iLOOKABOUT Holdings Inc.
Unaudited Interim Consolidated Financial Statements

Three Months Ended March 31, 2008 and 2007

iLOOKABOUT Holdings Inc.

Notice to Reader

The management of iLOOKABOUT Holdings Inc. is responsible for the preparation of the accompanying interim consolidated financial statements. The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and are considered by management to present fairly the financial position, operating results and cash flows of the company.

These interim consolidated financial statements have not been reviewed by an auditor. These interim consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.

"Jeff Young"

Jeff Young, President and Chief Executive Officer

"Robin Dyson"

Robin Dyson, Chief Financial Officer

May 29, 2008

iLOOKABOUT Holdings Inc.
Interim Consolidated Balance Sheets

		March 31, 2008 Unaudited		December 31, 2007 Audited
Assets				
Current				
Cash and cash equivalents	$	4,927,715	$	600,742
Accounts receivable		98,510		135,868
Sales tax recoverable		70,860		38,521
Investment tax credit receivable		360,000		275,000
Deferred corporate transaction costs (notes 2, 17)		157,577		100,473
Prepaid and other current assets		48,217		56,494
	$	5,662,879	$	1,207,098
Capital assets (note 4)	$	420,475	$	412,603
Intangible assets (note 5)	$	84,619	$	80,535
Total Assets	$	6,167,973	$	1,700,236
Liabilities				
Current				
Accounts payable and accrued charges	$	402,354	$	316,835
Deferred revenue		133,016		-
	$	535,370	$	316,835
Shareholders' equity				
Share capital (note 8)	$	6,388,766	$	3,288,181
Warrant capital (note 8)	$	1,441,835	$	205,936
Contributed surplus (note 8)	$	557,108	$	169,894
Deficit	$	(2,755,106)	$	(2,280,610)
	$	5,632,603	$	1,383,401
Total Liabilities & Shareholders' Equity	$	6,167,973	$	1,700,236

Commitments (note 11)
Subsequent events (note 17)

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:

"Jeff Young"
Jeff Young
Director

"Jeff Hack"
Jeff Hack
Director

iLOOKABOUT Holdings Inc.
Interim Consolidated Statements of Deficit

	Three months ended March 31, 2008 Unaudited	Three months ended March 31, 2007 Unaudited
Deficit - beginning of period	$ (2,280,610)	$ (657,884)
Net loss for the period	(474,496)	(44,959)
Deficit - end of period	$ (2,755,106)	$ (702,843)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Holdings Inc.
Interim Consolidated Statements of Operations

	Three months ended March 31, 2008 Unaudited	Three months ended March 31, 2007 Unaudited
Revenue	$ 180,703	$ 81,289
Operating expenses		
Research, technology and operations	$ 202,336	$ 19,143
Selling, general and administration	368,655	100,357
Amortization of capital and intangible assets	47,409	6,748
Stock based compensation (note 9)	49,627	-
	$ 668,027	$ 126,248
Loss from operations	$ (487,324)	$ (44,959)
Other earnings		
Interest and other income	$ 11,006	$ -
Foreign exchange gain	1,822	-
	$ 12,828	$ -
Net loss for the period	$ (474,496)	$ (44,959)
Loss per share		
Basic and fully diluted (note 10)	(0.018)	(0.003)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Holdings Inc.
Interim Consolidated Statements of Cash Flows

	Three months ended March 31, 2008 Unaudited	Three months ended March 31, 2007 Unaudited
Operating activities		
Net loss for the period	$ (474,496)	$ (44,959)
Adjustments for non-cash items:		
Amortization of capital and intangible assets	47,409	6,748
Stock based compensation	49,627	-
	$ (377,460)	$ (38,211)
Changes in non-cash working capital:		
Accounts receivable	$ 37,358	$ 9,181
Sales tax recoverable	(32,339)	-
Investment tax credit receivable	(85,000)	(26,000)
Prepaid and other expenses	8,277	(675)
Accounts payable and accrued charges	85,519	(21,550)
Deferred revenue	133,016	-
	$ 146,831	$ (39,044)
Cash flow used by operating activities	$ (230,629)	$ (77,255)
Financing activities		
Deferred corporate transaction costs	$ (57,104)	$ -
Government assistance received	-	7,709
Proceeds from issue of share capital	4,674,127	-
Cash flow from financing activities	$ 4,617,023	$ 7,709
Investing activities		
Additions to capital assets	$ (52,287)	$ -
Additions to intangible assets	(7,134)	-
Cash flow used by investing activities	$ (59,421)	$ -
Increase in cash and cash equivalents during the period	$ 4,326,973	$ (69,546)
Cash and cash equivalents - beginning of period	600,742	178,184
Cash and cash equivalents - end of period	$ 4,927,715	$ 108,638
Supplemental Disclosure		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

See accompanying notes to the consolidated financial statements.

