iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year from January 1, 2010 to December 31, 2010 (the "*Period*")

The information set forth below has been prepared as at April 25, 2011, 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, 2010, including the accompanying notes (the "2010 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 audited 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 2010 Financial Statements. These accounting policies have been applied consistently for the period, except as identified in Note 3 in the notes to the 2010 Financial Statements.

The 2010 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, and all inter-company balances and transactions have been eliminated.

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 and data 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 information 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 United Kingdom, 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 and support. However, iLOOKABOUT's principal focus for the near- and long-term will be to further develop, market and license its StreetScape product.

Current Overview and Outlook

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 StreetScape product and services at the regional, provincial and national levels. Data capture continued in 2010 in Canada, the United States (the "US") and the United Kingdom, in order to fulfill existing and new contract obligations in specific areas of these countries. Management continues to leverage the Company's data assets by concentrating sales efforts where collected data exists.

A key objective of the Company continues to be development of strategic partnerships in order to facilitate broad distribution of the StreetScape product. To this end, in 2010, the Company continued to secure and develop new licensing agreements in the US through strategic partnerships with Appraisal Resource Revaluation Group, Pictometry International and VISION Appraisal Technology. In Canada, the Company continued to maintain and develop its strategic partnerships with Teranet Enterprises Inc. and SCM Risk Management Services ("SCM"). In 2010, iLOOKABOUT continued to work with SCM to deliver StreetScape imagery to SCM's iClarify product which supports the property and casualty insurance industry in dealing with its current insurance-to-value issue. In the first quarter of 2010, iClarify was provided to insurance brokers in Ontario on a pilot basis, and subsequently moved from pilot to production mode in Ontario in the second quarter. In the fourth quarter, SCM announced the launch of iClarify in British Columbia on a pilot basis.

The Company has determined that the incorporation of additional value-added data, such as enhanced validated addresses, property values, and property features, among many, significantly enhances the product offering and differentiates StreetScape from other street level imagery providers. The Company has secured several agreements to act as a value-added reseller of data that will be incorporated into the StreetScape product to achieve enhanced value and differentiation. To enable federation of this additional data with StreetScape imagery, the Company developed GeoViewPort™, a web based geographic information system ("*GIS*") application over the course of 2010. This application was launched, and initial customer usage commenced, late in the third quarter of 2010.

In 2010 the Company achieved success in further diversifying its product and service offering by partnering with the industry's leading Automated Valuation Model ("*AVM*") supplier to develop a unique valuation product combining aerial and street level imagery with accurate geo coding and as many as fourteen different property characteristics. The model uses an algorithm which looks for comparables based on like building attributes, instead of just recent sales in the neighbourhood, and then provides the front view of the structure, complete with a date stamp as to when the image was taken. The dynamic aerial view clearly depicts the proximity of the subject property to its selected comparables adding credence to the valuation. Late in 2010, the Company commenced a pilot program with a number of lenders, mortgage brokers and title insurance companies, to precede the March 2011 commercial launch of an AVM Comparable Report for residential property valuations to the Canadian mortgage and lending marketplace. The AVM product is distributed through the Company's GeoViewPort™ application. The iLOOKABOUT AVM Comparable Report is supported transactionally by ecommerce and currently covers approximately 4.5 million residential properties in Ontario. The Company intends to expand this product to other parts of Canada in 2011 as data sources are licensed.

Revenue growth of approximately 36% was achieved by the Company in 2010 as compared to 2009, with revenue increasing from $2,170,280 for 2009 to $2,958,905 for 2010. This growth was primarily derived from sales growth in the insurance market in Canada and the assessment market in Canada and the US. As compared to 2009, operating expenses increased approximately 15% from $4,064,978 for 2009 to $4,689,537 for 2010. This increase was primarily attributable to increased human resource costs related to business and application development, third party content costs to support the delivery of new services introduced in 2010, and increased data capture and processing related costs to support new and existing sales arrangements. In 2009, other income was $5,384 as compared to other expense for 2010 of $104,214. In 2010, the Company recorded an impairment loss on its long-lived assets of $71,534, whereas no such loss was recorded in 2009. See the section entitled *"Assets"* below for further detail related to the impairment loss. Further, in 2009 the Company recognized approximately $23,000 of interest revenue related to Scientific Research and Experimental Development claims settled in 2009 for the period of January 1, 2007 to March 31, 2008. Overall, the above noted items resulted in a decrease in net loss from $1,889,314 for 2009 to $1,834,846 for 2010.

While the Company has achieved significant sales growth and marginally decreased its net loss on a year over year basis, the continuing uncertainty in the overall economic environment, coupled with an extended sales cycle for the StreetScape product continues to have Management focused on aggressively managing costs to preserve the Company's cash resources. Management continually assesses balancing the need to contain costs with the pursuit of the strategic objectives which are critical to iLOOKABOUT's long-term success.

