iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year from January 1, 2009 to December 31, 2009 (the "*Period*")

The information set forth below has been prepared as at April 21, 2010, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s ("iLOOKABOUT" or the "Company") audited consolidated financial statements for the year ended December 31, 2009, including the accompanying notes (the "2009 Financial Statements"), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis ("MD&A") is intended to assist in understanding the dynamics of the Company's business and key factors underlying its financial results. The Company's Annual Information Form ("AIF") can also be found on SEDAR at www.sedar.com .

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("*GAAP*"). The significant accounting policies are outlined in Note 2 to the Company's 2009 Financial Statements. These accounting policies have been applied consistently for the period unless otherwise specifically noted in the notes to the 2009 Financial Statements.

The 2009 Financial Statements include the accounts of iLOOKABOUT Corp. and its wholly-owned subsidiaries iLOOKABOUT Inc., iLOOKABOUT (US) Inc. and iLOOKABOUT Global Inc. All financial results and account balances referred to herein are consolidated, unless otherwise stated.

All dollar figures referred to herein are Canadian dollars unless otherwise stated.

A cautionary note regarding forward-looking statements follows in the section "*Risk Factors*" below.

Company Background

iLOOKABOUT is a visual knowledge company, with its primary focus being to provide street-level, geo-spatial imaging. iLOOKABOUT uses proprietary hardware and software systems to capture, process and geo-code street-level image data from a moving vehicle. Each high resolution image is captured with a digital camera and geo-coded using public GPS and proprietary technologies to record location specific and other data. iLOOKABOUT collects data from public streets in its targeted geographic areas, creating a database of images and associated metadata (data about data or content items). The iLOOKABOUT StreetScape ("*StreetScape*") image database is compatible with all major mapping applications (Google, Yahoo, MSN, ESRI, Intergraph, Bentley, etc.) and is accessible through iLOOKABOUT's secure web service. iLOOKABOUT intends to continue to build its image database in North America and select cities in the European Union, and to license its image data to governments and related agencies, including emergency services, and businesses in a variety of industries, such as real estate, utilities, property assessment, insurance and financial institutions. iLOOKABOUT also provides Virtual Tour products, which it will continue to offer, support and enhance. However, iLOOKABOUT's principal focus for the near- and long-term will be to develop, market and license its StreetScape product.

Current Overview

Over the course of 2009, the Company completed the capture of a "critical mass" of image data for the Canadian market and advanced its StreetScape technology platform, which has enabled the Company to position its product and services at both the local and national levels. Data capture continued in 2009 in the United States (the "*US*") and the United Kingdom in order to service contracts in these regions which were secured in 2009. Management continues to leverage the Company's data assets by concentrating sales efforts where collected data exists.

A key objective of the Company is the development of strategic partnerships with a view to facilitating broad distribution of the StreetScape product. To this end, the Company made significant progress in 2009 in establishing partnerships within its targeted market verticals in both Canada and the US.

In 2009, the Company entered numerous agreements to provide StreetScape imagery in the real estate, municipal, assessment, insurance and utility vertical markets, resulting in the Company's revenue increasing from $818,877 for the year ended December 31, 2008 to $2,170,280 for the year ended December 31, 2009, representing 165% growth in revenue. Management expects that key partnerships established in 2009 will contribute to further increases in operating revenues in 2010.

While the Company has achieved significant sales growth in 2009, continued uncertainty in the overall economic environment, coupled with an extended sales cycle for the StreetScape product, has led Management to continue its cost containment measures developed and initialized in the latter part of 2008 to preserve the Company's cash resources. The combination of revenue growth and significant cost reductions enabled the Company to decrease its annual net loss from $4,102,963 in 2008 to $1,889,314 in 2009. However, Management's ongoing assessment of the Company's three-year strategic plan has identified that its plan will not be fully funded unless additional operating cash inflows, federal and/or provincial government incentive programs, financing or a combination of these is obtained. On a regular and on-going basis, Management continues to assess the need to balance the preservation of cash resources with the pursuit of the Company's strategic objectives critical to iLOOKABOUT's long-term success.

