

iLOOKABOUT Corp.
Unaudited Interim Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008

iLOOKABOUT Corp.
Interim Consolidated Balance Sheets

	As at March 31, 2009 (Unaudited)	As at December 31, 2008 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,072,661	\$ 1,581,938
Trade and other receivables	286,998	168,121
Investment tax credit receivable	258,577	258,577
Prepaid expenses and other current assets	112,983	107,764
	<u>1,731,219</u>	<u>2,116,400</u>
Equipment	535,917	582,577
Intangible assets	85,113	88,313
Total Assets	\$ 2,352,249	\$ 2,787,290
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 363,265	\$ 378,527
Deferred revenue	180,994	107,569
	<u>544,259</u>	<u>486,096</u>
Deferred revenue	30,649	37,500
Shareholders' Equity		
Share capital	6,495,232	6,495,232
Warrant capital	1,444,249	1,444,249
Contributed surplus (note 5)	735,930	707,789
Deficit	<u>(6,898,070)</u>	<u>(6,383,576)</u>
	1,777,341	2,263,694
Subsequent event (note 12)		
Total Liabilities and Shareholders' Equity	\$ 2,352,249	\$ 2,787,290

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:

"Ronald Breen"
Ronald Breen, FCA
Director

"Jeff Young"
Jeff Young
Director

iLOOKABOUT Corp.
Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

Three months ended March 31	2009		2008	
Revenue	\$	431,062	\$	180,703
Operating expenses				
Research, technology and operations		290,703		202,336
Selling, general and administration		541,548		368,655
Amortization of equipment		69,546		44,416
Amortization of intangible assets		4,327		2,993
Stock based compensation (note 5)		28,141		49,627
		934,265		668,027
Loss from operations before the undernoted		(503,203)		(487,324)
Interest and other income		3,383		11,006
Foreign exchange gain (loss)		(14,674)		1,822
Loss and comprehensive loss for the period	\$	(514,494)	\$	(474,496)
Weighted average number of shares outstanding				
Basic		34,384,492		25,633,133
Diluted		44,822,399		28,256,520
Loss per share				
Basic and diluted	\$	(0.01)	\$	(0.02)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Corp.
Interim Consolidated Statements of Deficit
(Unaudited)

Three months ended March 31	2009		2008	
Deficit - beginning of period	\$	(6,383,576)	\$	(2,280,613)
Loss for the period		(514,494)		(474,496)
Deficit - end of period	\$	(6,898,070)	\$	(2,755,109)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Corp.
Interim Consolidated Statements of Cash Flows
(Unaudited)

Three months ended March 31	2009	2008
Operating activities		
Loss for the period	\$ (514,494)	\$ (474,496)
Adjustments for non-cash items:		
Amortization of equipment	69,546	44,416
Amortization of intangible assets	4,327	2,993
Stock based compensation	28,141	49,627
	(412,480)	(377,460)
Changes in non-cash working capital:		
Trade and other receivables	(118,877)	35,482
Investment tax credit receivable	-	(85,000)
Prepaid expenses and other current assets	(5,219)	8,260
Accounts payable and accrued liabilities	(15,262)	55,072
Deferred revenue	66,574	133,016
	(72,784)	146,830
Cash flow used by operating activities	(485,264)	(230,630)
Financing activities		
Deferred corporate transaction costs	-	(57,104)
Issuance of common shares and warrants	-	4,674,127
Cash flow from financing activities	-	4,617,023
Investing activities		
Purchase of equipment	(22,886)	(52,287)
Purchase of intangible assets	(1,127)	(7,134)
Cash flow used by investing activities	(24,013)	(59,421)
Increase (decrease) in cash and cash equivalents during the period	(509,277)	4,326,972
Cash and cash equivalents - beginning of period	1,581,938	600,742
Cash and cash equivalents - end of period	\$ 1,072,661	\$ 4,927,714
Represented by:		
Cash	\$ 173,164	\$ 4,927,714
Cash equivalents	899,497	-
	\$ 1,072,661	\$ 4,927,714
Supplemental Disclosure		
Cash paid for interest expense	\$ -	\$ -
Cash paid for income taxes	-	-

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three months ended March 31, 2009 and 2008

1. Nature of Business

iLOOKABOUT Corp. (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.

2. Going Concern

Financial statements are required to be prepared on a going concern basis unless management either intends to liquidate the Company or cease trading or has no realistic alternative but to do so within the foreseeable future. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. The Company is a start-up company and is subject to risks common to early stage, technology based companies including limited operating history, dependence on key personnel, the need to raise additional capital to support the Company's development and operations to meet the Company's liabilities and commitments as they become due. Specifically, the Company has a history of operating losses with an accumulated deficit of \$6,898,070 (December 31, 2008 - \$6,383,576), shareholders' equity of \$1,777,341 (December 31, 2008 - \$2,263,694) and working capital of \$1,186,960 (December 31, 2008 - \$1,630,304). The Company has not generated significant revenues to date which would provide net cash inflows. Failure to generate sufficient cash inflows through sales growth, future financing or a combination of these, could result in the inability of the Company to continue as a going concern in the future. iLOOKABOUT has engaged MGI Securities Inc. in connection with a proposed private placement to raise up to \$2,500,000 of capital, which is expected to close on or about June 30, 2009 (see note 12).

