of the Company resuming its sales efforts related to its ELL Technologies 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 product suite including *Winnie's World, English Academy, Scholar*, *Campus Master* and *Business.* The product overhaul has been completed and full sales efforts resumed in 2015 and recorded a 255% increase in online English language learning revenue in 2015 as compared to 2014.

Revenues from Print-Based English language learning for the period were $1,971,121 compared to $1,680,814 in 2014. Direct costs associated with publishing revenue are relatively modest 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.

Selling, General and Administrative

Selling, general and administrative expenses were $1,059,703 compared to $950,229 in 2014. Selling, general and administrative expenses for the two segments are segregated below.

(i) Print-Based English Language Learning

Selling, general and administrative cost for print-based publishing increased from $642,868 in 2014 to $721,947 in 2015 due to the increase in consulting fees and corporate development fees. The following is a breakdown of selling, general and administrative costs directly related to print-based English language learning:

For the Year Ended December 31	2015	2014
Sales, marketing & administration	$ 140,305	$ 142,544
Consulting fees & salaries	430,884	382,564
Travel	69,820	60,007
Premises	104,139	111,598
Corporate development	140,112	49,399
Professional fees	48,416	79,887
Less: Grants	(211,729)	(183,131)
	$ 721,947	$ 642,868

(ii) Online English Language Learning

Selling, general and administrative costs related to online English language learning was $337,756 for the year compared to $307,361 in 2014. Selling, general and administrative costs for this business unit increased in 2015 as compared to 2014, which included an increase of corporate development services.

For the Year Ended December 31	**2015**	**2014**
Sales, marketing & administration	$ (52,719)	$ 166,207
Consulting fees and salaries	46,840	79,588
Travel	13,328	13,136
Premises	48,000	45,888
Corporate development	208,923	-
Professional fees	73,384	60,876
Less: Grants	-	(58,334)
	$ 337,756	$ 307,361
Total Selling and Administrative Expenses	**$ 1,059,703**	**$ 950,229**

Net Income

Total comprehensive income for the Company was $2,374,699 for the year ended December 31, 2015 as compared to $107,406 in 2014. Total comprehensive income can be attributed to the two operating segments as shown below:

Online ELL	**2015**	**2014**
Revenue	$ 1,164,046	$ 831,650
Expenses:		
Direct costs	276,049	286,945
General & administrative	337,756	307,361
Amortization of property & equipment	3,012	3,253
Amortization of development costs	721,720	582,857
Income taxes and other taxes	85	399
	1,338,622	1,180,815
Segmented Profit /(Loss) - Online ELL	**1,615,992**	**(349,165)**
Print-Based ELL		
Revenue	1,971,121	1,680,814
Expenses:		
Direct costs	106,822	95,649
General & administrative	721,947	642,868
Amortization of property & equipment	5,567	4,133
Income taxes and other taxes	310,204	268,720
	1,144,540	1,011,370
Segmented Profit – Print-Based ELL	**826,581**	**669,444**
Total Segmented Profit / (Loss)	**2,442,573**	**320,279**
Other		
Foreign exchange	399,314	106,437
Interest and other financial expenses	(158,792)	(217,040)
Share-based payment	(151,038)	(65,663)

Other comprehensive income	(157,358)	(36,607)
	(67,874)	(212,873)
Total Comprehensive Income	**$ 2,374,699**	**$ 107,406**

Foreign Exchange

The Company recorded foreign exchange gain of $399,314 as compared to a gain of $106,437 in 2014, relating to the Company's currency risk through its activities denominated in foreign currencies as 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.

Share-Based Payments

The Company amortizes share-based payments with a corresponding increase to the contributed surplus account. During the year, the Company recorded an expense of $151,038 compared to $65,663 in 2014.

Net Profit for the Year

The Company reported a net profit of $2,532,057 for the year as compared to $144,013 in 2014, an operational improvement of $2,388,044. This improvement is primarily attributed to increase in revenue of $2,413,271. The earnings per shares are $0.10 per share (basic) and $0.09 per share (fully diluted).

Total Comprehensive Income

The total comprehensive income is calculated after the application of exchange differences on translating foreign operations gain/ (loss). The Company reported a total comprehensive income of $2,374,699 for the year ended December 31, 2015, as compared to $107,406 in 2014.

Summary of Quarterly Results

	Q1-15	Q2-15	Q3-15	Q4-15
Revenue	$ 651,627	$ 1,794,659	$ 1,203,201	$ 1,276,248
Income / (Loss) Before Taxes and Other Comp Income	232,580	1,115,675	694,300	793,683
Total Comprehensive Income / (Loss)	146,598	993,552	631,730	602,819
Income / (Loss) per Share (Basic)	$0.01	$0.04	$0.03	$0.02
	Q1-14	Q2-14	Q3-14	Q4-14
Revenue	$ 236,051	$877,879	$222,468	$1,176,066
Income / (Loss) Before Taxes and Other Comp Income	(44,110)	339,769	(169,200)	286,673
Total Comprehensive Income / (Loss)	(181,565)	200,534	(255,659)	344,096
Income / (Loss) per Share (Basic)	($0.00)	0.01	(0.01)	0.01

Liquidity and Capital Resources

As at December 31, 2015, the Company had cash of $409,022 compared to $477,001 in 2014. Accounts and grants receivable of $1,961,534 were outstanding at the end of the year compared to $849,344 in 2014. With 39% of the receivables from PEP and the balance due from ELL customers with a 90 day collection cycle, the Company does not anticipate an effect on its liquidity. Total current assets amounted to $2,858,710 (2014 - $1,411,416) with current liabilities of $1,186,167 (2014 - $1,679,482) resulting in working capital of $1,672,543 (2014 - working capital deficit of $268,066).