Outlook

To assist in forecasting future financial resources, the Company monitors revenue backlog[1], a non-GAAP financial measure. As at December 31, 2009, the Company had a revenue backlog of approximately $6,754,000, compared to its revenue backlog of approximately $1,557,000 at December 31, 2008, representing backlog growth of approximately 334%. Revenue backlog as at December 31, 2009 as compared to as at September 30,2009 declined approximately 6.6%, with approximately 0.3% of this decline attributable to changes in foreign exchange rates.

As at April 21, 2010, the Company's revenue backlog is approximately $6,229,000.

The revenue backlog disclosed herein does not include any revenue expected to arise from sales agreements where the customer has no commitment to draw upon services from the Company. Therefore, potential future transactional-based revenue, being revenue based on volume of use as opposed to a fixed fee for service, which may result from existing agreements is not included in revenue backlog.

[1] The Company defines "revenue backlog" as the estimated revenue attributable to the uncompleted portion of signed sales agreements for which future collection is probable, selling price is fixed and determinable, and there is no reason to believe that the Company will be unable to deliver the contracted service. The revenue backlog disclosed herein does not include any revenue expected to arise from sales agreements where the customer has no commitment to draw upon services from the Company. To the extent revenue derived from these sales agreements is recognized in future periods for financial reporting purposes, such recognized revenue amount is then deducted from the revenue backlog figure. The revenue backlog does not include that portion of revenue associated with sales agreements extending beyond five years, and accordingly, revenue backlog is adjusted at the end of each quarter to include only revenues that fall within the five year limit with the passage of time. Revenue backlog is a non-GAAP financial measure and therefore does not have a standardized meaning as defined by GAAP and may not be consistent with the definition assigned to this measure by other reporting issuers. Revenue backlog is based on Management's current expectations and entails various risks, uncertainties and assumptions which, if not correct, could cause or contribute to actual results that are materially different than those expressed or implied.

Analysis of Selected Financial Information, Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's 2009 Financial Statements, which can be found on SEDAR at www.sedar.com.

Selected Annual Information

	Audited		
Years ended December 31	**2009**	**2008**	**2007**
Revenue	$ 2,170,280	$ 818,877	$ 486,833
Loss from operations before interest and other income and foreign exchange gain (loss)	(1,894,698)	(4,174,817)	(1,613,426)
Loss for the year	(1,889,314)	(4,102,963)	(1,622,729)
Loss per share (basic and diluted)[1]	(0.05)	(0.12)	(0.07)
Total assets	3,204,434	2,787,290	1,730,698
Total liabilities	771,658	523,596	347,300

[1]In 2009, the Company's methodology for calculation of the weighted average number of basic and diluted common shares, options and warrants outstanding was revised to conform to the treasury stock method. Under the revised calculation, loss per share for the year ended December 31, 2008 was $0.12 per share as opposed to $0.13 per share as previously presented. There has been no change in net loss for the year ended December 31, 2008.

In late 2005, iLOOKABOUT's strategic planning identified an opportunity in the emerging geo-spatial imaging market for a commercial application that associates a database of real world imagery with geographic mapping references. Building upon the technology developed for its Virtual Tour products and the industry experience and customer relationships gained over the first five years of its business, iLOOKABOUT began development of a system for capturing and geo-coding (latitude and longitude coordinates and other location specific data) street-level images, which later became the Company's StreetScape product. In 2006, the Company was in the early research and development phase with respect to its StreetScape product, and its primary operational focus was providing its existing Virtual Tour services.

As the Company's development of its StreetScape product and planning for its commercialization continued in 2007, several private placements were completed to raise funds to support the Company's strategic plan. Gross proceeds of these private placements totaled $2,449,545. The proceeds of these private placements were utilized to fund general working capital requirements, the commencement of image data capture operations, and capital expenditures for data capture equipment, storage and back-up systems.

iLOOKABOUT entered into its first customer contract for StreetScape in the fourth quarter of 2007 and continued to deliver Virtual Tour services in 2007, the latter of which comprised approximately 67% of its total operating revenue in 2007.