The Company's consolidated financial statements do not include adjustments, which could be material, and disclosures that would be required if the going concern assumption was not appropriate.

3. Basis of Presentation

These 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.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial statements, and 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 4 herein. The interim consolidated financial statements do not conform in all respects with disclosures for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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4. Accounting Policy Changes

Effective January 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants (“CICA”) revised Handbook Section 3064 - Goodwill and Intangible Assets. This Section establishes new standards for the recognition and measurement of intangible assets. Adoption of this standard had no impact on the Company’s financial statements.

On January 20, 2009, the CICA issued Emerging Issues Committee Abstract – 173 (“EIC-173”), Credit Risk and the Fair Value of Financial Assets and Liabilities. This abstract concludes that an entity’s own credit risk and the credit risk of the counterparty should be taken into account when determining the fair value of financial assets and financial liabilities, including derivative instruments. This abstract is to apply to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this abstract had no impact on the Company’s financial statements.

5. Stock-based compensation

The Company has established a Stock Option Plan (“Plan”) whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants.

Under the Plan, the number of authorized 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.

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, 2007	795,000	0.411	0.509	5.0
Granted	400,000	0.375	0.500	
Granted upon amalgamation	208,300	0.480	0.021	
Exercised	(80,000)	0.251	0.465	
Outstanding December 31, 2008	1,323,300	0.421	0.432	4.0
Granted	120,000	0.220	0.220	
Outstanding March 31, 2009	1,443,300	0.404	0.414	3.8

Of the 1,443,300 unexercised options as at March 31, 2009; 1,244,550 had vested, with exercise prices ranging from \$0.125 to \$0.60 per share.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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(Note 5 – continued)

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

	2009	2008	2007
Exercise price	\$0.22	\$0.375	\$0.125 to \$0.60
Estimated fair value at grant	\$0.22	\$0.50	\$0.384 to \$0.60
Risk free interest rate	3.00%	3.50%	4.50%
Expected dividend yield	0%	0%	0%
Expected share volatility	96.0%	65.5%	100%
Expected average option life	5 years	5 years	0 to 2 years

The amount charged to stock based compensation expense and contributed surplus for the three month period ended March 31, 2009 was \$28,141 (2008 - \$49,627).

6. Capital management

The Company defines capital as the components of shareholders' equity.

The Company's objectives in managing capital are to:

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

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.

7. 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.

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Notes to Unaudited Interim Consolidated Financial Statements
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(Note 7 – continued)

The contractual obligations of the Company as at March 31, 2009, were composed of accounts payable, accrued liabilities and commitments in the amount of \$478,443 (December 31, 2008 - \$518,399). The Company has cash and cash equivalent resources in the amount of \$1,072,661 as at March 31, 2009 (December 31, 2008 - \$1,581,938), to meet its financial obligations. Working capital, defined as current assets less current liabilities, was \$1,186,960 as at March 31, 2009 (December 31, 2008 - \$1,630,304).

(b) Credit risk

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

Cash and cash equivalents

As at March 31, 2009, the Company held cash in bank accounts in the amount of \$173,164 (December 31, 2008 - \$282,503) and cash equivalents such as treasury bills and guaranteed investment certificates in the amount of \$899,497 (December 31, 2008 - \$1,299,435). The Company's investment policy requires that the Company only invest in highly rated investment grade securities, with highly rated financial institutions, in order to minimize exposure to loss.

Accounts receivable

Trade credit risk arises from the potential that a customer will fail to meet their contractual obligations as they fall due and is primarily attributable to accounts receivable. 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 ongoing monitoring of the credit worthiness of customers with significant credit limits. Further, the Company regularly monitors and manages the aging of accounts receivable.

As at March 31, 2009, accounts receivable related to two customers represented approximately 84% of the total trade accounts receivable, of which 100% was collected subsequent to March 31, 2009.

General provisions for doubtful accounts are made based on past experience. Specific provisions are made against trade receivables for any customer that is known to be in poor financial condition or for any other reason it is considered doubtful that the customer's balance outstanding will be settled in full. Of the Company's accounts receivable as at March 31, 2009, \$36,939 (December 31, 2008 - \$27,147) was outstanding greater than 30 days and therefore considered overdue. Of this outstanding amount, \$3,055 (December 31, 2008 - \$2,761) was outstanding greater than 180 days, and an allowance has been established in full against these receivables. Further amounts are allowed for when an account is less than 180 days old but there is a specific reason to believe collection may be doubtful. As at March 31, 2009 the Company's allowance for doubtful accounts was \$3,597.

