

**iLOOKABOUT Corp.**  
**Unaudited Interim Consolidated Financial Statements**  
Nine Months Ended September 30, 2009 and 2008

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**iLOOKABOUT Corp.**  
**Interim Consolidated Balance Sheets**

	As at September 30, 2009 (Unaudited)	As at December 31, 2008 (Audited)
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 2,152,133	\$ 1,581,938
Trade and other receivables	118,035	168,121
Investment tax credits receivable (note 5)	529,210	258,577
Prepaid expenses and other current assets	157,598	107,764
	<u>2,956,976</u>	<u>2,116,400</u>
Equipment (note 5)	475,478	582,577
Intangible assets	73,042	88,313
<b>Total Assets</b>	<u>\$ 3,505,496</u>	<u>\$ 2,787,290</u>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 392,843	\$ 378,527
Deferred revenue	316,207	107,569
	<u>709,050</u>	<u>486,096</u>
Deferred revenue	13,764	37,500
Shareholders' Equity		
Share capital (note 6)	7,936,201	6,495,232
Warrant capital (note 6)	1,560,329	1,444,249
Contributed surplus (note 6)	1,165,995	707,789
Deficit	<u>(7,879,843)</u>	<u>(6,383,576)</u>
	2,782,682	2,263,694
Subsequent event (note 13)		
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 3,505,496</u>	<u>\$ 2,787,290</u>

See accompanying notes to the consolidated financial statements.

**Approved by the Board of Directors:**

*"Ronald Breen"*  
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 Ronald Breen, FCA  
 Director

*"Jeff Young"*  
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 Jeff Young  
 Director

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

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
<b>Revenue</b>	\$ 569,526	\$ 213,233	\$ 1,551,927	\$ 579,666
<b>Operating expenses</b>				
Research, technology and operations	420,596	717,272	1,058,168	1,437,732
Selling, general and administration	703,543	789,543	1,888,929	1,867,100
Investment tax credits refundable (note 5)	(148,201)	-	(148,201)	-
Amortization of equipment (note 5)	523	81,921	154,750	189,991
Amortization of intangible assets	6,033	9,236	16,396	15,521
Stock based compensation (note 7)	11,426	145,393	71,974	217,075
	993,920	1,743,365	3,042,016	3,727,419
<b>Loss from operations before the undernoted</b>	(424,394)	(1,530,132)	(1,490,089)	(3,147,753)
<b>Interest and other income</b>	25,294	17,126	23,606	41,106
<b>Foreign exchange loss</b>	(9,584)	(658)	(29,784)	(4,629)
<b>Loss and comprehensive loss for the period</b>	\$ (408,684)	\$ (1,513,664)	\$ (1,496,267)	\$ (3,111,276)
<b>Weighted average number of shares outstanding</b>				
Basic	39,942,842	34,384,492	36,242,831	32,917,928
Diluted	41,151,920	34,691,129	36,751,434	33,289,725
<b>Loss per share</b>				
Basic and diluted	\$ (0.01)	\$ (0.04)	\$ (0.04)	\$ (0.10)

See accompanying notes to the consolidated financial statements.

**iLOOKABOUT Corp.**  
**Interim Consolidated Statements of Deficit**  
**(Unaudited)**

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Deficit - beginning of period	\$ (7,471,159)	\$ (3,878,222)	\$ (6,383,576)	\$ (2,280,610)
Loss for the period	(408,684)	(1,513,664)	(1,496,267)	(3,111,276)
Deficit - end of period	\$ (7,879,843)	\$ (5,391,886)	\$ (7,879,843)	\$ (5,391,886)

See accompanying notes to the consolidated financial statements.