In 2007, iLOOKABOUT began the pursuit of a business combination with Berkeley Capital Corp. I ("*Berkeley*"), a Capital Pool Company under the rules of the TSX Venture Exchange ("*TSXV*"), in order to become a publicly traded company on the TSXV. In conjunction with this transaction, the Company completed a private placement with gross proceeds of $5,254,000 in February 2008, which proceeds were released to the Company on April 1, 2008 upon the amalgamation of iLOOKABOUT Holdings Inc. with Berkeley to form iLOOKABOUT Corp. Net proceeds of this private placement were utilized primarily to fund the Company's data capture operations and to develop the sales, technology and administrative infrastructure needed to support the commercialization of the StreetScape product.

The combination of significant expenditure requirements to commence data capture operations, fund infrastructure development and launch the Company's sales efforts for its Streetscape product, combined with minimal sales activity, resulted in the Company's increased loss for fiscal 2008 as compared to fiscal 2007.

During 2008, the Company was able to secure a number of significant sales contracts, resulting in year over year revenue growth of approximately 68% to $818,877 for the year ended December 31, 2008, of which StreetScape related revenue represented approximately 76% as compared to approximately 31% for fiscal 2007.

However, in the latter part of 2008, notwithstanding the Company's increased sales revenue, the global adverse economic environment proved particularly challenging to the Company given that it was still in the very early stages of the commercialization of its principal product. In the face of limited cash resources, Management decided to significantly slow down the pace that the Company would pursue to achieve its strategic business plan and developed and implemented an aggressive cost containment plan.

Throughout 2009, the Company continued to execute its cost containment plans, which were primarily composed of data capture and human resource related cost reductions. Despite these reductions, the Company was able to complete the capture of a "critical mass" of data for the Canadian market and advance its StreetScape technology platform. Leveraging these assets, and focusing on the Company's objective of developing and utilizing strategic partnerships, the Company's revenue grew from $818,877 to $2,170,280 for the years ended December 31, 2008 and 2009 respectively, representing approximately 165% revenue growth. StreetScape related revenue represented approximately 92% of iLOOKABOUT's total operating revenue for fiscal 2009. In addition to growing revenue, the Company was able to dramatically decrease its costs in 2009 as compared to 2008, the combination of which resulted in a decrease in net loss from $4,102,963 for the year ended December 31, 2008 to $1,889,314 for the year ended December 31, 2009.

In July 2009, iLOOKABOUT completed a private placement, which occurred in two closings. Gross proceeds of this financing were $2,198,700. Further details regarding this private placement are contained in the section entitled "*Liquidity, Financing Activities and Capital Resources*" below.

Summary of Quarterly Results

	Unaudited				Audited
	Three months ended				Year ended
	March 31	**June 30**	**Sept 30**	**Dec 31**	**Dec 31**
Fiscal 2009					
Revenue	$ 431,062	$ 551,339	$ 569,526	$ 618,353	$ 2,170,280
Loss from operations before interest and other income and foreign exchange gain (loss)	(503,203)	(562,492)	(424,394)	(404,609)	(1,894,698)
Loss for the period	(514,494)	(573,089)	(408,684)	(393,047)	(1,889,314)
Loss per share (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)
Fiscal 2008					
Revenue	$ 180,703	$ 185,730	$ 213,233	$ 239,211	$ 818,877
Loss from operations before interest and other income and foreign exchange gain (loss)	(487,324)	(1,130,299)	(1,530,132)	(1,027,062)	(4,174,817)
Loss for the period	(474,496)	(1,123,118)	(1,513,664)	(991,685)	(4,102,963)
Loss per share (basic and diluted)[1]	(0.02)	(0.03)	(0.04)	(0.03)	(0.12)

[1]In 2009, the Company's methodology for calculation of the weighted average number of basic and diluted common shares, options and warrants outstanding was revised to conform to the treasury stock method. Under the revised calculation, loss per share for the year ended December 31, 2008 was $0.12 per share as opposed to $0.13 per share as previously presented. There has been no change in net loss for the year ended December 31, 2008.

