

**iLOOKABOUT Corp.**  
**Consolidated Financial Statements**

Three Months Ended March 31, 2010 and 2009



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

As at	March 31, 2010	December 31, 2009
	(Unaudited)	(Audited)
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,035,920	2,410,006
Trade and other receivables	137,777	107,775
Prepaid expenses and other current assets	256,940	150,021
	<u>2,430,637</u>	<u>2,667,802</u>
Equipment	501,564	456,161
Intangible assets	76,703	80,471
<b>Total Assets</b>	<b>\$ 3,008,904</b>	<b>3,204,434</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 394,611	317,808
Deferred revenue	364,365	413,352
	<u>758,976</u>	<u>731,160</u>
Deferred revenue	22,995	40,498
Shareholders' Equity:		
Share capital	7,936,201	7,936,201
Warrant capital (note 4)	2,256,484	1,560,329
Contributed surplus (note 5)	1,268,809	1,209,136
Deficit	(9,234,561)	(8,272,890)
	<u>2,226,933</u>	<u>2,432,776</u>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 3,008,904</b>	<b>3,204,434</b>

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

Three months ended March 31	2010		2009	
<b>Revenue</b>	\$	703,514	\$	431,062
<b>Operating expenses</b>				
Operations, technology and research		326,504		290,703
Selling, general and administration		518,546		541,548
Amortization of equipment		47,469		69,546
Amortization of intangible assets		3,768		4,327
Stock based compensation expense (note 6)		59,673		28,141
		955,960		934,265
<b>Loss from operations before the undernoted</b>		(252,446)		(503,203)
<b>Interest and other income</b>		9,279		3,383
<b>Foreign exchange loss</b>		(22,349)		(14,674)
<b>Loss and comprehensive loss for the period</b>	\$	(265,516)	\$	(514,494)
<b>Weighted average number of shares outstanding</b>				
Basic		39,966,042		34,384,492
Diluted		40,181,932		34,502,044
<b>Loss per share</b>				
Basic and diluted	\$	(0.007)	\$	(0.015)

See accompanying notes to the consolidated financial statements.

**Consolidated Statements of Deficit**  
**(Unaudited)**

Three months ended March 31	2010		2009	
Deficit - beginning of period	\$	(8,272,890)	\$	(6,383,576)
Loss for the period		(265,516)		(514,494)
Warrant modification (note 4)		(696,155)		-
Deficit - end of period	\$	(9,234,561)	\$	(6,898,070)

See accompanying notes to the consolidated financial statements.

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

<b>Three months ended March 31</b>	<b>2010</b>	<b>2009</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Loss for the period	\$ (265,516)	\$ (514,494)
Adjustments for non-cash items:		
Amortization of equipment	47,469	69,546
Amortization of intangible assets	3,768	4,327
Stock based compensation expense (note 6)	59,673	28,141
	(154,606)	(412,480)
Changes in non-cash working capital:		
Trade and other receivables	(30,002)	(118,877)
Prepaid expenses and other current assets	(106,919)	(5,219)
Accounts payable and accrued liabilities	76,803	(15,262)
Deferred revenue	(66,490)	66,574
	(126,608)	(72,784)
Cash used in operating activities	(281,214)	(485,264)
<b>Investing activities</b>		
Purchase of equipment	(92,872)	(22,886)
Purchase of intangible assets	-	(1,127)
Cash used in investing activities	(92,872)	(24,013)
<b>Decrease in cash and cash equivalents during the period</b>	(374,086)	(509,277)
<b>Cash and cash equivalents - beginning of period</b>	2,410,006	1,581,938
<b>Cash and cash equivalents - end of period</b>	\$ 2,035,920	\$ 1,072,661
<b>Represented by:</b>		
Cash	\$ 1,035,920	\$ 173,164
Cash equivalents	1,000,000	899,497
	\$ 2,035,920	\$ 1,072,661
<b>Supplemental Disclosure</b>		
Cash paid for interest expense	\$ -	\$ -
Cash paid for income taxes	-	-

See accompanying notes to the consolidated financial statements.

**iLOOKABOUT Corp.**  
**Notes to Consolidated Financial Statements**  
**For the three months ended March 31, 2010 and 2009**  
**(Unaudited)**

**1. Nature of Business**

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

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

**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 potential 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 \$9,234,561 (December 31, 2009 - \$8,272,890), shareholders’ equity of \$2,226,933 (December 31, 2009 - \$2,432,776) and working capital of \$1,671,661 (December 31, 2009 - \$1,936,642). The Company has not generated sufficient revenues to date which would provide net cash inflows to fund operations. 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 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. These 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, 2009.

