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, 2016

May 1, 2017

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 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 May 1, 2017, should be read in conjunction with the Company's Condensed Consolidated Interim Financial Statements and accompanying Notes for the years ended December 31, 2016 and 2015, 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 Languages'* 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 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. The Company has formed successful relationships with key government and industry organizations, establishing a strong presence in China's education market of more than 500 million students. Lingo Media 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. The Company 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 more 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 training sectors.

Operational Highlights

- Online English Language Learning:

  - ✓ developed and released *ELL Studio*, a speech recognition and practice pronunciation mobile app that enables learners to practice their spoken English skills anywhere, any time
  - ✓ completed the development of ELL Technologies' new online French course in addition to an online Portuguese course
  - ✓ entered into and launched a partnership with Telefonica Educación Digital S.L.U. to market, sell and distribute ELL Technologies' full suite of English language training products in Peru
  - ✓ secured a distribution agreement with Gale, a subsidiary of Cengage Learning, to market and sell a co-branded version of *ELL Scholar*, named Gale-Lingo, as a self-study solution for digital libraries world wide, excluding Latin America
  - ✓ started to market and sell, *English for Success*, a series of lessons and activities derived from *ELL Library* as a premium solution for governments and educational institutions
  - ✓ entered into a software licensing contract for ELL Technologies' programs with a distributor group in China

- ✓ entered into a sales contract with Universidad de San Martin de Porres in Peru through Telefonica
- ✓ entered into a sales contract with Certus, an educational institution in Peru through Telefonica
- ✓ secured a sales contract with Universidad Da Vinci to teach English to students training to become teachers in Mexico
- ✓ entered into a sales agreement with Euroidiomas to offer a blended solution to teach English teachers in MINEDU (Ministry of Education of Peru)
- ✓ secured a distribution agreement with Innovalingua, a reseller in Mexico, with offices in Mexico City and Baja California, and a team dedicated to selling ELL Technologies products
- ✓ forged a strategic partnership with Virtual Educa, an initiative of the Organization of American States promoting a better education through technology in Latin America

- Print-Based English Language Learning:

  - ✓ expanded the market for PEP Primary English and Starting Line programs with People's Education Press by launching into three new provinces across China

Corporate Highlights

- ✓ loans payable of $580,000 were retired and repaid in full as of the year-end
- ✓ warrants and stock options were exercised resulting net proceeds of $2,273,829
- ✓ Expanded sales channel with the strategic hire of Laurent Glorieux, with more than 16 years of experience to lead the sales team and expansion into Asia and the Middle East

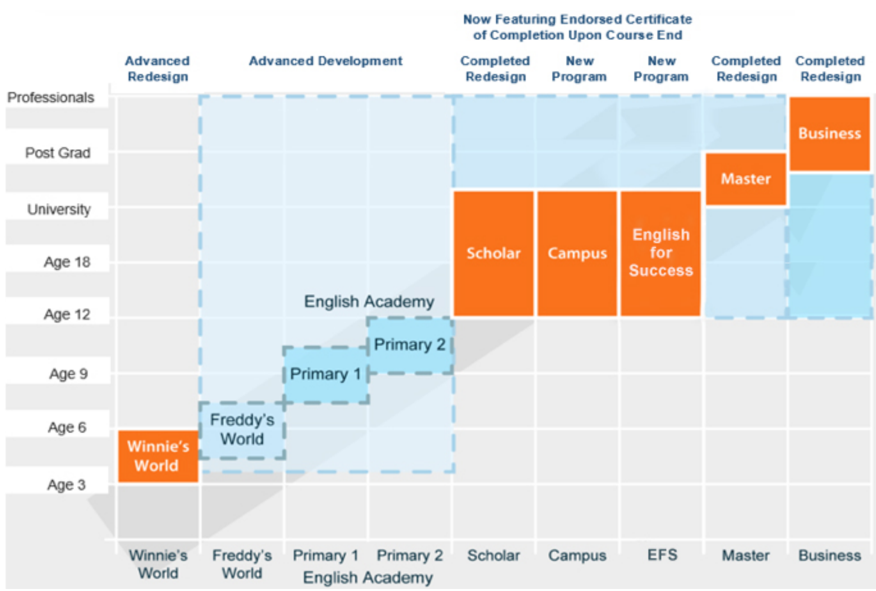
In 2016, our strategy has been to continue to transition more and more of our business to online subscriptions and digital downloads that enable learners to bring your own device ("BYOD") and beyond paper-based textbook publishing. We believe that these online subscription formats provide customers with 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. Furthermore, our ability to configure our extensive library of lessons enables us to offer a more customizable solution to our clients without incurring the costs associated with a customized solution.