1. Nature of Business

The Company is engaged in the visual knowledge business, providing virtual tour services, image management software, custom application programming and collecting, processing and geo-coding street-level image data.

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

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), the more significant of which are summarized below. The interim financial statements 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 3 herein.

Basis of presentation

The consolidated financial statements include the accounts of iLOOKABOUT Holdings Inc. and its wholly-owned subsidiaries iLOOKABOUT Inc., iLOOKABOUT Global Inc., and iLOOKABOUT (US) Inc. All intercompany balances and transactions have been eliminated on consolidation.

Effective January 1, 2008, under the authority of the Business Corporations Act (Ontario), iLOOKABOUT Inventions Inc. and iLOOKABOUT Inc. were amalgamated and continue under the name of iLOOKABOUT Inc.

Revenue recognition

The Company earns revenue primarily from its Virtual Tour product, StreetScape product and professional services.

Revenue from the Virtual Tour product is recognized at the time the product is delivered and collection is reasonably assured.

StreetScape related revenue is generated through the licensing of geo-coded, street-level images. The related revenue is recognized as service is delivered and collection is reasonably assured. Revenue for long term licensing contracts is recognized in accordance with contract terms and generally accepted accounting principles. Payments received in advance of service delivery are recorded as deferred revenue when the cash is received and recognized as revenue over the term of the license as service is delivered.

Revenue related to professional services is recognized as service is delivered and collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents includes balances with banks.

(Note 2 – continued)

Deferred corporate transaction costs

Corporate transaction costs are costs incurred in connection with the issue, exchange or other alteration of share capital or debt, and with business combinations. Corporate transaction costs that are direct and incremental costs of such proposed transactions and that are more likely than not to be completed, are recognized as an asset until the proposed transaction is completed or abandoned.

If the related transaction is issuance of debt securities, upon issuance, the transaction costs are included in the initial carrying amount of the debt issued. If the related transaction is issuance of equity securities, upon issuance, the transaction costs, net of the related income tax recovery, are written off as a capital transaction. If the related transaction is a business combination, upon completion of the business combination, the transaction costs are allocated to the acquired net assets.

If a transaction is abandoned, corporate transaction costs previously recognized as an asset are expensed in full as of the date of abandonment.

Impairment of long-lived assets

Long-lived assets, including capital assets and intangible assets with finite useful lives, are amortized over their useful lives as described in the notes below. Annually, the Company reviews the useful lives and carrying values of these assets to assess continued appropriateness. The Company also performs impairment tests of these assets whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

A long-lived asset is considered to be impaired when the expected future undiscounted cash flows expected to result from the asset's use and eventual disposition is less than its carrying amount. If a long-lived asset is determined to be impaired, the resulting impairment loss is calculated and recorded as the amount by which the asset's carrying amount exceeds its fair value. Fair value is estimated as the expected future cash flows related to the asset discounted at a rate commensurate with the risks associated with recovery of the asset.

As at March 31, 2008, no events or changes in circumstances had occurred that would indicate that the carrying costs of long-lived assets may not be recoverable.

Capital assets

Capital assets are stated at cost less accumulated amortization, based on the following:

Computer software	100%	declining balance method
Computer hardware	30%	declining balance method
Equipment - Virtual Tours	20%	declining balance method
Equipment - Street Level Imaging	2 years	straight-line method
Furniture and equipment	20%	declining balance method
Leasehold improvements	5 years	straight-line method
Vehicles	30%	declining balance method

When capital assets are retired or otherwise disposed of, the assets and related accumulated amortization thereon are removed from the accounts and any resulting gain or loss is recorded.

(Note 2 – continued)

Intangible assets

Amortization of patent, trademark and incorporation costs is calculated using the straight-line method over 10 years.

Research and development

Research costs, other than expenditures on capital assets, are expensed as incurred. Development costs are expensed as incurred, unless such costs meet the criteria for deferral and amortization under GAAP. To date, the Company has not deferred any development costs.

