

iLOOKABOUT Corp.
Unaudited Interim Consolidated Financial Statements

Six Months Ended June 30, 2008 and 2007



iLOOKABOUT Corp.
Interim Consolidated Balance Sheets

| | June 30, 2008 | December 31, 2007 |
|---|----------------------|--------------------------|
| | Unaudited | Audited |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 4,110,755 | \$ 600,742 |
| Trade and other receivables | 69,942 | 135,868 |
| Commodity tax recoverable | 13,299 | 38,521 |
| Investment tax credit receivable | 360,000 | 275,000 |
| Deferred corporate transaction costs (note 2) | - | 100,473 |
| Prepaid and other current assets | 77,565 | 56,494 |
| | 4,631,561 | 1,207,098 |
| Capital assets (note 4) | 544,283 | 412,603 |
| Intangible assets (note 5) | 91,152 | 80,535 |
| Total Assets | \$ 5,266,996 | \$ 1,700,236 |
| Liabilities & Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable and accrued charges | \$ 537,943 | \$ 316,835 |
| Deferred revenue | 114,101 | - |
| | 652,044 | 316,835 |
| Shareholders' Equity | | |
| Share capital (note 8) | 6,495,232 | 3,288,181 |
| Warrant capital (note 8) | 1,444,249 | 205,936 |
| Contributed surplus (note 8) | 553,695 | 169,894 |
| Deficit | (3,878,224) | (2,280,610) |
| | 4,614,952 | 1,383,401 |
| Commitments (note 11) | | |
| Total Liabilities & Shareholders' Equity | \$ 5,266,996 | \$ 1,700,236 |

See accompanying notes to the unaudited interim consolidated financial statements.

Approved by the Board of Directors:

"Ronald Breen"
 Ronald Breen
 Director

"Jeff Young"
 Jeff Young
 Director

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Deficit

| | Six months ended June 30, 2008 | Six months ended June 30, 2007 | Three months ended June 30, 2008 | Three months ended June 30, 2007 |
|-------------------------------|---|---|---|---|
| Deficit - beginning of period | \$ (2,280,610) | \$ (657,884) | \$ (2,755,106) | \$ (702,843) |
| Net loss for the period | (1,597,614) | (325,265) | (1,123,118) | (280,306) |
| Deficit - end of period | \$ (3,878,224) | \$ (983,149) | \$ (3,878,224) | \$ (983,149) |

See accompanying notes to the unaudited interim consolidated financial statements.

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Operations

| | Six months ended June 30, 2008 | Six months ended June 30, 2007 | Three months ended June 30, 2008 | Three months ended June 30, 2007 |
|---|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Revenue | \$ 366,433 | \$ 228,842 | \$ 185,730 | \$ 147,553 |
| Operating expenses | | | | |
| Research, technology and operations | 720,461 | 213,266 | 518,125 | 194,123 |
| Selling, general and administration | 1,077,558 | 266,753 | 708,903 | 166,396 |
| Amortization of capital and intangible assets | 114,355 | 15,796 | 66,946 | 9,048 |
| Stock based compensation (note 9) | 71,682 | 48,448 | 22,055 | 48,448 |
| | 1,984,056 | 544,263 | 1,316,029 | 418,015 |
| Loss from operations | (1,617,623) | (315,421) | (1,130,299) | (270,462) |
| Other earnings | | | | |
| Interest and other income | 23,979 | - | 12,973 | - |
| Foreign exchange loss | (3,970) | (9,844) | (5,792) | (9,844) |
| | 20,009 | (9,844) | 7,181 | (9,844) |
| Net loss for the period | \$ (1,597,614) | \$ (325,265) | \$ (1,123,118) | \$ (280,306) |
| Loss per share | | | | |
| Basic and fully diluted (note 10) | (0.053) | (0.016) | (0.033) | (0.013) |

See accompanying notes to the unaudited interim consolidated financial statements.