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*, English for Success, *Master* and English for Success Plus (targeting Corporations) , 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.

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 2016 product development achievements to date, we have:

- Completed the development and implemented *English for Success*, a library of 2,000 hours of English online learning
- Completed the development of an online French course
- Completed the development of an online Portuguese course
- released phase II of our new Learning Management System

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 585 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 2016, Lingo Media recorded revenues of $3,195,221 as compared to $4,925,735 in 2015 a decrease of 35%. Net profit was $64,247 as compared to $2,532,057 in 2015 resulting in a $0.00 profit per share as compared to $0.10 per share in 2015. At the same time, selling general and administrative costs were $1,364,736, a 29% increase compared to $1,059,703 in 2015. The Company recorded share-based payments of $Nil as compared to $151,038 in 2015. In addition, cash used in operations in 2016 was $61,229 as compared to $1,539,651 cash generated in 2015.

Online English Language Learning

ELL Technologies earned revenue from its portfolio of products of $1,456,421 for the year, compared to $2,954,614 in 2015, a decrease of 51%. This decrease in sales is a result of a delay in a large project becoming a reference site for new customers in Latin America. The Company believes that once the SENA project goes "live", it will regain its sales momentum. By 2015, the Company had 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*.

Print-Based English Language Learning

Lingo Media earned royalty revenue of $1,738,800 in 2016 compared to $1,971,121 in 2015 from People's Education Press and People's Education & Audio Visual Press, a decrease of 12%. This decrease is due to foreign exchange fluctuation, a decrease in both the Chinese RMB and the Canadian Dollar vs. the US Dollar.

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, 2016 Lingo Media had working capital of $2,977,918 compared to working capital of $1,672,543 as at December 31, 2015. Net profit for the year ended December 31, 2016 was $64,247 compared to net profit of $2,532,057 for the year ended December 31, 2015.

Financial Highlights

For the Year Ended December 31	2016	2015
Revenue		
Print-Based English Language Learning	$1,738,800	$1,971,121
Online English Language Learning	1,456,421	2,954,614
	3,195,221	4,925,735
Net Profit for the Year	64,247	2,532,057
Earnings per Share		
Basic	$0.00	$0.10
Fully Diluted	$0.00	$0.09
Total Assets	7,176,192	5,232,951
Working Capital / (Deficit)	2,977,918	1,672,543
Cash Provided (used) – Operations	(61,229)	1,539,651

The Company had cash on hand as at December 31, 2016 of $84,303 (2015 - $409,022) and accounts receivable of $3,044,928 (2015 - $1,961,534) to settle its current liabilities of $731,159 (2015 - $1,186,167) leaving a working capital balance of $2,977,918 (2015 - $1,672,543).

Results of Operations

During the year, Lingo Media earned $1,456,421 in online licensing sales revenue as compared to $2,954,614 in 2015. This revenue decrease from online English Language Learning is a result of a delay in a large project becoming a reference site fore new customers in Latin America. The Company believe that once the SENA project goes "live" it will regain its sales momentum.

Revenues from Print-Based English language learning for the period were $1,738,800 compared to $1,971,121 in 2015 as a result of foreign exchange flucuations in the Chinese RMB and Canadian Dollar vs. the US Dollar. 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 $1,364,736 compared to $1,059,703 in 2015. 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 $721,947 in 2015 to $739,224 in 2016 due to the increases in sales, marketing and admin, travel, rent and professional fees offset against an reduction in consulting fees & salaries and an increase in government grants. 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	2016	2015
Sales, marketing & administration	$ 185,511	$ 140,305
Consulting fees & salaries	351,581	430,884
Travel	81,485	69,820
Premises	126,632	104,139
Corporate development	158,922	140,112
Professional fees	64,787	48,416
Less: Grants	(229,694)	(211,729)
	$ 739,224	$ 721,947

(ii) Online English Language Learning

Selling, general and administrative costs related to online English language learning was $625,512 for the year compared to $337,756 in 2015. Selling, general and administrative costs for this business unit increased in 2016 as compared to 2015, which included the increase of sales, marketing and admin expenses, consulting fees & salaries and travel expenses.