Future income taxes

The asset and liability method of accounting for future income taxes is used. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that are expected to be in effect when the tax assets or liabilities are to be settled or realized.

Investment tax credits

The Company is entitled to Federal and Provincial investment tax credits in relation to scientific research and experimental development expenditures incurred. When the Company has reasonable assurance that these investment tax credits will be realized, they are accounted for as a reduction in the related expenditure for items of a current nature, and a reduction of the related asset cost for items of a long-term nature.

Foreign currency translation

Transactions in foreign currencies are expressed in Canadian dollar amounts. Monetary assets and liabilities denominated in foreign currency have been translated to Canadian dollars using the exchange rate in effect at the period-end date. Non-monetary items are translated to Canadian dollars using the rate in effect at the transaction date. Revenues and expenses in foreign currencies are reflected in Canadian dollars at the rate prevailing at the time of the transaction. Amortization of assets translated at historical exchange rates have been translated at the same exchange rate as the assets to which they relate. Gains or losses resulting from these translation adjustments are included in income.

Stock-based compensation

Stock options granted under the Company's stock option plans are accounted for using the fair value method. Compensation expense is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of stock options, share capital is recorded as the sum of the proceeds received and the related amount of contributed surplus.

(Note 2 – continued)

Earnings (loss) per share

Basic earnings or loss per share is calculated by dividing net earnings (loss) by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing net earnings (loss) by the weighted average number of shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period as a result of the exercise of stock options and warrants.

The treasury stock method is used to compute the dilutive effect of stock options and warrants.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the year in which they become known.

Significant elements of these consolidated statements which require the use of management estimates include future income taxes, investment tax credit receivable, stock-based compensation, allocation of share and warrant capital, amortization of capital and intangible assets, and the allowance for doubtful accounts receivable.

3. Accounting Policy Changes

The Company has adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Sections which apply to fiscal years beginning on or after October 1, 2007.

Section 1535 – Capital Disclosures
Section 3862 – Financial Instruments – Disclosures
Section 3863 – Financial Instruments – Presentation

(a) Capital Disclosures

Section 1535 – Capital Disclosures, requires disclosure of the Company's objectives, policies and processes for managing capital. Implementation of this section required further note disclosure about how the Company defines capital, what externally imposed capital requirements it faces, the consequences of non-compliance with external capital requirements, and how it monitors and manages capital.

(b) Financial Instruments – Disclosures

Section 3862 – Financial Instruments – Disclosures, requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

(Note 3 – continued)

(c) Financial Instruments – Presentation

Section 3863 – Financial Instruments – Presentation, has the purpose of enhancing financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This Section establishes standards for the presentation of financial instruments and non-financial derivatives, and deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

These new standards have been adopted prospectively. Adoption of these standards did not have an impact on the January 1, 2008 opening balances.

4. Capital assets

	March 31, 2008			December 31, 2007		
	Cost	Accum. Amort'n	Net Book Value	Cost	Accum. Amort'n	Net Book Value
Computer hardware	$399,484	$137,509	**$261,975**	$355,820	$118,039	**$237,781**
Computer software	23,025	14,642	**8,383**	17,830	12,713	**5117**
Equipment – Virtual Tours	16,988	11,912	**5,076**	16,988	11,645	**5,343**
Equipment – Street Level	164,947	61,755	**103,192**	164,628	41,157	**123,471**
Furniture and equipment	75,030	36,243	**38,787**	71,922	34,284	**37,638**
Leasehold improvements	10,972	10,277	**695**	10,972	10,277	**695**
Vehicles	4,300	1,933	**2,367**	4,300	1,742	**2,558**
	$694,746	$274,271	**$420,475**	$642,460	$229,857	**$412,603**

5. Intangible assets

	March 31, 2008	December 31, 2007
Trademarks, patents, incorporation costs	$ 123,664	$ 116,576
Accumulated amortization	(39,045)	(36,041)
Intangible assets, net	$ 84,619	$ 80,535

6. Income taxes

The expense (recovery) of income taxes varies from the amounts that would be computed by applying the Canadian federal and provincial statutory rates of approximately 33.5% (combined) (36.12% - 2007) to earnings (loss) before income taxes as follows:

		Three months ended March 31, 2008		Three months ended March 31, 2007
Loss before taxes	$	(474,496)	$	(44,959)
Expected income tax recovery using statutory income tax rates		(159,000)		(16,200)
Tax effect of:				
Scientific research expenditures not claimed in the period		52,100		22,100
Investment tax credit recognized in earnings not taxable in the period		(28,500)		(9,000)
Loss in year not currently recognized		128,400		2,100
Finance costs deductible for tax		(18,000)		-
Foreign tax rate differences		6,600		100
Enacted tax rate changes		26,500		700
Non-deductible expenses incurred:				
Stock compensation expense		16,600		-
Other		1,800		200
Income tax recovery	$	-	$	-

The tax effects of temporary differences that give rise to future tax assets and liabilities are as follows:

		March 31, 2008		December 31, 2007
Future income tax assets (liabilities):				
Non-capital losses carried forward	$	606,000	$	483,400
Scientific research expenditures carried forward		459,400		469,900
Investment tax credits carried forward		14,400		14,400
Finance costs		315,200		94,600
Capital assets and intangible assets		(16,600)		(15,500)
	$	1,378,400	$	1,046,800
Valuation allowance		(1,378,400)		(1,046,800)
Net future tax assets (liabilities)	$	-	$	-

As at March 31, 2008, the Company had approximately $1,780,000 of Canadian and United States federal non-capital losses and $1,849,000 of Ontario and State of Michigan non-capital losses that expire between 2008 and 2028.

As at March 31, 2008, the Company also had a pool of Scientific Research and Experimental Development (“SRED”) expenditures carried forward of approximately $967,000 Federally and $1,934,000 Provincially which may be applied to reduce Canadian taxable income of future years. The SRED pool of expenditures carried forward do not expire.

(Note 6 – continued)

Investment tax credit income in relation to Scientific Research and Development has been applied as a reduction to research expense in the statement of operations in the following amounts:

Period ended March 31, 2008	$85,000
Period ended March 31, 2007	$26,000

7. Related party transactions

Two of the premises occupied by the Company are rented on an annual basis from a related company. The related company is partially owned by an officer and director of the Company. The Company paid rent, which is included in selling, general and administration costs, to the related company in the amounts noted below.

Three months ended March 31, 2008	$ 6,600
Year ended December 31, 2007	$13,100

These transactions are in the normal course of operations and are disclosed at the exchange amount (the amount of consideration established and agreed to by the related parties).

8. Share and warrant capital

Common shares

In March of 2008, the Company completed a private placement of 6,567,500 units for $0.80 per unit. Each unit consisted of one common share of the Corporation and one common share purchase warrant. Each full warrant entitles the Subscriber to purchase one common share for an exercise price of $1.00 per share. Gross proceeds of this financing were $5,254,000. Share issue costs, including the fair value of warrants issued to agents, totaled $917,517. In connection with this private placement, agents were issued 515,400 units. Each unit entitles the agent to one common share and one common share purchase warrant for an exercise price of $0.80. The resulting warrant entitles the agent to purchase an additional common share at an exercise price of $1.00. Total warrants issued to investors and agents in connection with this placement were 7,082,900.

Authorized:	Unlimited Common Shares
Issued:	32,200,633 Common Shares as below

	March 31, 2008		December 31, 2007	
	Shares	**Amount**	**Shares**	**Amount**
Common shares outstanding, beginning of period	25,633,133	$ 3,288,181	17,827,000	$ 1,074,039
Options exercised - private placement	-	-	2,313,000	200,000
Options exercised - other	-	-	675,000	72,900
Shares issued – private placement	6,567,500	5,254,000	4,818,133	2,449,545
Fair value assigned to warrants		(1,497,390)	-	(241,158)
Share issue costs		(656,025)	-	(267,145)
Shares outstanding, end of the period	32,200,633	$ 6,388,766	25,633,133	$ 3,288,181

(Note 8 – continued)

Warrants

In relation to the March 2008 private placement of 6,567,500 units, of the 7,082,900 total warrants issued, none of these warrants had been exercised as at March 31, 2008. Of these warrants issued, a further 515,400 common shares may be issued if the underlying warrant is exercised at a price of $1.00 per common share.

	March 31, 2008			December 31, 2007		
	Warrants		**Amount**	**Warrants**		**Amount**
Warrants outstanding, beginning of period	1,828,387	$	205,936	-	$	-
Warrants issued	7,082,900		1,497,390	1,828,387		241,158
Warrant issue costs			(261,492)	-		(35,222)
Warrants outstanding, end of period	8,911,287	$	1,441,834	1,828,387	$	205,936

Contributed Surplus

Stock options granted under the Company's stock option plans are accounted for using the fair value method. Compensation expense is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of stock options, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus.