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(Note 7 – continued)

The change in allowance for doubtful accounts is as follows:

Allowance for doubtful accounts at December 31, 2008	\$	3,210
Increase in allowance		387
Accounts written off		-
Allowance for doubtful accounts at March 31, 2009	\$	3,597

(c) Market risk

Market risk is the risk of loss that may arise from changes in market prices such as foreign exchange rates and interest rates, which will affect the Company's operating results or value of its financial instruments.

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 such as through the use of foreign exchange contracts.

All other things being equal, based on the US dollar denominated assets and liabilities of the consolidated Company as at March 31, 2009, the impact of a 5% strengthening (weakening) of the Canadian dollar against the US dollar would have a nominal impact on loss for the period.

Interest rate risk

The Company receives a fixed rate of interest on investments in treasury bills and a variable rate of interest, based on movements in the prime interest rate, on guaranteed investment certificates. A change of 1% in the interest rate received on investments with a variable interest rate would have a nominal impact on loss for the period.

8. Financial instruments

The carrying amounts of cash and cash equivalents, trade and other receivables, investment tax credit receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

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9. Segmented information

The Company operates and reports its results as one operating segment which is the visual knowledge business.

Operations of the Company are in the following geographic areas:

	Three months ended March 31, 2009			Three months ended March 31, 2008		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 284,025	\$ 147,037	\$ 431,062	\$ 56,039	\$ 124,664	\$ 180,703
Equipment	535,917	-	535,917	420,475	-	420,475
Intangible assets	85,113	-	85,113	84,620	-	84,620

Two customers accounted for 74% of revenue recognized for the three months ended March 31, 2009, and 84% of trade accounts receivable as at March 31, 2009, all of which were subsequently collected.

One customer accounted for 64% of revenue recognized for the three months ended March 31, 2008, and 73% of trade accounts receivable as at March 31, 2008, all of which were subsequently collected.

10. Seasonality

The Company's experience to date is that seasonality has not had a significant impact on the Company's primary revenue stream, StreetScape, rather fluctuations are more closely tied to customer budget cycles. Further, StreetScape sales agreements are typically multi-year, reducing seasonal fluctuation in revenue levels.

Data capture undertaken by the Company to date has primarily been in Canada and the northern United States. In these geographic areas, customers typically require images when snow is not on the ground, thus limiting the data capture season from April to October. Further, lighting conditions in late autumn and winter shorten productive driver days, negatively impacting the cost effectiveness of data capture; therefore, capture during these seasons is avoided, resulting in lower data capture costs in the first and fourth quarters as compared to the second and third quarters.

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11. Future accounting changes

The CICA has issued a number of new accounting pronouncements that have not yet come into effect that will need to be considered for subsequent years.

International Financial Reporting Standards

In February 2008, the CICA's Accounting Standards Board confirmed that publicly accountable enterprises will adopt International Financial Reporting Standards ("IFRS") effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences with respect to recognition, measurement and disclosures. The Company's changeover to IFRS will be required for interim and annual financial statements beginning on January 1, 2011. Changes in accounting policies are likely, but whether their impact on the financial statements will be material has not yet been determined. The Company is currently assessing the impact of adoption of IFRS on its financial statements.

Consolidated Financial Statements

The Accounting Standards Board ("AcSB") issued a revised Section 1601 – Consolidated Financial Statements. This revised Section is applicable to accounting periods beginning on or after January 1, 2011. This Section establishes standards for the preparation of consolidated financial statements. Management does not expect that the adoption of this revised section will have a material impact on the Company's financial statements.

Non-controlling Interests

The AcSB issued a revised section 1602 – Non-controlling Interests. This revised Section is applicable to accounting periods beginning on or after January 1, 2011. This Section establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. There are currently no non-controlling interests, nor are there any expected, in the Company's subsidiaries. Accordingly, management does not expect that the adoption of this revised section will have a material impact on the Company's financial statements.

Business Combinations

The AcSB issued a revised section 1602 – Non-controlling Interests. This revised Section is applicable to accounting periods beginning on or after January 1, 2011. The objective of this Section is to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statement about a business combination and its effects. Management does not expect that the adoption of this revised section will have a material impact on the Company's financial statements.

12. Subsequent Event

iLOOKABOUT has engaged an agent in connection with a proposed private placement to raise up to \$2,500,000 of capital, which is expected to close on or about June 30, 2009. Proceeds will be used to pursue growth opportunities which may include the capture of additional streetscape image-data, increased sales and marketing efforts, expansion of capital infrastructure and for general corporate and working capital purposes. The details of this private placement have not yet been finalized.