**iLOOKABOUT Corp.**  
**Notes to Consolidated Financial Statements**  
**For the three months ended March 31, 2010 and 2009**  
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**4. Warrant Capital**

On March 12, 2010 the Board of Directors passed a resolution to extend the term of the Company's 6,567,500 Series E common share purchase warrants (the "Class E Warrants") that were issued as part of a private placement which closed on February 22, 2008.

Each full Class E Warrant entitles its holder to purchase one common share of the Company at an exercise price of \$1.00 per share. The Class E Warrants were scheduled to expire on April 1, 2010. The term of the Class E Warrants was extended to the earlier of (i) April 1, 2011, or (ii) on the 30th calendar day following the Company's common shares attaining a closing price of \$1.20 or greater for ten consecutive trading days on the TSX Venture Exchange.

The Company has recorded the incremental difference in the fair value of these warrants immediately prior to and after the modification. The fair value of the warrants was determined using a Black-Scholes option pricing model applying the following assumptions prior to and as at the date of extension:

	Pre extension	Post extension
Risk free interest rate	1.50%	1.50%
Expected dividend yield	0%	0%
Expected share volatility	102%	104%
Expected life	21 days	386 days

The resulting incremental fair value of \$696,155 associated with the common share purchase warrants held by shareholders was recorded as a charge to deficit, with a corresponding increase to warrant capital.

The details of changes in warrants outstanding are summarized in the following table:

	Number of warrants	Amount
<b>Balance, December 31, 2009</b>	<b>10,271,015</b>	<b>\$ 1,560,329</b>
Warrant modification	-	696,155
<b>Balance, March 31, 2010</b>	<b>10,271,015</b>	<b>\$ 2,256,484</b>

**5. Contributed Surplus**

The details of changes in contributed surplus are summarized in the following table:

<b>Balance, December 31, 2009</b>	<b>\$</b>	<b>1,209,136</b>
Stock based compensation expense		59,673
<b>Balance, March 31, 2010</b>	<b>\$</b>	<b>1,268,809</b>

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**For the three months ended March 31, 2010 and 2009**  
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**6. 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 of Directors 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:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Share Price</b>	<b>Weighted Average Years to Expiry</b>
<b>Outstanding December 31, 2009</b>	1,768,300	\$ 0.421	\$ 0.439	3.4
Granted	415,000	0.370	0.490	
<b>Outstanding March 31, 2010</b>	2,183,300	\$ 0.411	\$ 0.449	3.5

Of the 2,183,300 unexercised options as at March 31, 2010; 1,684,550 had vested, with exercise prices ranging from \$0.125 to \$0.60 per share.

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

	<b>2010</b>
Exercise price	\$0.37
Estimated fair value at grant	\$0.49
Risk free interest rate	2.50%
Expected dividend yield	0%
Expected share volatility	102.0%
Expected average option life	5 years

During the three months ended March 31, 2010, the Company recorded stock-based compensation expense of \$59,673 (2009 - \$28,141) related to stock options granted to employees, officers, directors and consultants.

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**Notes to Consolidated Financial Statements**  
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**7. 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, 2009.

**8. 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, 2010			Three months ended March 31, 2009		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 332,895	\$ 370,619	\$ 703,514	\$ 284,025	\$ 147,037	\$ 431,062
Equipment	501,564	-	501,564	535,917	-	535,917
Intangible assets	76,703	-	76,703	85,113	-	85,113

Three customers each accounted for more than 10% of total revenue, and accounted for a combined total of 69% of total revenue for the three months ended March 31, 2010. As at March 31, 2010, two customers each accounted for more than 10% of trade accounts receivable, and accounted for a combined total of 86% of trade accounts receivable, all of which were subsequently collected.

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.

**9. Seasonality**

The Company's experience to date is that seasonality has not had a significant impact on the Company's primary revenue stream, rather, fluctuations are more closely tied to customer budget cycles. Further, StreetScope 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.

**10. Comparative figures**

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

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**Notes to Consolidated Financial Statements**  
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**11. Future accounting changes**

*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. The Company is currently assessing the impact of adopting IFRS on its financial statements.