For the Year Ended December 31	2016	2015
Sales, marketing & administration	$ 29,001	$ (52,719)
Consulting fees & salaries	312,329	46,840
Travel	57,917	13,328
Premises	48,000	48,000
Corporate development	133,613	208,923
Professional fees	44,652	73,384
	$ 625,512	$ 337,756
Total Selling and Administrative Expenses	**$ 1,364,736**	**$ 1,059,703**

Net Income

Total comprehensive income for the Company was $124,420 for the year ended December 31, 2016 as compared to $2,374,699 in 2015. Total comprehensive income can be attributed to the two operating segments as shown below:

Online ELL	**2016**	**2015**
Revenue	$ 1,456,421	$ 2,954,614
Expenses:		
Direct costs	167,597	276,049
General & administrative	625,512	337,756
Amortization of property & equipment	682	3,012
Amortization of development costs	1,003,485	721,720
Income taxes and other taxes	805	85
	1,798,081	1,338,622
Segmented Profit /(Loss) - Online ELL	**(341,660)**	**1,615,992**

Print-Based ELL		
Revenue	1,738,800	1,971,121
Expenses:		
Direct costs	217,787	106,822
General & administrative	739,224	721,947
Amortization of property & equipment	6,615	5,567
Income taxes and other taxes	186,900	310,204
	1,150,526	1,144,540
Segmented Profit – Print-Based ELL	**588,274**	**826,581**
Total Segmented Profit	**246,614**	**2,442,573**
Other		
Foreign exchange	(146,599)	399,314
Interest and other financial expenses	(35,768)	(158,792)
Share-based payment	-	(151,038)
Other comprehensive income	60,173	(157,358)
	(122,194)	(67,874)
Total Comprehensive Income	**$ 124,420**	**$ 2,374,699**

Foreign Exchange

The Company recorded foreign exchange loss of $146,599 as compared to a gain of $399,314 in 2015, 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 Chinese Renminbi and US Dollars.

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 $Nil compared to $151,038 in 2015.

Net Profit for the Year

The Company reported a net profit of $64,247 for the year as compared to $2,532,057 in 2015. The reduction in net profit is attributed to a decrease in sales in Online ELL Division. The earnings per shares are $0.00 per share (basic) and $0.00 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 $124,420 for the year ended December 31, 2016, as compared to $2,374,699 in 2015.

Summary of Quarterly Results

	Q1 – 16	Q2 – 16	Q3 – 16	Q4 – 16
Revenue	$ 756,858	$1,549,397	$152,657	736,309
Income / (Loss) Before Taxes and Other Comp Income	63,503	767,805	(581,710)	2,353
Total Comprehensive Income / (Loss)	111,788	624,319	(563,241)	(48,446)
Income / (Loss) per Share (Basic)	$0.00	$0.02	$(0.016)	($0.00)
	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	799,791
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

Liquidity and Capital Resources

As at December 31, 2016, the Company had cash of $84,303 compared to $409,022 in 2015. Accounts and grants receivable of $3,044,928 were outstanding at the end of the year compared to $1,961,534 in 2015. With 52% of the receivables from PEP and the balance due from ELL Technologies' customers, the Company does not anticipate an effect on its liquidity. Total current assets amounted to $3,709,077 (2015 - $2,858,710) with current liabilities of $731,159 (2015 - $1,186,167) resulting in working capital of $2,977,918 (2015 - $1,672,543).

Lingo Learning 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 Lingo Learning 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.

Lingo Media has access to working capital through equity financings or debt financings, 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:

2017	$ 219,425
2018	203,979
2019	205,486
2020	205,486
2021	36,134

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 $33,020 (2015 - $8,000, 2014 - $nil) to two corporations with one director in common for rent, administration, office charges and telecommunications.