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Cash Flows

| | Six months ended June 30, 2008 | Six months ended June 30, 2007 | Three months ended June 30, 2008 | Three months ended June 30, 2007 |
|--|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Operating activities | | | | |
| Net loss for the period | \$ (1,597,614) | \$ (325,265) | \$ (1,123,118) | \$ (280,306) |
| Adjustments for non-cash items: | | | | |
| Amortization of capital and intangible assets | 114,355 | 15,796 | 66,946 | 9,048 |
| Stock based compensation | 71,682 | 48,448 | 22,055 | 48,448 |
| | (1,411,577) | (261,021) | (1,034,117) | (222,810) |
| Changes in non-cash working capital: | | | | |
| Trade and other receivables | 65,926 | 7,215 | 28,568 | (1,966) |
| Commodity tax recoverable | 25,222 | - | 57,561 | - |
| Investment tax credit receivable | (85,000) | (65,000) | - | (39,000) |
| Prepaid and other current assets | (21,071) | (29,138) | (29,348) | (28,463) |
| Accounts payable and accrued charges | 221,108 | 101,254 | 135,589 | 122,804 |
| Deferred revenue | 114,101 | - | (18,915) | - |
| | 320,286 | 14,331 | 173,455 | 53,375 |
| Cash flow used by operating activities | (1,091,291) | (246,690) | (860,662) | (169,435) |
| Financing activities | | | | |
| Deferred corporate transaction costs | 100,473 | - | 157,577 | - |
| Government assistance received | - | 7,709 | - | - |
| Proceeds from options exercised | 20,050 | 199,990 | 20,050 | 199,990 |
| Issuance of common shares and warrants | 4,737,433 | 1,108,258 | 63,306 | 1,108,258 |
| Cash flow from financing activities | 4,857,956 | 1,315,957 | 240,933 | 1,308,248 |
| Investing activities | | | | |
| Additions to capital assets | (239,750) | (54,665) | (187,463) | (54,665) |
| Additions to intangible assets | (16,902) | - | (9,768) | - |
| Cash flow used by investing activities | (256,652) | (54,665) | (197,231) | (54,665) |
| Increase in cash and cash equivalents during the period | 3,510,013 | 1,014,602 | (816,960) | 1,084,148 |
| Cash and cash equivalents - beginning of period | 600,742 | 178,184 | 4,927,715 | 108,638 |
| Cash and cash equivalents - end of period | \$ 4,110,755 | \$ 1,192,786 | \$ 4,110,755 | \$ 1,192,786 |
| Represented by: | | | | |
| Cash | \$ 1,111,900 | \$ 1,192,786 | \$ 1,111,900 | \$ 1,192,786 |
| Cash equivalents | 2,998,855 | - | 2,998,855 | - |
| | \$ 4,110,755 | \$ 1,192,786 | \$ 4,110,755 | \$ 1,192,786 |
| Supplemental Disclosure | | | | |
| Cash paid for interest expense | \$ - | \$ - | \$ - | \$ - |
| Cash paid for income taxes | - | - | - | - |

See accompanying notes to the unaudited interim consolidated financial statements.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Six months ended June 30, 2008 and 2007

The management of iLOOKABOUT Corp. is responsible for the preparation of the accompanying interim consolidated financial statements. The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and are considered by management to present fairly the financial position, operating results and cash flows of the company.

These interim consolidated financial statements have not been audited. These interim consolidated financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.

1. Nature of Business

The Company is engaged in the visual knowledge business, providing virtual tour services, image management software, custom application programming, professional services and collecting, processing and geo-coding street-level image data.

The Company is incorporated under the laws of the Province of Ontario.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), the more significant of which are summarized below. The interim financial statements follow the same policies and methods of their application as the most recent annual financial statements except with respect to the accounting policy changes disclosed in note 3 herein.

Basis of presentation and principles of consolidation

The interim consolidated financial statements include the accounts of iLOOKABOUT Corp. and its wholly-owned subsidiaries iLOOKABOUT Inc., iLOOKABOUT Global Inc., and iLOOKABOUT (US) Inc. All material intercompany balances and transactions have been eliminated on consolidation.

Amalgamation – iLOOKABOUT Inc. and iLOOKABOUT Inventions Inc.

Effective January 1, 2008, under the authority of the Business Corporations Act (Ontario), iLOOKABOUT Inventions Inc. and iLOOKABOUT Inc. were amalgamated and continue under the name of iLOOKABOUT Inc.

Amalgamation – iLOOKABOUT Holdings Inc. and Berkeley Capital Corp. I

On April 1, 2008, iLOOKABOUT Holdings Inc. ("ILAH") amalgamated with Berkeley Capital Corp. I ("Berkeley"), a public company listed on the TSX Venture Exchange ("TSXV") to form a new company with the name iLOOKABOUT Corp. ("iLOOKABOUT" or "the Company") under the provisions of the Business Corporations Act (Ontario).

The amalgamation constituted the qualifying transaction of Berkeley pursuant to the policies of the TSXV and is the means by which ILAH has become a public issuer.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Six months ended June 30, 2008 and 2007

(Note 2 – continued)

Under the amalgamation agreement, the Berkeley common shares were exchanged for 2,103,829 common shares of iLOOKABOUT; Berkeley broker warrants were exchanged for 83,320 iLOOKABOUT warrants with an exercise price of \$0.48; and Berkeley options were exchanged for 208,300 iLOOKABOUT options with an exercise price of \$0.48. The transaction resulted in the shareholders of ILAH retaining a 74.7% interest. The iLOOKABOUT common shares commenced trading on April 7, 2008 with 34,304,492 shares issued and outstanding on that date. See notes 8 and 9.