The fair value of warrants issued to agents as compensation with respect to share issuance is accounted for as a capital transaction. The fair value of warrants issued is recorded as a share issuance cost, with the offset recorded as contributed surplus. Upon exercise of these warrants, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus.

The following table presents changes in contributed surplus.

Balance, December 31, 2006	$	24,652
Stock compensation expense - options granted to directors, officers and consultants		169,299
Fair value of warrants granted to agents		48,168
Options exercised		(72,225)
Balance, December 31, 2007	$	169,894
Stock compensation expense - options granted to directors, officers and consultants		49,627
Fair value of warrants granted to agents		337,587
Options exercised		-
Balance, March 31, 2008	$	557,108

9. Stock-based compensation

The Company established Stock Option Plans in 2001 and 2007 whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants.

Under the 2001 and 2007 Stock Option Plans, the maximum total number of options authorized for issue is 1,762,500 and 1,000,000 respectively. The 2007 Stock Option Plan replaced the 2001 Stock Option Plan. Under both Plans, the Board has authority to determine which eligible persons will be issued options, the number of options to be granted to each, the time when options shall be granted, when such options will vest, when such options will expire, and at what price the option may be exercised.

The following table presents changes in the Company's options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Share Price	Weighted Average Years to Expiry
Outstanding December 31, 2006	349,050			
Granted	325,950	0.001	0.108	
Granted	795,000	0.411	0.509	
Exercised	(675,000)	0.001	0.001	
Outstanding December 31, 2007	795,000	0.411		5
Granted	-			
Exercised	-			
Outstanding March 31, 2008	795,000	0.411		4.4

Of the 795,000 unexercised Options as at March 31, 2008; 198,750 had vested.

Stock options granted under the Company's stock option plans are accounted for using the fair value method. Compensation expense is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of options, share capital is recorded at the sum of the proceeds received and the related amount of contributed surplus.

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

	2007 Stock Option Plan	2001 Stock Option Plan
Risk free interest rate	4.50%	4.40%
Dividend rate	0%	0%
Expected volatility	100%	100%
Average life	0 to 2 years	1 year

The assumptions required as inputs to the option pricing are highly subjective. Changes in these subjective assumptions can materially affect the fair value estimate and stock compensation expense; therefore, existing option pricing models may not provide a reliable measure of the fair value of the Company's stock options and the related stock compensation expense.

During the three months ended March 31, 2008 there were no stock options granted.

10. Loss per share

	Three months ended March 31, 2008	Three months ended March 31, 2007
Net loss	$ (474,496)	$ (44,959)
Weighted average number of common shares, options and warrants outstanding:		
Basic	25,705,303	17,827,000
Effect of stock options	795,000	2,662,050
Effect of warrants	1,886,129	-
	28,386,432	20,489,050
Loss per share:		
Basic	$ (0.018)	$ (0.003)
Diluted	$ -	$ -

Diluted loss per share does not take into account warrants and options, as the effect of common shares issuable upon the exercise of stock options and warrants is anti-dilutive for these periods.

11. Commitments

The Company is committed to payments under operating leases for vehicles and premises through 2010 in the total amount of approximately $249,482. Annual payments are:

2008	$ 121,802
2009	86,583
2010	41,097

12. Capital management

The Company defines capital as debt and shareholders' equity. As at March 31, 2008, the Company had no outstanding debt.

The Company's objectives in managing capital are to:

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

In order to manage capital, the Company regularly identifies and assesses risks that threaten the ability to meet the Company's capital management objectives, and determines the appropriate strategy to mitigate these risks.

The Company is not subject to any externally imposed capital requirements.

13. Financial risk management

The Company is exposed to liquidity risk, credit risk and market risk. To mitigate exposure to these risks, the Company designs and implements risk management strategies that are consistent with its business objectives and risk tolerance. However, these strategies cannot eliminate risk and no assurance can be provided that these strategies will continue to be effective.

(a) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations. On an ongoing basis the Company monitors and manages its actual and projected cash flows, with the primary objectives of maintaining liquidity and financial flexibility.

As at March 31, 2008, the Company held $4,927,715 in cash and cash equivalents and working capital was $5,127,509. The Company carried no long term debt as at March 31, 2008.