Cumulative Quarterly Results Summary

	Unaudited			Audited
	Three Months Ended Mar 31	Six Months Ended June 30	Nine Months Ended Sept 30	Year Ended Dec 31
Fiscal 2009				
Revenue	$ 431,062	$ 982,401	$ 1,551,927	$ 2,170,280
Loss from operations before interest and other income and foreign exchange gain (loss)	(503,203)	(1,065,695)	$ (1,490,089)	(1,894,698)
Loss for the period	(514,494)	(1,087,583)	$ (1,496,267)	(1,889,314)
Loss per share (basic and diluted)	(0.01)	(0.03)	(0.04)	(0.05)
Fiscal 2008				
Revenue	$ 180,703	$ 366,433	$ 579,666	$ 818,877
Loss from operations before interest and other income and foreign exchange gain (loss)	(487,324)	(1,617,623)	(3,147,753)	(4,174,817)
Loss for the period	(474,496)	(1,597,614)	(3,111,276)	(4,102,963)
Loss per share (basic and diluted)~~1~~	(0.02)	(0.05)	(0.10)	(0.12)

[1]In 2009, the Company's methodology for calculation of the weighted average number of basic and diluted common shares, options and warrants outstanding was revised to conform to the treasury stock method. Under the revised calculation, loss per share for the year ended December 31, 2008 was $0.12 per share as opposed to $0.13 per share as previously presented. There has been no change in net loss for the year ended December 31, 2008.

Revenue and Operating Expense Analysis

	Unaudited		Audited	
	Three months ended Dec. 31, 2009	Three months ended Dec. 31, 2008	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Total Revenue	**$ 618,353**	**$ 239,210**	**$ 2,170,280**	**$ 818,877**
Operations, technology & research	361,037	538,868	1,419,205	1,976,601
Selling, general & administration	539,543	634,608	2,428,472	2,501,707
Investment tax credits refunded	-	-	(148,201)	-
Amortization of equipment	74,719	64,474	229,469	254,464
Amortization of intangible assets	4,522	19,625	20,918	35,146
Stock based compensation	43,141	8,701	115,115	225,776
Total Operating Expenses	**$ 1,022,962**	**$ 1,266,276**	**$ 4,064,978**	**$ 4,993,694**
Other earnings (loss)	11,562	35,378	5,384	71,854
Net loss	**$ (393,047)**	**$ (991,688)**	**$ (1,889,314)**	**$ (4,102,963)**
Loss per share (basic and diluted)[1]	**$ (0.01)**	**$ (0.03)**	**$ (0.05)**	**$ (0.12)**

[1]In 2009, the Company's methodology for calculation of the weighted average number of basic and diluted common shares, options and warrants outstanding was revised to conform to the treasury stock method. Under the revised calculation, loss per share for the year ended December 31, 2008 was $0.12 per share as opposed to $0.13 per share as previously presented. There has been no change in net loss for the year ended December 31, 2008.

Revenue

Revenue increased 158% to $618,353 for the three months ended December 31, 2009, compared to the same period in fiscal 2008. For the year ended December 31, 2009, revenue increased 165% to $2,170,280, as compared to the same period of the prior year. These increases are primarily attributable to the sales growth of the Company's StreetScape product. In 2009, StreetScape revenue increased to approximately 92% of the Company's total revenue, as compared to approximately 76% in the same period of 2008. Revenue growth in 2009 is largely attributable to the Company's success in its pursuit of revenue growth through strategic partnerships.

Virtual Tour related revenue decreased approximately 39% in 2009 as compared to 2008. This decrease is attributable to a combination of the Company's shift in focus and resources to its StreetScape product and a general weakening of the real estate industry, which is the target market for Virtual Tour products, particularly in the US.

As a percentage of total revenue, revenue related to the Company's US-based customers for the three months and year ended December 31, 2009, decreased from 33% to 16% and from 69% to 26% respectively, as compared to the same periods of 2008. This change is primarily attributable to the increase in sales agreements with Canadian-based customers for the StreetScape product, coupled with the objective of leveraging data already collected in this geographic space. As the economic downturn was more severe in the US than Canada, and the Company had already achieved greater data coverage in Canada than the US, efforts were focused primarily on growing sales within the Canadian market.

As a result of the extent of StreetScape imagery coverage that the Company has now attained in Canada, the Company was able to enter agreements in the latter half of 2009 with several new strategic partners. To date, the nature of StreetScape related revenue has been license based. These new strategic partnerships will enable the Company to begin generating transactional-based revenue in addition to license-based revenue in the future. As at December 31, 2009, the Company had not yet generated any transactional-based revenue, being revenue based on volume of use as opposed to a fixed fee for service, and does not expect such revenue to commence until the second quarter of 2010.