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 2010 Financial Statements, which can be found on SEDAR at www.sedar.com.

Selected Annual Information

	Audited		
Years ended December 31	**2010**	**2009**	**2008**
Revenue	$ 2,958,905	$ 2,170,280	$ 818,877
Loss from operations before interest and other income and foreign exchange gain (loss)	(1,730,632)	(1,894,698)	(4,174,817)
Loss for the year	(1,834,846)	(1,889,314)	(4,102,963)
Loss per share (basic and diluted)[1]	(0.05)	(0.05)	(0.12)
Total assets	1,992,788	3,204,434	2,787,290
Total liabilities	684,763	771,658	523,596

[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.

During 2008, the Company was able to secure a number of significant sales contracts, resulting in annual revenue growth of approximately 68% to $818,877 for the year ended December 31, 2008, as compared to the prior year. 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 implement an aggressive cost containment plan which had the effect of significantly slowing down the pace that the Company would pursue its strategic business plan objectives.

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.

In 2010, the Company focused its efforts on continuing the development of strategic partnerships to build broader distribution channels than the Company could achieve independently and to develop an expanded product and service offering to enhance the value of StreetScape imagery. The Company has been successful in further developing key partnerships including those with SCM in Canada and Pictometry International in the US. As discussed in the section entitled *"Current Overview and Outlook"* above, over the course of 2010, iLOOKABOUT secured several agreements to act as a reseller of data that can be federated with StreetScape imagery, enhancing the value and differentiation of the StreetScape product. To enable this federation of data, the Company developed a GIS application, GeoViewPort™, which was launched late in 2010. Also over the course of 2010, the Company was able to expand its product offering by partnering with the industry's leading AVM supplier to develop a unique valuation product, the iLOOKABOUT AVM Comparable Report, which incorporates StreetScape imagery. This product, which was piloted in 2010 and early 2011 and launched commercially in March 2011, is supported by ecommerce and is distributed via GeoViewPort™.

Sales growth in the insurance market in Canada and the assessment market in Canada and the United States were the primary drivers of revenue growth from $2,170,280 for 2009 to $2,958,905 for 2010. As noted above, over the course of 2010, the Company focused on the enhancement and expansion of its product and service offering, which required increased expenditures in the areas of human resource costs related to business and application development and third party content costs to support the delivery of new services introduced in 2010. Data capture and processing related costs also increased on a year over year basis to support new and existing sales arrangements. These increased expenditures resulted in an increase in operating expenses from $4,064,978 for 2009 to $4,689,537 for 2010. In 2009, other income was $5,384 as compared to other expense for 2010 of $104,214. In 2010, the Company recorded an impairment loss on its long lived assets of $71,534; with no such loss recorded in 2009. Further, in 2009 the Company recognized approximately $23,000 of interest revenue related to Scientific Research and Experimental Development claims settled in 2009 for the period of January 1, 2007 to March 31, 2008. Overall, the above noted items resulted in a decrease in the Company's net loss from $1,889,314 for 2009 to $1,834,846 for 2010.

Despite continuing sales growth and continued cost control, the Company has not yet been able to achieve sustainable positive net cash inflows and did not derive funds from equity or debt financing in 2010, resulting in a decrease in cash and cash equivalents from $2,410,006 as at December 31, 2009 to $1,182,580 as at December 31, 2010. In 2010, the Company recorded an impairment loss $71,534 against long lived assets. See the section entitled *"Assets"* below for further detail related to the impairment loss. The combination of these items were the primary causes of total assets decreasing from $3,204,434 as at December 31, 2009 to $1,992,788 as at December 31, 2010.

Total liabilities decreased from $771,658 as at December 31, 2009 to $684,763 as at December 31, 2010. Of this decrease, $103,885 was attributable to a decrease in deferred revenue. Deferred revenue relates to payments received from customers in advance of providing StreetScape services and for which revenue has not yet been earned.

Summary of Quarterly Results

	Unaudited				Audited
	Three months ended				Year ended
	March 31	June 30	Sept 30	Dec 31	Dec 31
Fiscal 2010					
Revenue	$ 703,514	$ 699,684	$ 877,186	$ 678,521	$ 2,958,905
Loss from operations before interest and other income (expense) and foreign exchange gain (loss)	(252,446)	(759,289)	(271,359)	(447,538)	(1,730,632)
Loss for the period	(265,516)	(758,681)	(261,301)	(549,348)	(1,834,846)
Loss per share (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)
Fiscal 2009					
Revenue	$ 431,062	$ 551,339	$ 569,526	$ 618,353	$ 2,170,280
Loss from operations before interest and other income (expense) 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)