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

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
<b>Operating activities</b>				
Loss for the period	\$ (408,684)	\$ (1,513,664)	\$ (1,496,267)	\$ (3,111,276)
Adjustments for non-cash items:				
Loss on disposal of equipment	-	-	1,467	-
Investment tax credits refundable, capital related (note 5)	122,432	-	122,432	-
Amortization of equipment (note 5)	523	81,921	154,750	189,991
Amortization of intangible assets	6,033	9,236	16,396	15,521
Stock based compensation	11,426	145,393	71,974	217,075
	(268,270)	(1,277,114)	(1,129,248)	(2,688,689)
Changes in non-cash working capital:				
Trade and other receivables	(8,563)	(50,777)	50,086	41,987
Investment tax credits receivable	(270,633)	85,000	(270,633)	-
Prepaid expenses and other current assets	(24,491)	(41,453)	(49,834)	(62,525)
Accounts payable and accrued liabilities	(58,964)	9,394	14,316	228,883
Deferred revenue	11,320	61,841	184,902	175,942
	(351,331)	64,005	(71,163)	384,287
Cash flow used by operating activities	(619,601)	(1,213,109)	(1,200,411)	(2,304,402)
<b>Financing activities</b>				
Deferred corporate transaction costs	-	-	-	100,473
Proceeds from options exercised	-	-	6,250	20,050
Proceeds from warrants exercised	16,008	-	16,008	-
Issuance of common shares and warrants	1,921,023	-	1,921,023	4,737,433
Cash flow from financing activities	1,937,031	-	1,943,281	4,857,956
<b>Investing activities</b>				
Purchase of equipment	(34,590)	(175,312)	(171,650)	(415,060)
Proceeds on disposal of equipment	-	-	100	-
Purchase of intangible assets	-	(3,816)	(1,125)	(20,718)
Cash flow used by investing activities	(34,590)	(179,128)	(172,675)	(435,778)
<b>Increase (decrease) in cash and cash equivalents during the period</b>	1,282,840	(1,392,237)	570,195	2,117,776
<b>Cash and cash equivalents - beginning of period</b>	869,293	4,110,755	1,581,938	600,742
<b>Cash and cash equivalents - end of period</b>	\$ 2,152,133	\$ 2,718,518	\$ 2,152,133	\$ 2,718,518
<b>Represented by:</b>				
Cash	\$ 652,143	\$ 614,010	\$ 652,143	\$ 614,010
Cash equivalents	1,499,990	2,104,508	1,499,990	2,104,508
	\$ 2,152,133	\$ 2,718,518	\$ 2,152,133	\$ 2,718,518
<b>Supplemental Disclosure</b>				
Cash paid for interest expense	\$ -	\$ -	\$ -	\$ -
Cash paid for income taxes	694	-	694	-

See accompanying notes to the consolidated financial statements.

**iLOOKABOUT Corp.**  
**Notes to Interim Consolidated Financial Statements**  
**For the nine months ended September 30, 2009 and 2008**  
**(Unaudited)**

**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. iLOOKABOUT’s shares are traded on the TSX Venture Exchange under the symbol ILA.

**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 \$7,879,843 (December 31, 2008 - \$6,383,576), shareholders’ equity of \$2,782,682 (December 31, 2008 - \$2,263,694) and working capital of \$2,247,926 (December 31, 2008 - \$1,630,304). The Company has not generated sufficient revenues to date which would provide net cash inflows to fund operations. In July 2009, the Company successfully completed a private placement which raised gross proceeds of \$2,198,700. However, failure to generate sufficient cash inflows through future sales growth, financing or a combination of these actions, could result in the inability of the Company to continue as a going concern in the future.

The Company’s interim 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. 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.

**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.

**iLOOKABOUT Corp.**  
**Notes to Interim Consolidated Financial Statements**  
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(Note 4 – continued)

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. Investment Tax Credits**

During the period ended September 30, 2009, the Company received notification from the Canada Revenue Agency with respect to Scientific Research and Experimental Development (“SR&ED”) tax credits for the periods of January 1 to December 31, 2007 and January 1 to March 31, 2008.

A further \$270,633 of research and development tax credits have been accrued as a receivable and have been recognized as a reduction of equipment or operating expenses. Of the \$122,432 related to capital items, \$41,221 was recorded as a reduction of equipment and \$81,211 was recorded against amortization expense for amortization previously taken on the related equipment. The remaining \$148,201 has been recorded as a reduction of operating expenses in the Statement of Operations and Comprehensive Loss.

**6. Share capital, warrant capital and contributed surplus**

*(a) Share capital and warrant capital*

	Expiry date	September 30, 2009		December 31, 2008	
		Issued	Amount	Issued	Amount
Authorized:					
Unlimited common shares					
Unlimited preferred shares					
Issued:					
Common shares		39,966,042	\$ 7,936,201	34,384,492	\$ 6,495,232
Share purchase warrants:					
\$0.40 agent warrants	July 13/10	208,640	-	-	-
\$0.55 warrants	July 13/10	1,304,000	150,585	-	-
\$0.40 agent warrants	July 3/10	231,100	-	-	-
\$0.55 warrants	July 3/10	1,444,375	173,845	-	-
\$1.00 agent warrants	Feb 21/10	515,400	-	515,400	-
\$1.00 warrants	April 1/10	6,567,500	1,235,899	6,567,500	1,235,899
\$0.48 warrants	Sept 17/09	-	-	83,320	2,414
\$0.46 agent warrants	Aug 13/09	-	-	34,800	-
\$0.46 agent warrants	June 19/09	-	-	217,391	-
\$0.69 warrants	April 7/09	-	-	1,576,196	205,936
		10,271,015	1,560,329	8,994,607	1,444,249
Share capital and warrant capital		50,237,057	\$ 9,496,530	43,379,099	\$ 7,939,481