Operations, technology and research expense

This expense category is composed primarily of direct data capture costs, such as driver labour, vehicle operating costs, and labour costs associated with operations, technology and research staff.

The Company's research, technology and operations expense decreased from $1,976,601 to $1,419,205 for the year ended December 31, 2009 as compared to the prior year, representing a decrease of approximately 28%; and decreased from $538,868 to $361,037 for the three months ended December 31, 2008 and 2009, respectively. These decreases are primarily related to decreased data capture activity in 2009 as compared to 2008. In 2008, data capture was focused on building critical mass in the Company's target markets, while in 2009, the Company's data capture efforts have been focused on capturing a critical mass of StreetScape imagery for Canada and servicing existing and new sales agreements. As part of the Company's cost containment plan adopted in the latter part of 2008, speculative data capture was significantly reduced in 2009 in order to conserve cash resources. Also contributing to the relatively lower data capture costs in 2009 as compared to 2008 was the Company's ability to increase the cost effectiveness of its data capture operations. In addition, human resource related costs in the area of operations, technology and research were rationalized as contemplated in Management's cost containment plan.

Data capture costs in the fourth quarter of 2009 decreased approximately 26% compared to the third quarter of 2009. Due to the seasonal impact on data capture in Canada, the northern regions of the United States, and the United Kingdom, being the Company's current areas of focus, peak levels of data capture are typically in the second and third quarters of the year, with the third quarter being the most optimal for data capture operations in the noted regions.

Selling, general and administration expense

This category of expense is composed primarily of corporate and sales related human resource costs, expenditures associated with the Company's sales and marketing program, professional and regulatory fees, as well as facilities and communication costs.

For the three months ended December 31, 2009, selling, general and administration expense decreased to $539,543 from $634,608 for the same period in the prior year. Selling, general and administration expense for the year ended December 31, 2009 was $2,428,472, compared to $2,501,707 for the prior year. The Company's aggressive cost containment measures provided for significantly reduced costs in 2009 in the areas of human resource and sales support related items. However, these reductions were largely offset by increased royalty and commission expense in 2009 due to the sales growth achieved in 2009.

Other

During the year, the Company received refunds 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 2008. The amount of the refunds exceeded the original estimate accrued by $270,633 and has been recognized as a reduction of equipment costs and operating expenses in the year. Of the $122,432 related to capital items, $41,221 was recorded as a reduction of equipment costs and $81,211 was recorded against amortization expense for amortization previously taken on the related equipment costs. The remaining $148,201 has been recorded as a reduction of operating expenses in the consolidated statement of operations and comprehensive loss.

Amortization expense was reduced by $81,211 to adjust for amortization recorded in previous periods related to the capital assets which were confirmed in the reporting period to be eligible capital expenditures for SR&ED tax credits. Had this adjustment not been required, amortization expense for 2009 would have been approximately 14% greater in 2009 as compared to 2008. This increase is the result of significant equipment additions in the second and third quarters of 2008, which were needed to develop the infrastructure required for the Company's move from the research and development phase to the commercialization phase of the Company's lifecycle.

See the section "*Assets, Liabilities and Share Capital Analysis*" below for further detail regarding the SR&ED tax credits and their accounting treatment.

Stock based compensation expense is recognized over the vesting period of options granted, with the counterpart recognized as contributed surplus. The fluctuations in stock based compensation expense relate to the grant of options, the timing of vesting of granted options, and the fair value assigned to options granted. In 2009, a total of 495,000 stock options were granted.

In 2009, the combination of lower interest rates on investments, including treasury bills and guaranteed investment certificates and a reduced average cash position available for investment were the primary cause of a decrease of $19,489 in interest income of $29,441 for 2009 as compared to 2008.

Foreign exchange changed $46,981 from a gain of $22,924 for 2008 to a loss of $24,057 for 2009. Certain revenue and expenditures of the Company are denominated in US dollars and the US dollar denominated subsidiaries are translated to Canadian dollars upon consolidation, which exposes the Company to fluctuations in foreign exchange rates.