Key management compensation was $480,577 (2015 - $424,111, 2014 - $361,405) and is reflected as management fees and commissions paid to corporations owned by a director and officers of the Company, of which, $Nil (2015 -$241,331, 2014 - $385,566) is unpaid and included in accounts payable and accrued liabilities. Options granted to key management during the year are $Nil (2015 - $nil, 2014 - $36,050). Directors and officers exercised 177,500 options with a fair value of $34,100.

At the year end, the Company had an unsecured bridge loan payable bearing interest at 8% per annum due to a corporation controlled by an officer of the Company in the amount of $50,000 (2015 - $480,000, 2014 - $480,000). Interest expense related to these loans is $351 (2015 - $43,200, 2014 - $43,200).

Additional Disclosure

Intangibles

	Software & Web Development	Content Platform	Content Development	Total
Cost, January 1, 2015	$ 7,781,611	$ 1,477,112	$ -	$9,258,723
Additions	782,945	-	1,288,495	2,071,440
Effect of foreign exchange	66,450	-	-	66,450
Cost, December 31, 2015	8,631,006	1,477,112	1,288,495	11,396,613
Additions	613,163	-	1,185,525	1,798,687
Effect of foreign exchange	(5,081)	-	-	(5,081)
Cost, December 31, 2016	**$ 9,239,088**	**$ 1,477,112**	**$ 2,474,020**	**$13,190,219**

	Software & Web Development	Content Platform	Content Development	Total
Accumulated depreciation, January 1, 2015	$ 7,053,835	$ 1,357,290	$ -	$8,411,125
Charge for the period	510,366	119,822	91,532	721,720
Effect of foreign exchange	58,024	-	-	58,024
Accumulated depreciation, December 31, 2015	$ 7,622,225	$ 1,477,112	$ 91,532	$9,190,868
Charge for the year	611,865	-	391,620	1,003,485
Effect of foreign exchange	(4,144)	-	-	(4,144)
Accumulated amortization, December 31, 2016	$ 8,229,946	$ 1,477,112	$ 483,152	$10,190,210
Net book value, December 31, 2015	**$ 1,008,781**	**$ -**	**$ 1,196,963**	**$2,205,744**
Net book value, December 31, 2016	**$ 1,009,142**	**$ -**	**$ 1,990,867**	**$3,000,009**

The Company began commercial production and sale of its services and products during 2009. In 2016, the Company continue to focused on the redesign and upgrading of its ELL Technologies' suite of products and invested $1,798,687 (2015 - $2,071,440). 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, 2015	$ 173,679
Additions	13,281
Disposal	(5,000)
Effect of foreign exchange	6,461
Cost, December 31, 2015	$ 188,421
Additions	8,632
Disposal	(114,624)
Effect of foreign exchange	(1,716)
Cost, December 31, 2016	**$ 80,713**
Accumulated depreciation, January 1, 2015	$ 148,873
Charge for the period	8,579
Disposal	(4,046)
Effect of foreign exchange	6,136
Accumulated depreciation, December 31, 2015	$ 159,542
Charge for the year	7,297
Disposal	(117,294)
Effect of foreign exchange	3,680
Accumulated depreciation, December 31, 2016	**$ 53,225**
Net book value, December 31, 2015	**$ 28,879**
Net book value, December 31, 2016	**$ 27,488**

Subsequent Event

Subsequent to the year end, the Company received $830,000 of unsecured short term bridge loans bearing interest at 8% per annum and $390,000 of these bridge loans were from related parties. On March 31, 2017 and April 30, 2017, the Company repaid all loans, including interest.

On March 23, 2017, Lingo Media announced it had entered into a LOI to complete a business combination with Schoold, a developer and operator of the leading, mobile college marketplace App in the US. The Company continues to work towards finalizing a definitive agreement over the next 30 days.

Disclosure of Outstanding Share Data

As of May 1, 2017, the followings are outstanding:

Common Shares – 35,529,192
Warrants – Nil
Stock Options – 2,045,835

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.