**iLOOKABOUT Corp.**  
**Notes to Interim Consolidated Financial Statements**  
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**(Unaudited)**

**(Note 6 – continued)**

- (i) On April 7, 2009, 1,576,196 of the warrants previously issued for the purchase of 1,576,196 common shares, at a price of \$0.69 per share, expired unexercised.
- (ii) On June 19, 2009, 217,391 of the agent warrants previously issued for the purchase of 217,391 common shares, at a price of \$0.46, expired unexercised.
- (iii) In July 2009, iLOOKABOUT completed a private placement, consisting of two closings, resulting in the issuance of 5,496,750 units for \$0.40 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company for an exercise price of \$0.55 per share, during the twelve months following the closing of the private placement. Gross proceeds of this financing were \$2,198,700. Unit issue costs, including the fair value of warrants issued to agents, totaled \$476,994. Agents were issued 439,740 units in connection with this financing. Each unit entitles the holder to purchase one common share and one-half of one common share purchase warrant for an exercise price of \$0.40, during the twenty-four months following the closing of the private placement. Each resulting whole warrant entitles the holder to purchase an additional common share at an exercise price of \$0.55. Total warrants issued to investors and agents in connection with this placement were 3,188,115. As at September 30, 2009, none of these warrants had been exercised.

The \$0.55 financing warrants were allocated \$381,803 of the net proceeds based on their *pro-rata* share of the calculated fair value of the total unit fair value at issuance using a Black-Scholes pricing model and assuming: a risk free interest rate of 1.00%; an expected volatility of 154%; an expected life of one year and no expected dividend yield. The units issued to agents included the option to purchase one common share and one-half of one common share, and were valued utilizing a Black-Scholes pricing model. The valuation of the common share component of these units utilized the assumptions of: a risk free rate of 1.25%; an expected volatility of 124%; an expected life of two years and no expected dividend yield. The valuation of the one-half common share component of these units utilized the assumptions of: a risk free rate of 1.00%; an expected volatility of 154%; an expected life of one year and no expected dividend yield.

- (iv) In August 2009, all of the 34,800 agent warrants previously issued for the purchase of 34,800 common shares, at a price of \$0.46 per share were exercised.
- (v) On September 17, 2009, 83,320 of the warrants previously issued for the purchase of 83,320 common shares, at a price of \$0.48 per share, expired unexercised.

The details of changes in share capital are summarized in the following table:

	Number of shares		Amount
<b>Balance, December 31, 2008</b>	34,384,492	\$	6,495,232
Shares issued, private placement	5,496,750		1,761,708
Share issue costs	-		(364,431)
Warrants exercised	34,800		22,654
Options exercised	50,000		21,038
<b>Balance, September 30, 2009</b>	39,966,042	\$	7,936,201

**iLOOKABOUT Corp.**  
**Notes to Interim Consolidated Financial Statements**  
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**(Unaudited)**

(Note 6 – continued)

The details of changes in warrant capital are summarized in the following table:

	Number of warrants		Amount
<b>Balance, December 31, 2008</b>	8,994,607	\$	1,444,249
Warrants issued, private placement	3,188,115		436,992
Warrant issue costs	-		(112,562)
Warrants exercised	(34,800)		-
Warrants expired	(1,876,907)		(208,350)
<b>Balance, September 30, 2009</b>	10,271,015	\$	1,560,329

**(b) Contributed surplus**

<b>Balance, December 31, 2008</b>	\$	707,789
Stock compensation expense		71,974
Fair value of warrants granted to agents		199,316
Exercise of stock options		(14,788)
Exercise of warrants		(6,646)
Expiry of warrants		208,350
<b>Balance, September 30, 2009</b>	\$	1,165,995

**7. Stock-based compensation**

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
<b>Outstanding December 31, 2008</b>	1,323,300	\$ 0.421	\$ 0.432	4.0
Granted, January to March 2009	120,000	0.220	0.220	
Granted, April to June 2009	125,000	0.380	0.380	
Exercised, April to June 2009	(50,000)	0.125	0.384	
<b>Outstanding September 30, 2009</b>	1,518,300	\$ 0.411	\$ 0.413	3.5

Of the 1,518,300 unexercised options as at September 30, 2009, 1,372,050 had vested, with exercise prices ranging from \$0.125 to \$0.60 per share.