The Company receives government grants based on certain eligibility criteria for publishing industry development in Canada and for international marketing support. These government grants are recorded as a reduction of general and administrative expenses to offset direct expenditure funded by the grant. The Company receives these grants throughout the year. The grant is applied 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 access to working capital through an equity private placement financing or a debt financing, if required to finance its growth plans and expansion into new international markets. The Company has been successful in raising sufficient working capital in the past.

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:

2016	$ 86,354
2017	123,515
2018	121,750
2019	123,258
2020	123,258
Thereafter	22,430

Transactions with Related Parties

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.

The Company charged $8,000 (2014 - $nil, 2013 - $nil) to corporations with one director in common for rent, administration, office charges and telecommunications.

Key management compensation was $424,111 (2014 – $361,405, 2013 - $228,800) and is reflected as consulting fees and commissions paid to corporations owned by a director and officers of the Company, of which, $241,331 (2014 -$385,566, 2013 - $340,944) is unpaid and included in accounts payable and accrued liabilities. Options granted to key management during the year are $nil (2014 - $36,050, 2013 - $nil). Directors and officers exercised 185,000 options with a fair value of $37,989.

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 (2014 - $480,000, 2013 - $480,000). Interest expense related to these loans is $43,200 (2013 - $43,200, 2013 - $48,731).

Additional Disclosure

Intangibles

	Software & Web Development	Content Platform	Content Development	Total
Cost, January 1, 2014	$ 7,225,065	$ 1,477,112	$ -	$ 8,702,177
Additions	394,671	-	-	394,671
Effect of foreign exchange	7,081	-	-	7,081
Cost, September 30, 2014	7,626,817	1,477,112	-	9,103,929
Additions	149,964	-	-	149,964
Effect of foreign exchange	4,830	-	-	4,830
Cost, December 31, 2014	7,781,611	1,477,112	-	9,258,723
Additions	782,945	-	1,288,495	2,071,440
Effect of foreign exchange	66,450	-	-	66,450
Cost, December 31, 2015	**$ 8,631,006**	**$ 1,477,112**	**$ 1,288,495**	**$ 11,396,613**

	Software & Web Development	Content Platform	Content Development	Total
Accumulated depreciation, January 1, 2014	$ 6,763,414	$ 1,061,868	$ -	$ 7,825,282
Charge for the period	208,579	220,960	-	429,539
Effect of foreign exchange	2,495	-	-	2,495
Accumulated depreciation, September 30, 2014	6,974,488	1,282,827	-	8,257,315
Charge for the period	78,856	74,463	-	153,319
Effect of foreign exchange	491	-	-	491
Accumulated depreciation, December 31, 2014	7,053,835	1,357,290	-	8,411,125
Charge for the year	510,366	119,822	91,532	721,720
Effect of foreign exchange	58,024	-	-	58,024
Accumulated amortization December 31, 2015	$ 7,622,225	$ 1,477,112	$ 91,532	$ 9,190,868
Net book value, December 31, 2014	**$ 727,776**	**$ 119,822**	**-**	**$ 847,599**
Net book value, December 31, 2015	**$ 1,008,781**	**$ -**	**$ 1,196,963**	**$ 2,205,744**

The Company began commercial production and sale of its services and products during 2009. In 2015, the Company focused on the redesign and upgrade of its ELL Technologies' suite of products and invested $2,071,440 (2014 - $544,635). The ELL Technologies' suite of products includes five different programs, each designed to suit the needs of different demographic groups. Although the full suite of product is not yet complete, the Company has started the commercial production and sale of three of these products.

Property and Equipment

Cost, January 1, 2014	$ 215,599
Additions	3,277
Disposal	(53,494)
Effect of foreign exchange	1,016
Cost, September 30, 2014	166,398
Additions	6,259
Disposal	11,943
Effect of foreign exchange	(10,921)
Cost, December 31, 2014	173,679
Additions	13,281
Disposal	(5,000)
	6,461
Cost, December 31, 2015	**$ 188,421**
Accumulated depreciation, January 1, 2014	$ 183,673
Charge for the period	5,272
Disposal	(44,276)
Effect of foreign exchange	1,165
Accumulated depreciation, September 30, 2014	145,834
Charge for the period	2,114
Disposal	10,498
Effect of foreign exchange	(9,573)
Accumulated depreciation, December 31, 2014	148,873
Charge for the year	8,579
Disposal	(4,046)
Effect of foreign exchange	6,136
Accumulated depreciation, December 31, 2015	**$ 159,542**
Net book value, January 1, 2014	**$ 31,926**
Net book value, December 31, 2014	**$ 24,806**
Net book value, December 31, 2015	**$ 28,879**

Subsequent Event

On April 27, 2016, the Company repaid the outstanding loans payable in full in the amount of $580,000.

Disclosure of Outstanding Share Data

As of April 28, 2016, the followings are outstanding:

Common Shares	–	33,829,943
Warrants	–	670,066
Stock Options	–	3,138,335

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.