(b) Credit risk

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

Cash and cash equivalents

As at March 31, 2008, the Company did not have any investments that would be exposed to credit risk. The Company has implemented an investment policy that requires that the Company only invest in highly rated investment grade securities in order to minimize exposure to loss.

Accounts receivable

Trade credit risk arises from the potential that a customer will fail to make payment in respect of outstanding accounts. To reduce exposure to this risk, the Company has implemented a credit policy which incorporates an approval process for new customers expected to carry significant balances, establishment of credit limits and annual review of customer credit limits. Further, the Company regularly monitors and manages the aging of accounts receivable.

As at March 31, 2008, accounts receivable related to one customer represented approximately 73% of net accounts receivable. This amount was fully collected subsequent to March 31, 2008.

(Note 13 – continued)

(c) Market risk

Foreign currency exchange rate risk

The international operations of the Company expose it to foreign currency exchange risk in the ordinary course of business. The Company is exposed to this risk primarily through its United States dollar denominated cash, accounts receivable and accounts payable. The nature of the Company's operations provides a natural hedge which is considered by management to be sufficient to mitigate exchange rate risk based on the Company's risk tolerance. The nature, extent and timing of foreign currency denominated cash flows are regularly monitored to identify changes in exposure and assess the need for active management of the exposure (i.e. the use of foreign exchange contracts).

Interest rate risk

The Company does not have significant exposure to interest rate risk as the Company does not have short or long-term interest bearing debt, nor does it have short or long term investments upon which interest is earned.

14. Financial instruments

The Company has classified its financial instruments as follows:

	March 31, 2008		December 31, 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Held for trading				
Cash and cash equivalents	$4,927,715	$4,927,715	$600,742	$600,742
Loans and receivables				
Accounts receivable	98,510	98,510	135,868	135,868
Sales tax recoverable	70,860	70,860	38,521	38,521
Investment tax credit receivable	360,000	360,000	275,000	275,000
	$5,457,085	$5,457,085	$1,050,131	$1,050,131
Financial liabilities				
Other liabilities				
Accounts payable and accrued charges	$402,354	$402,354	$316,835	$316,835
	$402,354	$402,354	$316,835	$316,835

The carrying amounts reflected in the above balances approximate fair values because of the short-term nature of these financial instruments.

The Company had no held-to-maturity or available-for-sale assets during the three months ended March 31, 2008, or the year ended December 31, 2007.

15. Segmented information

The company operates and reports on results as one operating segment as defined by Canadian accounting standards.

Operations of the Company are in the following geographic areas:

	Three months ended March 31, 2008			**Three months ended March 31, 2007**		
	Canada	United States	Total	Canada	United States	Total
Revenue	$ 56,039	$ 124,664	$ 180,703	$ 41,713	$ 39,576	$ 81,289
Capital assets	420,475	-	420,475	38,300	-	38,300
Intangible assets	84,619	-	84,619	41,579	-	41,579

One customer accounted for 64% of revenue recognized for the three months ended March 31, 2008, and one customer accounted for 22% of revenue recognized for the three months ended March 31, 2007. These customers accounted for 73% of net trade accounts receivable at March 31, 2008, and 47% of net trade accounts receivable at March 31, 2007.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

17. Subsequent events

Qualifying Transaction

On October 4, 2007, the Company entered into an agreement in principle (the "Agreement") with Berkeley Capital Corp. I ("Berkeley"), a capital pool company listed on the TSX Venture Exchange (the "TSXV"). The Agreement was for Berkeley to effect a qualifying transaction (the "QT") by entering into a business combination transaction with the Company. Pursuant to an amalgamation agreement dated March 31, 2008, Berkeley and the Company amalgamated to form iLOOKABOUT Corp. effective April 1, 2008. On April 4, 2008, the transaction received final approval from the TSXV. This amalgamation constituted the QT for Berkeley under the policies of the TSXV. The amalgamated entity is a listed public issuer, continuing under the name iLOOKABOUT Corp.

Following the amalgamation, the shareholders of iLOOKABOUT control iLOOKABOUT Corp. and, consequently, the transaction will be accounted for as a reverse takeover with iLOOKABOUT as the acquirer. As Berkeley does not constitute a business, the transaction will be accounted for as a capital transaction.

As at March 31, 2008, deferred corporate transaction costs of $157,577 were recognized as an asset with respect to the proposed amalgamation.