Berkeley Capital Corp. I

Financial Statements

For the Period from Date of Incorporation (June 12, 2007) to December 31, 2007

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AUDITORS' REPORT

To the Directors of
Berkeley Capital Corp. I

We have audited the balance sheet of **Berkeley Capital Corp. I** as at **December 31, 2007** and the statements of operations and deficit and cash flows for the period from date of incorporation (June 12, 2007) to **December 31, 2007**. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at **December 31, 2007** and the results of its operations and its cash flows for the period from date of incorporation (June 12, 2007) to **December 31, 2007**, in accordance with Canadian generally accepted accounting principles.

DMCT, LLP

DMCT, LLP, Licensed Public Accountants

January 31, 2008
Toronto, Ontario

Berkeley Capital Corp. I

Balance Sheet
As at December 31, 2007

	Note	
Assets		
Current		
Cash	3	**$ 453,734**
Amount recoverable		**2,287**
		$ 456,021
Liabilities		
Current		
Accounts payable and accrued liabilities		**$ 45,982**
Shareholders' Equity		
Capital stock	4	**593,777**
Contributed surplus	5	**97,600**
Deficit		**(281,338)**
		410,039
		$ 456,021

Approved by the Board ______________________ Director ______________________ Director

See accompanying notes.

Berkeley Capital Corp. I

Statement of Operations and Deficit
For the Period From Date of Incorporation (June 12, 2007) to December 31, 2007

Expenses	
Professional fees	$ 169,476
Office and general	1,552
Stock-based compensation	76,000
Regulatory filing fees	34,310
	281,338
Net loss	(281,338)
Deficit at end of period	$ (281,338)
Basic and diluted loss per share	$ (0.03)
Weighted average number of shares	8,220,791

See accompanying notes.

Berkeley Capital Corp. I

Statement of Cash Flows
For the Period From Date of Incorporation (June 12, 2007) to December 31, 2007

Cash flows from operating activities	
Net loss for the period	**$ (281,338)**
Add item not affecting cash	
Stock-based compensation	**76,000**
	(205,338)
Changes in non-cash working capital item	
Accounts payable and accrued liabilities	**45,982**
Amount recoverable	**(2,287)**
	(161,643)
Cash flows from financing activity	
Issuance of capital stock	**615,377**
Cash at end of period	**$ 453,734**

Supplemental Disclosure

Cash paid for interest	**$ -**
Cash paid for income taxes	**$ -**

See accompanying notes.

1. NATURE OF THE CORPORATION

Berkeley Capital Corp. I (the "Company") was incorporated under the Business Corporations Act (Ontario) on June 12, 2007 and is classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has no assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

There is no assurance that the Company will complete a Qualifying Transaction (see Note 10 - Qualifying Transactions) within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles within the framework of the significant accounting policies described below:

Financial Instruments

The Company has adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 1530, Comprehensive Income, Section 3855, Financial Instruments, and Section 3865, Hedges.

These recommendations establish standards for recognizing and measuring financial instruments, which include financial assets, financial liabilities, derivatives and embedded derivatives. Under these recommendations, all financial instruments are to be recorded initially at fair value. In subsequent periods, all financial instruments are re-measured based on the classification adopted for the financial instrument: held-to-maturity, loans and receivables, held for trading, available-for-sale or other liability.

Financial assets

Held for trading

Financial assets that are held with the intention of generating profits in the near term and derivative contracts that are financial assets, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

Held-to-maturity

Financial assets that have a fixed maturity date and which the Company has a positive intention and the ability to hold to maturity are classified as held-to-maturity, which are subsequently re-measured at amortized cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specified date, or on demand, usually with interest. Loans and receivables are subsequently re-measured at amortized cost using the effective interest rate method.

Available-for-sale

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are subsequently re-measured at fair value with the changes in fair value recorded in other comprehensive income.

Financial liabilities

Held for trading

Financial liabilities that are held with the intention of generating profits in the near term and derivative contracts that are financial liabilities, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial liabilities can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

Other liabilities

Non-derivative financial liabilities that have not been designated as held for trading are classified as other liabilities, which are subsequently re-measured at amortized cost using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash	Held for trading
Amount recoverable	Loans and receivable
Accounts payable and accrued liabilities	Other liabilities

CICA Handbook Section 3865, Hedges, replaces CICA Handbook Accounting Guideline 13, Hedging Relationships, which establishes standards for when and how hedge accounting may be applied. Consistent with financial instruments, it requires that all derivatives, including those designated as hedges, be measured at fair value. Changes in the fair value of a derivative which hedges the Company's exposure to changes in the fair value of an asset or liability, a fair value hedge, are recognized in net income together with those of the respective offsetting hedged item. Changes in the fair value of a derivative which effectively hedges the Company's exposure to changing cash flows, a cash flow hedge, are accumulated in other comprehensive income until the transaction being hedged affects net income.