Since the qualifying transaction and amalgamation resulted in ILAH shareholders acquiring control of the amalgamated company, ILAH is deemed to be the acquirer for financial reporting purposes. The share exchange is therefore considered to be a reverse takeover. As Berkeley was deemed a non-operating public enterprise, the transaction has been accounted for as a capital transaction wherein the net monetary assets of Berkeley are recorded at their fair market values, net of transaction costs to the extent of cash on hand in Berkeley.

The net monetary assets of Berkeley upon amalgamation were as follows:

| | |
|---|------------------|
| Monetary assets | \$ 543,429 |
| Less monetary liabilities | - |
| <hr/> | |
| Net monetary assets | \$ 543,429 |
| Less transaction costs | 480,067 |
| <hr/> | |
| Amount allocated to share and warrant capital (note 8) | \$ 63,362 |

Cash and cash equivalents

Cash and cash equivalents includes balances with banks and short-term, highly liquid investments such as treasury bills and guaranteed investment certificates.

Revenue recognition

The Company earns revenue primarily from its Virtual Tour product, StreetScape product and professional services.

Revenue from the Virtual Tour product is recognized at the time the product is delivered and collection is reasonably assured.

StreetScape related revenue is generated through the licensing of geo-coded, street-level images. The related revenue is recognized as service is delivered and collection is reasonably assured. Revenue for long term licensing contracts is recognized in accordance with contract terms and generally accepted accounting principles. Payments received in advance of service delivery are recorded as deferred revenue when the cash is received and recognized as revenue over the term of the license as service is delivered.

Revenue related to professional services is recognized as service is delivered and collection is reasonably assured.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Six months ended June 30, 2008 and 2007

(Note 2 – continued)

Deferred corporate transaction costs

Corporate transaction costs are costs incurred in connection with the issue, exchange or other alteration of share capital or debt, and with business combinations. Corporate transaction costs that are direct and incremental costs of such proposed transactions and that are more likely than not to be completed, are recognized as deferred corporate transaction costs until the proposed transaction is completed or abandoned.

Upon the issuance of debt securities, the related transaction costs are included in the initial carrying amount of the debt issued. If the related transaction is issuance of equity securities, upon issuance, the transaction costs, net of the related income tax recovery, are written off as a capital transaction. If the related transaction is a business combination, upon completion of the business combination, the transaction costs are allocated to the acquired net assets.

If a transaction is abandoned, corporate transaction costs previously recognized as an asset are expensed in full as of the date of abandonment.

Capital assets

Capital assets are stated at cost less accumulated amortization, based on the following:

| | | |
|---------------------------------|---------|--------------------------|
| Computer software | 100% | declining balance method |
| Computer hardware | 30% | declining balance method |
| Equipment - Virtual Tours | 20% | declining balance method |
| Equipment - StreetScape Imaging | 2 years | straight-line method |
| Furniture and equipment | 20% | declining balance method |
| Leasehold improvements | 5 years | straight-line method |
| Vehicles | 30% | declining balance method |

When capital assets are retired or otherwise disposed of, the assets and related accumulated amortization thereon are removed from the accounts and any resulting gain or loss is recorded.

Intangible assets

Amortization of patent, trademark and incorporation costs is calculated using the straight-line method over 10 years.

Impairment of long-lived assets

Long-lived assets, including capital assets and intangible assets with finite useful lives, are amortized over their useful lives as described in the notes below. Annually, the Company reviews the useful lives and carrying values of these assets to assess continued appropriateness. The Company also performs impairment tests of these assets whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

A long-lived asset is considered to be impaired when the expected future undiscounted cash flows expected to result from the asset's use and eventual disposition is less than its carrying amount. If a long-lived asset is determined to be impaired, the resulting impairment loss is calculated and recorded as the amount by which the asset's carrying amount exceeds its fair value. Fair value is estimated as the expected future cash flows related to the asset discounted at a rate commensurate with the risks associated with recovery of the asset.

iLOOKABOUT Corp.
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(Note 2 – continued)

As at June 30, 2008, no events or changes in circumstances had occurred that would indicate that the carrying costs of long-lived assets may not be recoverable.

Research and development

Research costs, other than expenditures on capital assets, are expensed as incurred. Development costs are expensed as incurred, unless such costs meet the criteria for deferral and amortization under GAAP. To date, the Company has not deferred any development costs.