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 2010				
Revenue	$ 703,514	$ 1,403,198	$ 2,280,384	$ 2,958,905
Loss from operations before interest and other income (expense) and foreign exchange gain (loss)	(252,446)	(1,011,735)	$ (1,283,094)	(1,730,632)
Loss for the period	(265,516)	(1,024,197)	$ (1,285,498)	(1,834,846)
Loss per share (basic and diluted)	(0.01)	(0.03)	(0.03)	(0.05)
Fiscal 2009				
Revenue	$ 431,062	$ 982,401	$ 1,551,927	$ 2,170,280
Loss from operations before interest and other income (expense) 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)

Revenue and Operating Expense Analysis

	Unaudited		Audited	
	Three months ended December 31, 2010	Three months ended December 31, 2009	Year ended December 31, 2010	Year ended December 31, 2009
Revenue	**$ 678,521**	**$ 618,353**	**$ 2,958,905**	**$ 2,170,280**
Operating expenses (income)				
Operations, technology & research	315,025	361,037	1,670,520	1,419,205
Selling, general & administration	668,648	539,543	2,549,896	2,428,472
Investment tax credits and government assistance	(31,526)	-	(102,705)	(148,201)
Amortization of equipment	69,438	74,719	239,427	229,469
Amortization of intangible assets	6,659	4,522	17,960	20,918
Stock-based compensation	97,815	43,141	314,439	115,115
	$ 1,126,059	**$ 1,022,962**	**$ 4,689,537**	**$ 4,064,978**
Other income (expense)	(101,810)	11,562	(104,214)	5,384
Net loss for the period	**$ (549,348)**	**$ (393,047)**	**$ (1,834,846)**	**$ (1,889,314)**
Loss per share (basic and diluted)	**$ (0.01)**	**$ (0.01)**	**$ (0.05)**	**$ (0.05)**

Revenue

Revenue increased 10% to $678,521 for the three months ended December 31, 2010, compared to the same period in fiscal 2009. For the year ended December 31, 2010, revenue increased 36% to $2,958,905, as compared to the same period of the prior year. These increases are primarily attributable to sales growth of the Company's StreetScape product in the insurance market in Canada and the property assessment market in Canada and the US.

Approximately 68% of the year over year revenue growth was attributable to Canadian-based customers and approximately 27% attributable to US-based customers, with the remainder, being approximately 5%, attributable to customers based in countries other than Canada or the US.

Virtual Tour related revenue, which represents approximately 3% of the Company's total revenue, continued to decline in 2010 due to a combination of the Company's focus of 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.

To date, the nature of StreetScape-related revenue has been license based. However, strategic partnerships developed and furthered in 2010, the launch of GeoViewPort™ in the third quarter of 2010, and the launch of the iLOOKABOUT Comparable Report in March 2011 will enable the Company to begin generating additional transactional-based revenue.

Operations, technology and research expense

This expense category is composed primarily of direct data capture costs, such as driver labour and vehicle operating costs; labour costs associated with operations, technology and research staff; and third party content incorporated in the Company's products and services.

Operations, technology and research expense decreased modestly to $315,025 from $361,037 for the three months ended December 31, 2010 and 2009 respectively. A significant increase in third party content costs to support new products and services launched in 2010 was incurred in the fourth quarter of 2010; however, this was more than offset by a decrease in data capture costs incurred in the fourth quarter of 2010 as compared to the same period of the prior year.

For the year ended December 31, 2010 operations, technology and research expense increased to $1,670,520 from $1,419,205 for the year ended December 31, 2009. This increase was driven by increased human resource costs related to application development and third party content costs to support the delivery of new services launched and piloted in 2010. Also, while data capture costs on a quarter over quarter basis for the fourth quarters of 2009 and 2010 decreased, on a year over year basis, data capture and processing related costs to support new and existing sales arrangements increased.

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 facility and communication costs.

Selling, general and administration expense increased from $539,543 to $668,648 for the three months ended December 31, 2009 and 2010 respectively, and from $2,428,472 to $2,549,896 for the year ended December 31, 2009 and 2010 respectively. The increases in this category of expense relate largely to increased human resource and sales related costs to further strategic partnerships, establish value added reseller arrangements and promote the new services piloted and launched in 2010.

Other

Investment tax credits and government assistance

During the year, the Company received refunds with respect to Scientific Research and Experimental Development ("*SR&ED*") tax credits for the period of January 1 to December 31, 2009 in the amount of $74,303. Of this amount, $3,125 was related to capital items, while the remaining $71,179 was recorded as income in the statement of operations and comprehensive loss. Also during the year, the Company received and/or was entitled to receive funds from the Government of Canada with respect to the Industrial Research Assistance Program ("*IRAP*") for the period of January 1 to December 31, 2010 in the amount of $31,526. This amount was recorded as income in the statement of operations and comprehensive loss.