Loss for the period

Fluctuations in loss for the period on a quarter over quarter basis for 2009 were primarily attributable to the combination of increasing sales, aggressive cost control, and seasonality of data capture costs in Canada and the northern regions of the US. Revenue recognized increased 28% for the second quarter as compared to the first, increased 3% in the third quarter as compared to the second, and increased 9% in the fourth quarter as compared to the third. This revenue growth was attributable to growing market acceptance of the StreetScape product, which resulted in a number of significant sales agreements materializing in 2009. Costs continued to be aggressively controlled throughout 2009. In 2009, data capture primarily occurred in the Canada and the northern US, both of which are exposed to the seasonal aspect of data capture in that capture is generally limited to the second and third quarters, April to September. This seasonality contributes to increased costs and losses in the second and third quarters. In 2009, losses in the third quarter were less than that of the first quarter, however, this was due to a reduction in operating expenses in the third quarter of $148,201 to reflect SR&ED refunds, related to prior years, confirmed as receivable in the third quarter. Had this reduction not been recorded, the third quarter loss for the year would have been greater than the first quarter loss.

Assets, Liabilities and Share Capital Analysis

	Audited			
		Dec. 31, 2009		Dec. 31, 2008
Assets	$	3,204,434	$	2,787,290
Liabilities	$	771,658	$	523,596
Share and warrant capital	$	9,496,530	$	7,939,481
Contributed surplus	$	1,209,136	$	707,789
Common shares outstanding		39,966,042		34,384,492
Options and warrants outstanding		12,039,315		10,317,907

Assets

Total assets held by the Company at December 31, 2009 and 2008 were composed primarily of cash and cash equivalents, trade and other receivables and equipment, and in respect of 2008 only, investment tax credits receivable.

Cash and cash equivalents increased from $1,581,938 to $2,410,006 from December 31, 2008 to December 31, 2009. In July 2009, the Company raised net cash proceeds of $1,921,023 through a private placement. While iLOOKABOUT's sales revenues have increased substantially and it has been able to significantly reduce its costs, the Company has not yet achieved sales levels sufficient to generate sustaining net cash inflows from operations, the Company continues to seek additional cash inflows through new sales and federal and provincial government incentive programs, and may need to complete additional financings in the near to medium term.

Trade and other receivables decreased from $168,121 at December 31, 2008 to $107,775 at December 31, 2009. As at December 31, 2009, 90% of trade receivables of $88,974 was attributed to two customers and was fully collected subsequent to the reporting period.

Investment tax credits receivable decreased from $258,577 at December 31, 2008 to no balance at December 31, 2009. In 2009, the Company received refunds from the Canada Revenue Agency with respect to SR&ED tax credits for the periods of January 1 to December 31, 2007 and 2008 totaling $552,726 including interest of $23,516. As at December 31, 2009, the Company had not yet prepared its SR&ED claim for the year ended December 31, 2009, therefore, an estimated receivable for the cash portion of these potential claims to be made by June 30 ,2010 has not been recorded.

Equipment, net of accumulated amortization, decreased from $582,577 at December 31, 2008 to $456,161 at December 31, 2009. The Company's additional equipment requirements in 2009 were significantly less than those in 2008 when the Company started building its required infrastructure as it moved to the commercialization stage of its development. In 2009, equipment additions totaled $227,052, compared to $425,404 for 2008. There were no significant disposals or write downs in either year. As noted above, in fiscal 2009, the Company received SR&ED refunds for the periods of January 1 to December 31, 2007 and 2008. Of the $122,432 tax credits related to equipment, $41,221 was recorded as a reduction of equipment and $81,211 was recorded against amortization expense for amortization previously taken on the related assets.

Liabilities

As at December 31, 2009, the Company's liabilities totaled $771,658, of which $317,808 represented accounts payable and accrued liabilities, and $453,850 represented deferred revenue. As at December 31, 2008, liabilities totaled $523,596, of which $378,527 represented accounts payable and accrued liabilities and $145,069 represented deferred revenue. Deferred revenue relates to payments received from customers in advance of providing services and for which revenue has not yet been earned. The increase in deferred revenue as at December 31, 2009 is attributable to the increase in sales agreements entered into in 2009 and receipt of associated up-front payments from customers.