Future income taxes

The asset and liability method of accounting for future income taxes is used. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that are expected to be in effect when the tax assets or liabilities are to be settled or realized.

Investment tax credits

The Company is entitled to Federal and Provincial investment tax credits in relation to scientific research and experimental development expenditures incurred. When the Company has reasonable assurance that these investment tax credits will be realized, they are accounted for as a reduction in the related expenditure for items of a current nature, and a reduction of the related asset cost for items of a long-term nature.

Foreign currency translation

Transactions in foreign currencies are expressed in Canadian dollar amounts. Monetary assets and liabilities denominated in foreign currency have been translated to Canadian dollars using the exchange rate in effect at the period-end date. Non-monetary items are translated to Canadian dollars using the rate in effect at the transaction date. Revenues and expenses in foreign currencies are reflected in Canadian dollars at the rate prevailing at the time of the transaction. Amortization of assets translated at historical exchange rates have been translated at the same exchange rate as the assets to which they relate. Gains or losses resulting from these translation adjustments are included in income.

Stock-based compensation

Stock options granted under the Company's stock option plan are accounted for using the fair value method. Compensation expense is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of stock options, share capital is recorded as the sum of the proceeds received and the related amount of contributed surplus.

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(Note 2 – continued)

Earnings (loss) per share

Basic earnings or loss per share is calculated by dividing net earnings (loss) by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing net earnings (loss) by the weighted average number of shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period as a result of the exercise of stock options and warrants.

The treasury stock method is used to compute the dilutive effect of stock options and warrants.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the year in which they become known.

Significant elements of these consolidated statements which require the use of management estimates include future income taxes, investment tax credit receivable, stock-based compensation, allocation of share and warrant capital, amortization of capital and intangible assets, and the allowance for doubtful accounts receivable.

3. Accounting Policy Changes

The Company has adopted the following Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections which apply to fiscal years beginning on or after October 1, 2007.

Section 1535 – Capital Disclosures

Section 3862 – Financial Instruments – Disclosures

Section 3863 – Financial Instruments – Presentation

(a) Capital Disclosures

Section 1535 – Capital Disclosures, requires disclosure of the Company’s objectives, policies and processes for managing capital. Implementation of this section required further note disclosure about how the Company defines capital, what externally imposed capital requirements it faces, the consequences of non-compliance with external capital requirements, if any, and how it monitors and manages capital.

(b) Financial Instruments – Disclosures

Section 3862 – Financial Instruments – Disclosures, requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

iLOOKABOUT Corp.
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(Note 3 – continued)

(c) Financial Instruments – Presentation

Section 3863 – Financial Instruments – Presentation, has the purpose of enhancing financial statement users’ understanding of the significance of financial instruments to an entity’s financial position, performance and cash flows. This Section establishes standards for the presentation of financial instruments and non-financial derivatives, and deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

These new standards have been adopted prospectively. Adoption of these standards did not have an impact on the January 1, 2008 opening balances.

4. Capital assets

| | June 30, 2008 | | | December 31, 2007 | | |
|---------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Cost | Accum. Amort'n | Net Book Value | Cost | Accum. Amort'n | Net Book Value |
| Computer hardware | \$467,643 | \$162,093 | \$305,550 | \$355,820 | \$118,039 | \$237,781 |
| Computer software | 42,894 | 21,538 | 21,356 | 17,830 | 12,713 | 5,117 |
| Equipment – Virtual Tours | 18,531 | 12,256 | 6,275 | 16,988 | 11,645 | 5,343 |
| Equipment – StreetScape | 207,826 | 87,714 | 120,112 | 164,628 | 41,157 | 123,471 |
| Furniture and equipment | 128,327 | 40,868 | 87,459 | 71,922 | 34,284 | 37,638 |
| Leasehold improvements | 11,707 | 10,351 | 1,356 | 10,972 | 10,277 | 695 |
| Vehicles | 4,300 | 2,125 | 2,175 | 4,300 | 1,742 | 2,558 |
| | \$881,228 | \$336,945 | \$544,283 | \$642,460 | \$229,857 | \$412,603 |

5. Intangible assets

| | June 30, 2008 | December 31, 2007 |
|--|------------------|-------------------|
| Trademarks, patents, incorporation costs | \$ 134,456 | \$ 116,576 |
| Accumulated amortization | (43,304) | (36,041) |
| Intangible assets, net | \$ 91,152 | \$ 80,535 |

iLOOKABOUT Corp.
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6. Income taxes