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. The amount of the refunds exceeded the original estimate accrued by $270,633 and was recognized as income in 2009. Of the $122,432 related to capital items, $41,221 was recorded as a reduction of equipment and $81,211 was recorded against amortization expense for amortization previously taken on the related equipment. The remaining $148,201 was recorded as income in the statement of operations and comprehensive loss.

Amortization

In 2009, 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 Scientific Research and Experimental Development ("*SR&ED*") tax credits. Had this adjustment not been required, total amortization expense for 2009 would have been $331,598, or approximately 29% greater for 2009 as compared to 2010. Total amortization for the three months ended December 31 was $76,097 and $79,241 for 2010 and 2009 respectively. While equipment and intangible asset additions increased approximately $86,000 in 2010 as compared to 2009, the impact on amortization was more than offset by more assets being fully amortized in 2010 than 2009, resulting in an overall decrease in amortization for 2010.

Stock-based compensation

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 2010, a total of 870,000 stock options were granted, of which 415,000 were granted to employees and/or consultants and 455,000 were granted to Directors. In 2009, a total of 495,000 stock options were granted, of which 370,000 were granted to employees and/or consultants and 125,000 were granted to Directors.

Other income (expense)

In 2009, other income was $5,384 as compared to other expense for 2010 of $104,214. In 2010, the Company recorded an impairment loss on its long-lived assets of $71,534, whereas no such loss was recorded in 2009. Further, in 2009 the Company recognized approximately $23,000 of interest revenue related to Scientific Research and Experimental Development claims settled in 2009 for the period of January 1, 2007 to March 31, 2008.

Loss for the period

Fluctuations in loss for the period on a quarter over quarter basis for 2010 were primarily attributable to the combination of increasing sales, patterns of revenue recognition in accordance with GAAP, and the seasonality of data capture costs in Canada and the northern regions of the US.

Revenue decreased 1% for the second quarter as compared to the first, increased 25% in the third quarter as compared to the second, and decreased 23% in the fourth quarter as compared to the third. In 2010, the Company entered into significantly more sales arrangements that contained multiple elements. The elements in the Company's multiple element arrangements typically include one or more of the following: web service, static images/data, hosting, and/or customization and integration services. The timing of recognition of revenue for these elements is typically: evenly over the term of the arrangement for web service and hosting; upon delivery of static images/data, and; upon completion and delivery of customization and integration services. The Company delivered significantly more static images, for which revenue is recognized upon delivery as opposed to over a period of time, in the third quarter of 2010 following the peak of the data capture and post-processing season, causing a spike in revenue for that quarter.

While the Company experiences fluctuations in operating expenses on a quarter over quarter basis related to items such as, but not limited to, royalties, commissions, insurance and professional fees, the most significant and predictable fluctuation is with respect to data capture and related processing costs. Other significant contributors to fluctuations in operating expenses and other income (expense) included: stock based compensation expense increases in the second and fourth quarters due to the grant of options, which vested immediately, to Directors as compensation in lieu of cash compensation; a loss on the impairment of long-lived assets recorded in the fourth quarter; and, investment tax credits received in the third quarter.

Assets, Liabilities and Share Capital Analysis

	December 31, 2010 (Audited)	December 31, 2009 (Audited)
Assets	$ 1,992,788	$ 3,204,434
Liabilities	$ 684,763	$ 771,658
Share and warrant capital	$ 10,350,496	$ 9,496,530
Contributed surplus	$ 1,761,420	$ 1,209,136
Common shares outstanding	40,685,417	39,966,042
Options and warrants outstanding	9,446,674	12,039,315

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.

Despite continuing sales growth and continued cost control, the Company has not yet been able to achieve positive net cash inflows and did not derive funds from equity or debt financing in 2010, resulting in a decrease in cash and cash equivalents from $2,410,006 as at December 31, 2009 to $1,182,580 as at December 31, 2010. In July 2009, the Company raised net cash proceeds of $1,921,023 through a private placement.

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 increased from $115,467 at December 31, 2009 to $134,940 at December 31, 2010. As at December 31, 2010, approximately 69% of trade accounts receivable was attributed to two customers and was fully collected subsequent to the reporting period.

Prepaid expenses and other current assets increased moderately from $142,329 at December 31, 2009 to $161,315 at December 31, 2010. Prepaid expenses related primarily to prepaid insurance and royalties.

Long-lived assets, including equipment and intangible assets with finite lives, are amortized over their useful lives.

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 more frequently if events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable. Some of the indicators the Company uses to evaluate whether impairment exists include negative historical financial results and revenue and earnings forecasts.

A long-lived asset is considered to be impaired when the future undiscounted cash flows expected to result from the asset's use and eventual disposition are 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.