Purchase commitments for 2010 and 2011 total $145,873 and relate to real property and vehicle leases. The Company does not currently have any commitments beyond 2011.

The Company does not currently hold any long-term debt, short-term debt or operating lines of credit.

Share capital, warrant capital and contributed surplus

In January 2009, the Company granted 120,000 options at an exercise price of $0.22. These options vested upon grant and expire five years from the grant date.

In May 2009, the Company granted 125,000 options at an exercise price of $0.38. These options vest over a seven month period and expire five years from the grant date.

On April 7, 2009, 1,576,196 of the warrants previously issued for the purchase of 1,576,196 common shares, at an exercise price of $0.69 per share, expired unexercised.

On June 19, 2009, 217,391 of the agent warrants previously issued for the purchase of 217,391 common shares, at an exercise price of $0.46, expired unexercised.

In July 2009, the Company completed a private placement, which consisted of two closings, resulting in the issuance of 5,496,750 common shares, 2,748,375 warrants, and 439,740 agent warrants. 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 applicable closing of the private placement. Each agent warrant 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 applicable closing of the private placement. Each resulting whole common share purchase warrant entitles the holder to purchase an additional common share at an exercise price of $0.55 during the twelve months following the applicable closing of the private placement. See the "*Liquidity, Financing Activities and Capital Resources*" section below for further details related to the private placement.

In August 2009, 34,800 agent warrants previously issued for the purchase of 34,800 common shares were exercised for an exercise price of $0.46 per share.

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.

In November 2009, 250,000 stock options were granted for 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.

In March 2010, with the approval of the TSXV, the Company extended the term of its Series E Warrants that were issued as part of a private placement which closed on February 22, 2008. Each full Series E Warrant entitles its holder to purchase one common share of the Company at an exercise price of $1.00 per share. The Series E Warrants were originally scheduled to expire on April 1, 2010, but their term has been 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 TSXV.

In March 2010, a total of 415,000 stock options were granted at an exercise price of $0.37. These options expire five years after the grant date and vest over a period of three years.

The details of changes in share capital, warrant capital and contributed surplus are summarized in the tables below.

Table - Summary - Share and Warrant Capital – December 31

		2009			2008		
	Expiry date	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	April 1/10	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

Table - Share Capital

	Number of shares		Amount
Balance, December 31, 2007	**25,633,133**	**$**	**3,288,181**
Shares issued, private placement	6,567,530		3,756,610
Share issue costs	-		(656,023)
Shares issued, amalgamation	2,103,829		60,948
Options exercised	80,000		45,516
Balance, December 31, 2008	**34,384,492**	**$**	**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
Balance, December 31, 2009	**39,966,042**	**$**	**7,936,201**

Table - Warrant Capital

	Number of warrants		Amount
Balance, December 31, 2007	**1,828,387**	**$**	**205,936**
Warrants issued, private placement	7,082,900		1,497,390
Warrant issue costs	-		(261,491)
Warrants issued, amalgamation	83,320		2,414
Warrants, December 31, 2008	**8,994,607**	**$**	**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)
Warrants, December 31, 2009	**10,271,015**	**$**	**1,560,329**

Table – Contributed Surplus

Balance, December 31, 2007	**$**	**169,894**
Stock compensation expense		225,776
Fair value of warrants granted to agents		337,587
Exercise of stock options		(25,468)
Balance, December 31, 2008	**$**	**707,789**
Stock compensation expense		115,115
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
Balance, December 31, 2009	**$**	**1,209,136**

Outstanding Share Data

As at December 31, 2009, iLOOKABOUT had 39,966,042 common shares issued and outstanding, and outstanding options and warrants to purchase a further 12,039,315 common shares, exercisable at prices ranging from $0.125 to $1.00 per share.

See the "*Share capital, warrant capital and contributed surplus*" section above for further detail related to the issuance of common shares and warrants, exercise of warrants and options, and expiry of warrants.