The recovery of income taxes varies from the amounts that would be computed by applying the Canadian federal and provincial statutory rates of approximately 33.5% (combined) (36.12% - 2007) to loss before income taxes as follows:

| | Six months ended June 30, 2008 | Six months ended June 30, 2007 |
|--|---|---|
| Loss before taxes | \$ (1,597,614) | \$ (325,265) |
| Expected income tax recovery using statutory income tax rates | (535,200) | (117,500) |
| Tax effect of: | | |
| Scientific research expenditures not claimed in the period | 69,500 | 79,000 |
| Investment tax credit recognized in earnings not taxable in the period | (28,400) | (23,000) |
| Loss in year not currently recognized | 471,200 | 34,100 |
| Finance costs deductible for tax | (32,100) | - |
| Foreign tax rate differences | 24,200 | 1,400 |
| Enacted tax rate changes | - | 5,300 |
| Non-deductible expenses incurred: | | |
| Stock compensation expense | 24,000 | 16,700 |
| Other | 6,800 | 4,000 |
| Income tax recovery | \$ - | \$ - |

The tax effects of temporary differences that give rise to future tax assets and liabilities are as follows:

| | June 30, 2008 | June 30, 2007 |
|--|----------------------|----------------------|
| Future income tax assets (liabilities): | | |
| Non-capital losses carried forward | \$ 1,013,400 | \$ 483,400 |
| Scientific research expenditures carried forward | 475,100 | 469,900 |
| Investment tax credits carried forward | 27,300 | 14,400 |
| Finance costs | 275,400 | 94,600 |
| Capital assets and intangible assets | 3,100 | (15,500) |
| | \$ 1,794,300 | \$ 1,046,800 |
| Valuation allowance | (1,794,300) | (1,046,800) |
| Net future tax assets (liabilities) | \$ - | \$ - |

As at June 30, 2008, the Company had approximately \$3,025,000 of Canadian and United States federal non-capital losses and \$3,025,000 of Ontario and State of Michigan non-capital losses that expire between 2008 and 2028.

As at June 30, 2008, the Company also had a pool of Scientific Research and Experimental Development (“SRED”) expenditures carried forward of approximately \$646,000 Federally and \$1,447,000 Provincially which may be applied to reduce Canadian taxable income of future years. The SRED pool of expenditures carried forward do not expire.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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(Note 6 – continued)

Investment tax credit income in relation to Scientific Research and Experimental Development has been applied as a reduction to research expense in the statement of operations in the following amounts:

| | |
|-----------------------------|----------|
| Period ended June 30, 2008 | \$85,000 |
| Period ended June 30, 2007 | \$65,000 |
| Period ended March 31, 2008 | \$85,000 |
| Period ended March 31, 2007 | \$26,000 |

7. Related party transactions

Two of the premises occupied by the Company are rented on an annual basis from a related company. The related company is partially owned by an officer and director of the Company. The Company paid rent, which is included in selling, general and administration costs, to the related company in the amounts noted below. The rental agreement for one of these premises expired May 2008, and was not renewed.

| | |
|--------------------------------|----------|
| Six months ended June 30, 2008 | \$10,400 |
| Year ended December 31, 2007 | \$13,100 |

These transactions are in the normal course of operations and are disclosed at the exchange amount (the amount of consideration established and agreed to by the related parties).

8. Share capital, warrant capital and contributed surplus

Effective April 1, 2008, ILAH and Berkeley amalgamated to form iLOOKABOUT Corp. Pursuant to the amalgamation, common shares, options and warrants of ILAH were exchanged on a one for one basis for iLOOKABOUT Corp. common shares, options and warrants, and each Berkeley common share, option and warrant was exchanged for 0.2083 common shares, options and warrants of iLOOKABOUT Corp. common shares, options and warrants.

Common shares

In February of 2008, the Company completed a private placement of 6,567,530 units for \$0.80 per unit. Each unit consisted of one common share of the Company and one common share purchase warrant. Each full warrant entitles the Subscriber to purchase one common share for an exercise price of \$1.00 per share. Gross proceeds of this financing were \$5,254,000. Share issue costs, including the fair value of warrants issued to agents, totaled \$917,514. In connection with this private placement, agents were issued 515,400 units. Each unit entitles the agent to one common share and one common share purchase warrant for an exercise price of \$0.80. The resulting warrant entitles the agent to purchase an additional common share at an exercise price of \$1.00. Total warrants issued to investors and agents in connection with this placement were 7,082,900.