The Company's annual analysis of long-lived assets determined that, despite increasing revenues and decreasing or stable net losses, the Company has not yet been able to achieve sustainable operating net cash inflows, or progress toward this pivotal point at the rate initially expected, and is therefore no longer able to conclude objectively and reliably that future undiscounted cash flows expected to result from its long-lived assets' use will exceed the carrying amount of these assets. The Company was able to obtain objective and reliable evidence that, as at December 31, 2010, the fair value of equipment exceeded its carrying value, thus no impairment loss was recorded with respect to equipment. The Company was unable to reliably and objectively, without undue cost and effort, establish the fair value of its intangible assets, which include patents and trademarks. Therefore, an impairment loss of $71,534 was recorded against intangible assets to fully write off these assets in 2010.

Equipment, net of accumulated amortization, increased from $456,161 at December 31, 2009 to $513,953 at December 31, 2010. In 2010, equipment additions totaled $316,933, compared to $227,052 for 2009. 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. In fiscal 2010, SR&ED refunds received related to equipment was nominal, at $3,125.

As discussed above, in 2010 an impairment loss was recorded against intangible assets. Had this loss not been recorded, intangible assets as at December 31, 2010 would have been $71,534 as compared to $80,471 as at December 31, 2009.

Liabilities

As at December 31, 2010, the Company's liabilities totaled $684,763, of which $334,798 represented accounts payable and accrued liabilities, and $349,965 represented deferred revenue. As at December 31, 2009, liabilities totaled $771,658, of which $317,808 represented accounts payable and accrued liabilities and $453,850 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.

Purchase commitments for 2011 total $39,638 and relate to real property 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

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

Table - Share and warrant capital summary

		December 31, 2010			December 31, 2009		
	Expiry date	**Issued**		**Amount**	**Issued**		**Amount**
Authorized:							
Unlimited common shares							
Unlimited preferred shares							
Issued:							
Common shares		40,685,417	$	8,418,442	39,966,042	$	7,936,201
Share purchase warrants:							
$0.80 agent warrants	April 1/10	-		-	515,400		-
$0.55 warrants	July 3/10	-		-	1,444,375		173,845
$0.55 warrants	July 13/10	-		-	1,304,000		150,585
$1.00 warrants	April 1/11	6,567,500		1,932,054	6,567,500		1,235,899
$0.40 agent warrants	July 3/11	231,100		-	231,100		-
$0.40 agent warrants	July 13/11	208,640		-	208,640		-
		7,007,240		1,932,054	10,271,015		1,560,329
Share capital and warrant capital		47,692,657	$	10,350,496	50,237,057	$	9,496,530

Table - Share capital

	Number of shares		Amount
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**
Warrants exercised	719,375		482,241
Balance, December 31, 2010	**40,685,417**	**$**	**8,418,442**

(i) In June 2010, 719,375 of the warrants issued as part of the July 3, 2009 private placement, with an exercise price of $0.55 per warrant, were exercised for aggregate consideration of $395,656.

(ii) In August 2009, all of the 34,800 agent warrants previously issued for the purchase of 34,800 common shares, at a price of $0.46 per share, were exercised.

(iii) In July 2009, iLOOKABOUT completed a private placement, consisting of two closings, resulting in the issuance of 5,496,750 units for $0.40 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitled 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. Gross proceeds of this financing were $2,198,700. Unit issue costs, including the fair value of warrants issued to agents, totalled $476,993. Agents were issued 439,740 agent 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 warrant entitled 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.

Total warrants issued to investors and agents in connection with this placement were 3,188,115.

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

Table - Warrant capital

	Number of warrants		Amount
Balance, December 31, 2008	**8,994,607**	**$**	**1,444,249**
Warrants issued, private placement	3,188,115		436,992
Warrant issue costs	-		(112,562)
Warrants exercised	(34,800)		-
Warrants expired	(1,876,907)		(208,350)
Balance, December 31, 2009	**10,271,015**	**$**	**1,560,329**
Warrant modification	-		696,155
Warrants exercised	(719,375)		(86,584)
Warrants expired	(2,544,400)		(237,846)
Balance, December 31, 2010	**7,007,240**	**$**	**1,932,054**

(a) Warrant Modification

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

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

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

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

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

(b) Exercise of Warrants

(i) In June 2010, 719,375 of the warrants issued as part of the July 3, 2009 private placement, with an exercise price of $0.55 per warrant, were exercised for aggregate consideration of $395,656.
(ii) In August 2009, all of the 34,800 agent warrants previously issued for the purchase of 34,800 common shares, at a price of $0.46 per share were exercised.