Liquidity, Financing Activities and Capital Resources

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 $8,272,890 (December 31, 2008 - $6,383,576), shareholders' equity of $2,432,776 (December 31, 2008 - $2,263,694) and working capital of $1,936,642 (December 31, 2008 - $1,630,304). Working capital (calculated as current assets less current liabilities) as at December 31, 2009 consisted of cash and cash equivalents of approximately $2,410,006, trade and other receivables of $107,775, prepaid and other current assets of $150,021, accounts payable and accrued charges of $317,808, and current deferred revenue of $413,352. The Company also has commitments of $145,873 due between January 2010 and April 2011. The Company's current level of working capital, after considering commitments, indicates that the Company is presently able to meet its current financial obligations as they fall due.

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 net proceeds of $1,921,023, excluding the fair value of warrants issued to agents which totaled $199,316. However, failure to generate sufficient cash inflows through future sales growth, federal and/or provincial government incentive programs, financing or a combination of these actions, could result in the inability of the Company to continue as a going concern in the future.

As noted above, 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 applicable closing date 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 439,740agent warrants in connection with this financing. Each agent warrant 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 applicable closing of the private placement. Each resulting whole common share purchase warrant entitles the holder to purchase an additional common share at an exercise price of $0.55 during the twelve months following the applicable closing of the private placement.

Commitments and Contractual Obligations

Agency Agreement
As discussed above in the section "*Liquidity, Financing Activities and Capital Resources*", in July 2009 the Company completed a private placement consisting of two closings. In connection with this private placement, the Company engaged an agent pursuant to an agency agreement made as of July 3, 2009. As permitted under the agency agreement, the agent engaged the services of sub-agents. Collectively, the agents were entitled to, and did receive, cash commissions equal to 8% of the gross proceeds of the financing and a work fee of $20,000. As additional compensation provided for under the agency agreement, the agents received options to acquire the equivalent of 8% of the units sold in the private placement for an exercise price of $0.40 for a period of twenty-four months from the applicable closing date of the private placement. The agents were also entitled to reimbursement of reasonable fees and expenses, including legal fees, which totaled $39,130.

Escrow Agreement
In connection with the Qualifying Transaction, iLOOKABOUT Corp. and certain shareholders entered into an Escrow Agreement Value Security dated April 1, 2008 with Equity Transfer & Trust Company ("*Equity*"), as required by the TSXV. Under this agreement, the shareholders who are a party to it deposited with Equity all of their securities of the Company, which securities are released as further disclosed in the Company's AIF. All securities previously held in accordance with the Escrow Agreement have been released in accordance with its terms and the applicable rules of the TSXV.

Off Balance Sheet Arrangements

As at December 31, 2009, iLOOKABOUT had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company.

Financial Instruments

iLOOKABOUT's financial instruments consist of cash and cash equivalents, trade and other receivables, and accounts payable and accrued charges. Management does not believe these financial instruments expose iLOOKABOUT to any significant interest, currency or credit risks.

Transactions with Related Parties

One of the premises occupied by the Company is rented on an annual basis from a related company which is owned by an officer and director of the Company and his father. The Company paid rent of $12,000 to the related company in 2009. These transactions are in the normal course of operations and are disclosed at the exchange amount, being the amount of consideration established and agreed to by the related parties.

Changes in Accounting Policies

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.

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 adoption of this abstract had no impact on the Company's financial statements and required no additional disclosures for the Company.

Future Accounting Policy 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.

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 controls, 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.
- 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. Management established criteria to be evaluated in order to identify standards expected to have the greatest potential impact on the Company, "high priority standards". This assessment has been completed and a preliminary analysis of these "high priority standards" has been completed. Based on preliminary analysis, Management has not identified expected material differences from a quantitative perspective, but anticipates significant additional disclosure requirements will be applicable to the Company. Comprehensive assessment will be carried out over the course of 2010.
- A preliminary assessment of information technology requirements has been completed, and steps are being taken to ensure these requirements are met. In late 2009, the Company completed an accounting and reporting system conversion to facilitate reporting requirements under IFRS.
- Regular status meetings are being held 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.

Risk Factors

Significant risks that could materially affect iLOOKABOUT's future financial and/or operating results are contained in the Company's Annual Information Form that can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “anticipate”, “plan”, “foresee”, “believe” or “continue” or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Management’s expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Company’s actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company’s stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company’s dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Additional information about some of these risk factors can be found in the Company’s Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to iLOOKABOUT, including the Company’s 2009 Financial Statements and Annual Information Form, may be found on SEDAR at www.sedar.com.