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(Note 8 – continued)

Authorized: Unlimited Common Shares
 Issued: 34,384,492 Common Shares as below

| | June 30, 2008 | | December 31, 2007 | |
|--|---------------|--------------|-------------------|--------------|
| | Shares | Amount | Shares | Amount |
| Common shares outstanding, beginning of period | 25,633,133 | \$ 3,288,181 | 17,827,000 | \$ 1,074,039 |
| Options exercised - private placement | - | - | 2,313,000 | 200,000 |
| Options exercised - other | 80,000 | 45,516 | 675,000 | 72,900 |
| Shares issued – private placement | 6,567,530 | 5,254,000 | 4,818,133 | 2,449,545 |
| Shares issued - amalgamation ¹ | 2,103,829 | 60,948 | - | - |
| Fair value assigned to warrants | | (1,497,390) | - | (241,158) |
| Share issue costs | | (656,023) | - | (267,145) |
| Shares outstanding, end of period | 34,384,492 | \$ 6,495,232 | 25,633,133 | \$ 3,288,181 |

¹ Pursuant to the amalgamation of iLOOKABOUT Holdings Inc. and Berkeley Capital Corp. I; 32,200,633 iLOOKABOUT Holdings Inc. common shares were exchanged for 32,200,663 iLOOKABOUT Corp. common shares, and 10,099,999 Berkeley Capital Corp. I common shares were exchanged for 2,103,829 iLOOKABOUT Corp. common shares.

Warrants

In relation to the March 2008 private placement of 6,567,500 units, of the 7,082,900 total warrants issued, none of these warrants had been exercised as at June 30, 2008. Of these warrants issued, a further 515,400 common shares may be issued if the underlying warrant is exercised at a price of \$1.00 per common share.

| | June 30, 2008 | | December 31, 2007 | |
|---|---------------|--------------|-------------------|------------|
| | Warrants | Amount | Warrants | Amount |
| Warrants outstanding, beginning of period | 1,828,387 | \$ 205,936 | - | \$ - |
| Warrants issued - private placement | 7,082,900 | 1,497,390 | 1,828,387 | 241,158 |
| Warrants issued - amalgamation ² | 83,320 | 2,414 | - | - |
| Warrant issue costs | | (261,491) | - | (35,222) |
| Warrants outstanding, end of period | 8,994,607 | \$ 1,444,249 | 1,828,387 | \$ 205,936 |

² Pursuant to the amalgamation of iLOOKABOUT Holdings Inc. and Berkeley Capital Corp. I; 8,911,287 iLOOKABOUT Holdings Inc. warrants were exchanged for 8,911,287 iLOOKABOUT Corp. warrants, and 400,000 Berkeley Capital Corp. I warrants were exchanged for 83,320 iLOOKABOUT Corp. warrants.

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(Note 8 – continued)

Contributed Surplus

Stock options granted under the Company’s stock option plan are accounted for using the fair value method. Compensation expense is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of stock options, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus.

The fair value of warrants issued to agents as compensation with respect to share issuance is accounted for as a capital transaction. The fair value of warrants issued is recorded as a share issuance cost, with the offset recorded as contributed surplus. Upon exercise of these warrants, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus.

The following table presents changes in contributed surplus.

| | | |
|---|----|----------|
| Balance, December 31, 2006 | \$ | 24,652 |
| Stock compensation expense - options granted to directors, officers and consultants | | 169,299 |
| Fair value of warrants granted to agents | | 48,168 |
| Options exercised | | (72,225) |
| Balance, December 31, 2007 | \$ | 169,894 |
| Stock compensation expense - options granted to directors, officers and consultants | | 71,682 |
| Fair value of warrants granted to agents | | 337,587 |
| Options exercised | | (25,468) |
| Balance, June 30, 2008 | \$ | 553,695 |

9. Stock-based compensation

The Company has established a 2008 Stock Option Plan (“Plan”) whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants. Pursuant to the amalgamation of iLOOKABOUT Holdings Inc. and Berkeley, this Plan replaces the stock option plans of each predecessor entity.

Under the Plan, the number of authorized but unissued common shares that may be issued upon the exercise of options granted under the Plan at any time plus the number of common shares reserved for issuance under outstanding incentive stock options otherwise granted by the Company may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time, and such aggregate number of common shares shall automatically increase or decrease as the number of issued and outstanding common shares changes.