The fair value of the 2009 options granted was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Exercise price	\$0.22 to \$0.38
Estimated fair value at grant	\$0.22 to \$0.38
Risk free interest rate	3.00%
Expected dividend yield	0%
Expected share volatility	96% to 106%
Expected average option life	5 years

**iLOOKABOUT Corp.**  
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**(Unaudited)**

(Note 7 – continued)

The amount charged to stock based compensation expense and contributed surplus for the three month period ended September 30, 2009 was \$11,426 (2008 - \$145,393) and for the nine month period ended September 30, 2009 was \$71,974 (2008 - \$217,075).

**8. Financial risk management**

The Company is exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk from its financial assets and liabilities. Risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Company's key financial risks or risk management strategies since December 31, 2008.

**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 September 30, 2009			Three months ended September 30, 2008		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 431,550	\$ 137,976	\$ 569,526	\$ 55,581	\$ 157,652	\$ 213,233
Equipment	475,478		475,478	638,947		638,947
Intangible assets	73,042		73,042	84,458		84,458

	Nine months ended September 30, 2009			Nine months ended September 30, 2008		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 1,091,081	\$ 460,846	\$ 1,551,927	\$ 167,770	\$ 411,896	\$ 579,666
Equipment	475,478	-	475,478	638,947	-	638,947
Intangible assets	73,042	-	73,042	84,458	-	84,458

Two customers accounted for 67% of revenue recognized for the three months ended September 30, 2009, and 71% of revenue recognized for the nine months ended September 30, 2009. As at September 30, 2009, one customer accounted for 84% of trade accounts receivable, which was fully collected subsequent to the reporting period.

For the three months ended September 30, 2008, two customers accounted for 69% of recognized revenue, and for the nine months ended September 30, 2008, these two customers accounted for 65% of recognized revenue. As at September 30, 2008, three customers accounted for 88% of trade accounts receivable, which were fully collected subsequent to the reporting period.

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**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, and fluctuations are more closely tied to customer budget cycles. Further, StreetScape sales agreements are typically multi-year, reducing seasonal fluctuations 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. Furthermore, lighting conditions in late autumn and winter shorten productive driver days, negatively impacting the cost effectiveness of data capture. Data 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.

**11. Comparative figures**

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted in the current period.

**12. Future accounting changes**

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

***Financial Instruments - Disclosures***

In June 2009, the CICA amended Section 3862, Financial Instruments – Disclosures, to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level 3 valuations are based on inputs that are not based on observable market data. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its financial statements.

***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.

**iLOOKABOUT Corp.**  
**Notes to Interim Consolidated Financial Statements**  
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**(Note 12 – continued)**

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 the adoption of IFRS on its financial statements and has developed and is implementing a conversion plan which includes, but is not limited to, the following:

- Comparison of the Company's significant accounting policies under Canadian GAAP to IFRS and quantification of the expected impact of IFRS adoption on its financial statements;
- Assessment of the impact of conversion on financial and business processes (i.e. internal control, data gathering and management, internal reporting, etc.);
- Assessment of the information technology and reporting systems required to support conversion to IFRS;
- Assessment of the financial reporting expertise required for conversion and expected training needs; and
- Identification of external resources and expertise required to facilitate an effective conversion.

Progress with respect to the above noted items include:

- Key finance personnel have completed initial IFRS training.
- Assessment of the expected extent of need for external resources and expertise has been completed and appropriate service providers selected.
- Internal analysis of accounting standards expected to impact the Company has commenced.
- A preliminary assessment of information technology requirements has been completed, and appropriate steps are being taken to ensure these requirements are met.
- Regular status meetings have commenced to provide the opportunity for Management to keep the Audit Committee apprised of the status of the conversion plan and address any significant issues that may arise.

**13. Subsequent event**

Subsequent to the period end, 250,000 stock options were granted at an exercise price of \$0.48 per share. These options vest over a period of three years, and expire five years following the grant date.