CICA Handbook Section 1530, Comprehensive Income, establishes new measurements of earnings in the financial statements. Other comprehensive income consists of changes to unrealized gains and losses on available-for-sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Future income tax assets are recorded in the financial statements if realization is considered more likely than not.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

Loss per Share

The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the period.

Basic loss per share is calculated using the weighted average number of shares outstanding during the period.

Accounting for Stock-Based Compensation and Other Stock-Based Payments

The Company applies a fair value based method of accounting to all stock based payments. Accordingly, stock based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable. Stock based compensation is charged to operations over the vesting period and the offset is credited to contributed surplus. Consideration received upon the exercise of stock options is credited to share capital and the related contributed surplus is transferred to share capital.

3. CASH

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

4. CAPITAL STOCK

Authorized
unlimited common shares

Issued

	Number	Value
Issued for cash	6,099,999	$ 305,000
Issued pursuant to initial public offering	4,000,000	400,000
Share issuance costs	-	(111,223)
Balance at September 30, 2007	**10,099,999**	**$ 593,777**

The 6,099,999 issued Common Shares of the Company are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

Pursuant to an agency agreement dated August 31, 2007 between the Company and Canaccord Capital Corporation (the "Agent"), the Company filed a prospectus dated August 31, 2007, offering 4,000,000 common shares at a price of $0.10 per common share by way of an Initial Public Offering (the "Offering"). The Company granted to the Agent on the closing of the Offering a non-transferable option to purchase 400,000 common shares (representing 10% of the total number of common shares sold under the Offering) at a price of $0.10 per common share, exercisable for a period of 24 months from the date of listing of the common shares on the Exchange.

On closing of the Offering, the Company granted non-transferable incentive stock options to directors and officers of the Company to purchase an aggregate of 999,999 common shares, at a price of $0.10 per common share, and exercisable for five years from the date of grant.

5. CONTRIBUTED SURPLUS

Contributed surplus consists of the portion of the fair value of options granted to directors and officers, consultants and agents allocated to stock-based compensation.

6. STOCK OPTIONS

Number of Options	Price	Expiry Date
999,999	$0.10	September 13, 2012
400,000	$0.10	September 17, 2009
1,399,999		

7. STOCK-BASED COMPENSATION

The weighted average fair value of the options granted in fiscal year 2007 was estimated at $0.07 per option using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	December 31
Risk-free interest rate	4.32%
Dividend yield	0
Volatility	100%
Expected life	4.14 years

The stock options were granted on September 13, 2007 and vest immediately. Accordingly, the stock-based compensation of $97,600; $21,600 reflected as share issuance costs and the balance of $76,000 recorded in the current period as stock option expense.

The Company has assumed no forfeiture rate as adjustments for actual forfeitures are made in the year they occur. Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

8. INCOME TAXES

(i) Income Tax Expense

The provision for income tax is different from the amount computed by applying the combined federal and provincial income tax rates to earnings before taxes. The reasons for the difference are as follows:

Canadian statutory income tax rate	**36.12 %**
Loss before income taxes	**$ (281,338)**
Income tax provision at statutory rate	**$ (101,619)**
Effect on income taxes of:	
Amounts not deductible for tax	**27,451**
Change in valuation allowance, including effect of change in tax rates	**74,168**
Income tax expense	**$ -**

(ii) Future Income Taxes

The temporary differences that give rise to future income tax assets and future income tax liabilities are presented below:

Future tax asset	
Amounts related to tax loss carryforwards	**$ 68,788**
Less: Valuation allowance	**(68,788)**
Net future income tax asset	**$ -**

(iii) The Company has non-capital losses of approximately $205,338 available to apply against future taxable income. If not utilized, the non-capital losses will expire in 2028.

The potential tax benefit relating to these losses has not been reflected in these financial statements.

9. FINANCIAL INSTRUMENTS

The carrying values of cash, amount recoverable and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

10. QUALIFYING TRANSACTION

On October 4, 2007, the Company entered into a letter agreement with iLOOKABOUT Holdings Inc. ("iLOOKABOUT") for its Qualifying Transaction. iLOOKABOUT is a private software company based in London, Ontario offering imaging solutions. The letter agreement provides for the amalgamation of the Company with iLOOKABOUT. The Qualifying Transaction will require shareholder approval by the Company and iLOOKABOUT, including minority shareholder approval by the Company. All of the common shares of the Company and iLOOKABOUT in the amalgamation will be cancelled and exchanged for common shares of the amalgamated company in accordance with exchange ratios based upon the valuation of the amalgamated company in a prospectus offering or private placement to be completed concurrently with the closing of the amalgamation, the number of outstanding common shares, options and warrants of each company, and the price per share in the concurrent offering. Upon the closing of the Qualifying Transaction, the name of the amalgamated company will be iLOOKABOUT Corp. ("NewCo"), and the current shareholders of iLOOKABOUT will collectively exercise control over NewCo.

Completion of the proposed Qualifying Transaction is subject to, among other things, regulatory approval, shareholder approval of iLOOKABOUT and the Company, and the closing of the concurrent offering in the minimum amount of $5 million and the maximum amount of $10 million. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.