(c) Expiry of Warrants

(i) On July 3, 2010, 725,000 of the total 1,444,375 warrants previously issued for the purchase of 725,000 common shares, at a price of $0.55, expired unexercised. The remaining 719,375 warrants were exercised during the year as noted above.
(ii) On July 13, 2010, 1,304,000 of the warrants previously issued for the purchase of 1,304,000 common shares, at a price of $0.55, expired unexercised.
(iii) On April 1, 2010, 515,400 of the warrants previously issued for the purchase of 515,400 common shares at a price of $0.80, expired unexercised.
(iv) 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.
(v) On June 19, 2009, 217,391 of the agent warrants previously issued for the purchase of 217,391 common shares, at a price of $0.46, expired unexercised.
(vi) On April 7, 2009, 1,576,196 of the warrants previously issued for the purchase of 1,576,196 common shares, at a price of $0.69 per share, expired unexercised.

Contributed Surplus

Stock options granted under the Company's stock option plan 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. The Company used a Black-Scholes option pricing model to estimate the fair value. 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, 2008	**$**	**707,789**
Stock-based compensation		115,115
Fair value of warrants granted to agents		199,316
Exercise of stock options		(14,788)
Exercise of warrants		(6,646)
Expiry of warrants		208,350
Balance, December 31, 2009	**$**	**1,209,136**
Stock-based compensation		314,439
Expiry of warrants		237,845
Balance, September 30, 2010	**$**	**1,761,420**

Subsequent Event

On March 3, 2011, the Company announced that it will further extend the term of the 6,567,500 Series E common share purchase warrants (the "Class E Warrants") that were issued as part of a private placement which closed on February 22, 2008. Each full Class E Warrant entitles its holder to purchase one common share of the Company at an exercise price of $1.00 per share. The Class E Warrants were scheduled to expire on April 1, 2011. The term of the Class E Warrants was extended to the earlier of (i) April 1, 2012, 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.

The incremental difference in the fair value of these warrants immediately prior to and after the modification will be recorded as an increase to deficit, with a corresponding increase to warrant capital.

Stock Options

(a) Options granted

(i) In April 2011, a total of 50,000 stock options were granted at an exercise price of $0.285. These options expire five years after the grant date and vest over a period of three years.
(ii) In December 2010, the Company granted 255,000 options at an exercise price of $0.38. These options vested upon grant and expire five years from the grant date.
(iii) In June 2010, the Company granted 200,000 options at an exercise price of $0.60. These options vested upon grant and expire five years from the grant date.
(iv) 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.
(v) 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.
(vi) 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.
(vii) 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.

(b) Options forfeited

(i) In July 2010, 10,000 options having an exercise price of $0.37 were forfeited.
(ii) In August 2010; 25,000 options having an exercise price of $0.38, and 69,433 options having an exercise price of $0.48 were forfeited.
(iii) In December 2010, 25,000 options having an exercise price of $0.37 were forfeited.
(iv) In April 2009, 69,433 options having an exercise price of $0.48 were forfeited. This forfeiture was identified late in 2010. As these options had fully vested at the time of forfeiture, there was no financial statement impact.

Outstanding Share Data

As at December 31, 2010, iLOOKABOUT had 40,685,417 common shares issued and outstanding, and outstanding options and warrants to purchase a further 9,446,674 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 subject to risks including, but not limited to, dependence on key personnel and the need to raise additional funds 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 $10,803,891 (December 31, 2009 - $8,272,890), shareholders' equity of $1,308,025 (December 31, 2009 - $2,432,776) and working capital of $963,021 (December 31, 2008 - $1,936,642). Working capital (calculated as current assets less current liabilities) as at December 31, 2010 consisted of cash and cash equivalents of $1,182,580, trade and other receivables of $134,940, prepaid and other current assets of $161,315, accounts payable and accrued charges of $334,798, and current deferred revenue of $181,016. The Company also has commitments of $39,638 due in 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.

As noted above in the section entitled "*Share capital, warrant capital and contributed surplus*" section, 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 439,740 agent 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.

Off Balance Sheet Arrangements

As at December 31, 2010, 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 2010. 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

In December 2009, the Canadian Institute of Chartered Accountants (CICA) issued EIC-175, "Multiple Deliverable Revenue Arrangements." This Abstract addresses some aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. Specifically, the Abstract addresses how to determine whether an arrangement with multiple deliverables contains more than one unit of accounting, and if an arrangement consists of more than one unit of accounting, how the arrangement consideration should be allocated among the separate units of accounting. The provisions of EIC-175 must be applied beginning in the first annual fiscal period commencing on or after January 1, 2011, but early adoption is permitted. If an entity chooses to apply this Abstract prospectively, and the fiscal period of adoptions is not the first reporting period of the fiscal year, the provisions of the Abstract should be applied retroactively from the beginning of the entity's fiscal year. An entity also may choose to apply this Abstract retroactively, and is required to restate its prior period financial statements if application of this Abstract results in material differences.