The Board has authority to determine which eligible persons will be issued options, the number of options to be granted to each, the time when options shall be granted, when such options will vest, when such options will expire, and at what price the options may be exercised.

iLOOKABOUT Corp.
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(Note 9 – continued)

The following table presents changes in the Company's options:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Share Price | Weighted Average Years to Expiry |
|--|----------------------|--|------------------------------------|---|
| Outstanding December 31, 2006 | 349,050 | | | |
| Granted | 325,950 | 0.001 | 0.108 | |
| Granted | 795,000 | 0.411 | 0.509 | |
| Exercised | (675,000) | 0.001 | 0.001 | |
| Outstanding December 31, 2007 | 795,000 | 0.411 | 0.509 | 5 |
| Granted | - | | | |
| Granted upon amalgamation ¹ | 208,300 | 0.480 | 0.021 | |
| Exercised | (80,000) | 0.251 | 0.465 | |
| Outstanding June 30, 2008 | 923,300 | 0.403 | | 4.2 |

¹ Pursuant to the amalgamation of iLOOKABOUT Holdings Inc. and Berkeley, 795,000 iLOOKABOUT Holdings Inc. options were exchanged for 795,000 iLOOKABOUT Corp. options, and 999,999 Berkeley options were exchanged for 208,300 iLOOKABOUT Corp. options.

Of the 923,300 unexercised options as at June 30, 2008; 565,800 had vested, with exercise prices ranging from \$0.125 to \$0.60 per share.

Stock options granted under the Plan are accounted for using the fair value method. Compensation expense is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of options, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus.

The fair value of options granted is determined at the date of grant using the Black-Scholes option pricing model with the following assumptions.

| | 2008 Stock Option Plan | 2007 Stock Option Plan | 2001 Stock Option Plan |
|-------------------------|---------------------------|---------------------------|---------------------------|
| Risk free interest rate | (1) | 4.50% | 4.40% |
| Dividend rate | (1) | 0% | 0% |
| Expected volatility | (1) | 100% | 100% |
| Average life | (1) | 0 to 2 years | 1 year |

(1) As at June 30, 2008, no options had been granted under the 2008 Stock Option Plan, other than those issued upon amalgamation in exchange for existing iLOOKABOUT Holdings Inc. and Berkeley options.

The assumptions required as inputs to the option pricing are highly subjective. Changes in these subjective assumptions can materially affect the fair value estimate and stock compensation expense; therefore, existing option pricing models may not provide a reliable measure of the fair value of the Company's stock options and the related stock compensation expense.

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Notes to Unaudited Interim Consolidated Financial Statements
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10. Loss per share

| | Six months ended June 30, 2008 | Six months ended June 30, 2007 |
|---|---|---|
| Net loss | \$ (1,597,614) | \$ (325,265) |
| Weighted average number of common shares, options and warrants outstanding: | | |
| Basic | 30,008,813 | 19,773,899 |
| Effect of stock options | 859,150 | 1,384,358 |
| Effect of warrants | 5,411,497 | 262,681 |
| | 36,279,460 | 21,420,938 |
| Loss per share: | | |
| Basic | \$ (0.053) | \$ (0.016) |
| Diluted | \$ - | \$ - |
| | Three months ended June 30, 2008 | Three months ended June 30, 2007 |
| Net loss | \$ (1,120,166) | \$ (280,306) |
| Weighted average number of common shares, options and warrants outstanding: | | |
| Basic | 34,384,492 | 21,720,797 |
| Effect of stock options | 923,300 | 106,667 |
| Effect of warrants | 8,994,607 | 525,362 |
| | 44,302,399 | 22,352,826 |
| Loss per share: | | |
| Basic | \$ (0.033) | \$ (0.013) |
| Diluted | \$ - | \$ - |

Diluted loss per share does not take into account warrants and options, as the effect of common shares issuable upon the exercise of stock options and warrants is anti-dilutive for these periods.

11. Commitments

The Company is committed to payments under operating leases for vehicles and premises for 2008 through 2010 in the total amount of approximately \$249,482. Annual payments are:

| | |
|------|------------|
| 2008 | \$ 121,802 |
| 2009 | 86,583 |
| 2010 | 41,097 |

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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12. Capital management

The Company defines capital as debt and shareholders' equity. As at June 30, 2008, the Company had no outstanding debt.

The Company's objectives in managing capital are to:

- Ensure financial capacity to meet current obligations is maintained and continue as a going concern; and
- Ensure financial capacity to execute strategic plans is maintained.

In order to manage capital, the Company regularly identifies and assesses risks that threaten the ability to meet the Company's capital management objectives, and determines the appropriate strategy to mitigate these risks.

The Company is not subject to any externally imposed capital requirements.

13. Financial risk management

The Company is exposed to liquidity risk, credit risk and market risk. To mitigate exposure to these risks, the Company designs and implements risk management strategies that are consistent with its business objectives and risk tolerance. However, these strategies cannot eliminate risk and no assurance can be provided that these strategies will continue to be effective.

(a) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations. On an ongoing basis the Company monitors and manages its actual and projected cash flows, with the primary objectives of maintaining liquidity and financial flexibility.

As at June 30, 2008, the Company held \$4,110,755 in cash and cash equivalents and working capital was \$3,979,517. The Company carried no long term debt as at June 30, 2008.