This Abstract, when adopted, replaces EIC-142, "Revenue Arrangements with Multiple Deliverables".

Key differences contained in EIC-175 as compared to EIC-142 include:

i. The criteria in EIC-175 for identifying deliverables in a multiple-element arrangement that represent separate units of accounting has been changed from that required under EIC-142, and entities are no longer required to have objective and reliable evidence of fair value for each deliverable. The allocation of arrangement consideration amongst the separate units will now be based on a hierarchy of selling prices which includes (1) vendor specific objective evidence of selling price ("VSOE"), if available, (2) third-party evidence ("TPE") of selling price, if VSOE is unavailable, and (3) best estimate of the selling price ("BESP") if neither VSOE nor TPE is available.

ii. EIC-142 allowed application of the residual method to allocate arrangement consideration to elements when fair value of the undelivered element could be determined, but fair value of the delivered element could not. EIC-175 does not permit the residual method.

Management believes it is appropriate to adopt EIC-175 early as this accounting policy results in the measurement and recognition of revenues and operating expenses on a basis that is consistent with the way that Management measures and monitors the performance of the Company, and better reflects the economic reality of when revenue is earned. Therefore, effective July 1, 2010, the Company adopted EIC-175 retroactively.

Prior to the adoption of EIC-175, the Company applied EIC-142, "Revenue Arrangements with Multiple Deliverables", in concluding whether its revenue arrangements containing multiple deliverables could be accounted for as separate units of accounting. The Company reviewed each deliverable to determine whether they represented separate units of accounting and assessed the evidence of fair value for each unit. Where objective and reliable evidence of the fair value of all undelivered elements existed, the Company applied the residual method to allocate arrangement consideration. Where objective and reliable evidence of the fair value of undelivered elements did not exist, the Company recognized revenue evenly over the term of the arrangement.

Upon adoption of EIC-175, the Company has and will continue to review each deliverable within multiple deliverable arrangements to determine whether the unit qualifies as a separate unit of accounting. Where separate units of accounting exist, the Company will allocate arrangement consideration between the elements using the hierarchy of selling prices discussed above which include VSOE, TPE and BESP respectively.

The elements in the Company's multiple element arrangements typically include one or more of the following: web service, static images/data, hosting, and/or customization and integration services. The timing of recognition of revenue for these elements is typically: evenly over the term of the arrangement for web service and hosting; upon delivery of static images/data; and, upon completion and delivery of customization and integration services. Significant factors, inputs and assumptions considered and methods used by Management in determination of the relative selling price of each element are as follows:

Element	Method	Factors/Inputs/Assumptions
Web Service	BESP	Cost plus target contribution
Static Images/Data	BESP	Cost plus target contribution
Hosting	TPE	Competitor pricing
Customization/Integration	TPE (if available)	Competitor pricing
	BESP (if TPE not available)	Cost plus target contribution

VSOE is generally limited to the price charged when the same or similar product is sold separately. If a product or service is seldom sold separately, it is unlikely that VSOE can be determined. TPE is based on competitor prices for similar deliverables when sold separately. The Company determines BESP for its products and services by considering various factors including, but not limited to, ongoing pricing strategies, market conditions and historical pricing practices.

The adoption of EIC-175 did not have a significant impact on the amount, pattern and timing of revenues recognized during 2009or prior years. The table below summarizes the impact of adoption of EIC-175 on revenue, net loss and loss per share when compared to amounts that would have been recognized under the requirements of EIC-142, for the year ended December 31, 2010.

		Year ended December 31, 2010
Revenue under EIC 142	$	2,773,562
Impact of adoption of EIC 175		185,343
Revenue under EIC 175	$	2,958,905
Loss under EIC 142	$	(1,984,839)
Impact of adoption of EIC 175		149,993
Loss under EIC 175	$	(1,834,846)
Loss per share under EIC 142	$	(0.049)
Impact of adoption of EIC 175	$	0.003
Loss per share under EIC 175	$	(0.046)

The adoption of the standard may result in revenues being recognized earlier in future periods as a result of the criteria to be used in determining units of accounting and the use of the relative selling price method.

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. 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 for periods beginning on January 1, 2011. The adoption of IFRS will require restatement of the Company's consolidated financial statements for comparative purposes for its year ended December 31, 2010 and of the opening balance sheet as at January 1, 2010. Accordingly, The Company will apply accounting policies consistent with IFRS beginning with its interim financial statements for the quarter ended March 31, 2011.

IFRS Transition Plan

The Company has prepared a comprehensive transition plan, and engaged the services of a third party adviser to assist with the transition. The Company has substantially completed its analysis of the IFRS requirements related to its significant accounting policies to determine where changes to accounting policies may be required. As the transition plan progresses, the Audit Committee and subsequently the Board of Directors are being updated on progress, and with information regarding the potential for changes to significant accounting policies.

The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Identification of key areas for which changes to accounting policies may be required	Complete
Detailed analysis of relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Substantially complete
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Substantially complete
Final determination of expected changes to accounting policies and expected choices to be made with respect to first-time adoption alternatives	In process, to be completed prior to the Q1 filing deadline.
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Substantially complete
Management and employee education and training	Throughout the transition process
Quantification of the Financial Statement impact of changes in accounting policies	In process, to be completed prior to the Q1 filing deadline.
Preparation of Q1 - 2011 financial statements, with Q1 - 2010 restated comparatives and restatement of opening statement of financial position as of January 1, 2010 consistent with IFRS presentation and disclosure requirements.	In process, to be completed prior to the Q1 filing deadline.

As iLOOKABOUT is a TSX Venture issuer having a fiscal year end of December 31, the filing deadline for the first quarter of 2011 has been extended to June 29, 2011. The Company intends to utilize this extension.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS generally requires retrospective application of IFRS as effective at the end of the entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

As analysis of the Company's accounting policies continues under IFRS, the Company will determine which available optional exemptions it may apply on adoption of IFRS.

The Company currently expects to elect the following IFRS optional exemptions in the preparation of an opening IFRS statement of financial position as at January 1, 2010, iLOOKABOUT's "Transition Date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments issued after November 7, 2002 and had not vested by the Transition Date.

- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.

- To apply the transitional provisions of IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date.

As the analysis of its accounting policies under IFRS continues, the Company may decide not to elect to apply these, or to apply other, optional exemptions contained in IFRS 1. As a result, the effect of adopting IFRS on the consolidated statement of financial position at January 1, 2010 could change significantly.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Expected Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS is expected to result in changes to some significant accounting policies and have an impact on the recognition and measurement of certain transactions and balances within the Company's financial statements. Although the Company has not yet completed its determination of the full effect of adopting IFRS on its financial statements, included below are highlights of the areas that have been identified as having the most potential for a change to significant accounting policies.

This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to provide highlights of the analysis performed to date. As the IFRS implementation plan continues, the Company will make a final determination of changes to its accounting policies that will result from adopting IFRS, and may identify other changes that will have an impact on the financial statements.

The Company has identified the following key areas that it has assessed as having the greatest potential for changes to accounting policies on adoption of IFRS:

- Revenue Recognition – IFRS contains significantly less specific guidance with respect to revenue recognition, particularly with respect to the criteria to separate multiple element arrangements and the allocation of revenue to the separated elements. In the third quarter of 2010, the Company early adopted EIC 175 – *Multiple Deliverable Revenue Arrangements*, which the Company is continuing to assess with respect to its extent of convergence with IFRS. The Company's analysis with respect to revenue recognition is not yet complete; therefore, resulting changes in accounting policy may have an impact on the timing of revenue recognition.

- Impairment of Assets – IFRS requires a write down of assets if the higher of the fair market value less costs to sell and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value. In addition, the level at which assets are grouped for the purposes of assessing assets for impairment can be different under IFRS. Depending on the circumstances, this may lead to the recognition of further impairment losses under IFRS than have been recognized under current Canadian GAAP.

  The Company is in the process of determining whether these differences will have an impact on the carrying amounts of assets in it opening IFRS balance sheet.

- Share-based Payments – In certain circumstances, IFRS requires a different measurement of share-based compensation than current Canadian GAAP. In particular, a change may be required to the measurement and timing of recognizing the expense associated with grants under the stock option plan. The Company is assessing the impact of the change on the measurement of compensation expense associated with the stock option plan.

- Property and Equipment – IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP. The Company expects that it will be required to componentize some of its equipment under IFRS, The Company has not yet completed its quantitative analysis of the impact of componentization of equipment on its financial statements.

- Provisions – In certain circumstances, IFRS guidance with respect to the recognition and measurement of liabilities differs from current Canadian GAAP. Changes in accounting policies on adoption of IFRS may result in the recognition of additional liabilities, or a different measurement of the liabilities currently recognized under current Canadian GAAP.

- Income Taxes – While accounting for income taxes is similar under IFRS and Canadian GAAP, in certain circumstances there are differences in the measurement of future tax assets and future tax liabilities. The

Company is determining whether any changes in its accounting policies related to income taxes will have a significant effect on its financial statements and/or financial statement note disclosures.

Subsequent Disclosures

The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ended March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ended March 31, 2011 will also include fiscal 2010 financial statements for the comparative period, adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (as at January 1, 2010).

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 2010 Financial Statements and Annual Information Form, may be found on SEDAR at www.sedar.com.