(b) Credit risk

Credit risk is the risk that counterparties will fail to meet their obligations to the Company, resulting in loss of financial benefit to the Company.

Cash and cash equivalents

As at June 30, 2008, the Company held cash in bank accounts in the amount of \$1,111,900 and cash equivalents such as treasury bills and guaranteed investment certificates in the amount of \$2,998,855. The Company's investment policy requires that the Company only invest in highly rated investment grade securities in order to minimize exposure to loss.

iLOOKABOUT Corp.
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(Note 13 – continued)

Accounts receivable

Trade credit risk arises from the potential that a customer will fail to make payment in respect of outstanding accounts. To reduce exposure to this risk, the Company has implemented a credit policy which incorporates an approval process for new customers expected to carry significant balances, establishment of credit limits and annual review of customer credit limits. Further, the Company regularly monitors and manages the aging of accounts receivable.

As at June 30, 2008, accounts receivable related to one customer represented approximately 58% of trade accounts receivable. This amount was fully collected subsequent to June 30, 2008.

(c) **Market risk**

Foreign currency exchange rate risk

The international operations of the Company expose it to foreign currency exchange risk in the ordinary course of business. The Company is exposed to this risk primarily through its United States dollar denominated cash, accounts receivable and accounts payable. The nature of the Company's operations provides a natural hedge which is considered by management to be sufficient to mitigate exchange rate risk based on the Company's risk tolerance. The nature, extent and timing of foreign currency denominated cash flows are regularly monitored to identify changes in exposure and assess the need for active management of the exposure (i.e. the use of foreign exchange contracts).

Interest rate risk

The Company does not have significant exposure to interest rate risk.

14. Financial instruments

The Company has classified its financial instruments as follows:

| | June 30, 2008 | | December 31, 2007 | |
|--------------------------------------|--------------------|---------------|--------------------|---------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | |
| Held for trading | | | | |
| Cash and cash equivalents | \$4,110,755 | \$4,110,755 | \$600,742 | \$600,742 |
| Loans and receivables | | | | |
| Trade and other receivables, net | 69,942 | 69,942 | 135,868 | 135,868 |
| Sales tax recoverable | 13,299 | 13,299 | 38,521 | 38,521 |
| Investment tax credit receivable | 360,000 | 360,000 | 275,000 | 275,000 |
| | \$4,553,996 | \$4,553,996 | \$1,050,131 | \$1,050,131 |
| Financial liabilities | | | | |
| Other liabilities | | | | |
| Accounts payable and accrued charges | \$537,943 | \$537,943 | \$316,835 | \$316,835 |
| | \$537,943 | \$537,943 | \$316,835 | \$316,835 |

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(Note 14 – continued)

The carrying amounts reflected in the above balances approximate fair values because of the short-term nature of these financial instruments.

The Company had no held-to-maturity or available-for-sale assets during the six months ended June 30, 2008, or the year ended December 31, 2007.

15. Segmented information

The company operates and reports on results as one operating segment as defined by GAAP.

Operations of the Company are in the following geographic areas:

| | Six months ended June 30, 2008 | | | Six months ended June 30, 2007 | | |
|-------------------|---------------------------------------|---------------|------------|---------------------------------------|---------------|------------|
| | Canada | United States | Total | Canada | United States | Total |
| Revenue | \$ 112,189 | \$ 254,244 | \$ 366,433 | \$ 130,774 | \$ 98,068 | \$ 228,842 |
| Capital assets | 544,283 | - | 544,283 | 90,364 | - | 90,364 |
| Intangible assets | 91,152 | - | 91,152 | 39,883 | - | 39,883 |

| | Three months ended June 30, 2008 | | | Three months ended June 30, 2007 | | |
|-------------------|---|---------------|------------|---|---------------|------------|
| | Canada | United States | Total | Canada | United States | Total |
| Revenue | \$ 65,609 | \$ 120,121 | \$ 185,730 | \$ 82,207 | \$ 65,346 | \$ 147,553 |
| Capital assets | 544,283 | - | 544,283 | 90,364 | - | 90,364 |
| Intangible assets | 91,152 | - | 91,152 | 39,883 | - | 39,883 |

One customer accounted for 63% of revenue recognized for the six months ended June 30, 2008, and 66% for the three months ended June 30, 2008. As at June 30, 2008, one customer accounted for 58% of trade accounts receivable, and one customer accounted for 16%.

For the six months ended June 30, 2007, one customer accounted for 19% of recognized revenue, and for the three months ended June 30, 2007, this customer accounted for 28% of recognized revenue. This customer accounted for 63% of trade accounts receivable at June 30, 2007.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.