iLOOKABOUT Corp.

Unaudited Interim Consolidated Financial Statements

Nine Months Ended September 30, 2010 and 2009

iLOOKABOUT Corp.
Consolidated Balance Sheets

As at		September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets			
Current Assets:			
Cash and cash equivalents	$	1,435,698	2,410,006
Trade and other receivables		203,298	107,775
Prepaid expenses and other current assets		227,075	150,021
		1,866,071	2,667,802
Equipment		556,204	456,161
Intangible assets		69,170	80,471
Total Assets	$	2,491,445	3,204,434
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable and accrued liabilities	$	430,624	317,808
Deferred revenue		193,026	413,352
		623,650	731,160
Deferred revenue		108,236	40,498
Shareholders' Equity:			
Share capital (note 5)		8,418,442	7,936,201
Warrant capital (note 5)		1,932,054	1,560,329
Contributed surplus (note 5)		1,663,606	1,209,136
Deficit		(10,254,543)	(8,272,890)
		1,759,559	2,432,776
Total Liabilities and Shareholders' Equity	$	2,491,445	3,204,434

See accompanying notes to the unaudited interim consolidated financial statements.

Approved by the Board of Directors:

"Ronald Breen"
Ronald Breen, FCA
Director

"Jeff Young"
Jeff Young
Director

iLOOKABOUT Corp.
Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	Three months ended				Nine months ended			
	September 30, 2010		September 30, 2009		September 30, 2010		September 30, 2009	
Revenue	$	877,185	$	569,526	$	2,280,383	$	1,551,927
Operating expenses								
Operations, technology and research		447,582		420,596		1,355,495		1,058,168
Selling, general and administration		673,047		703,543		1,881,248		1,888,929
Investment tax credits refunded, operating		(71,179)		(148,201)		(71,179)		(148,201)
Amortization of equipment		63,538		523		169,989		154,750
Amortization of intangible assets		3,767		6,033		11,301		16,396
Stock-based compensation (note 6)		31,790		11,426		216,624		71,974
		1,148,545		993,920		3,563,478		3,042,016
Loss from operations before the undernoted		(271,360)		(424,394)		(1,283,095)		(1,490,089)
Interest and other income (expense), net		(1,401)		25,294		(3,705)		25,073
Gain (loss) on disposal of assets		17,231		-		17,231		(1,467)
Foreign exchange loss		(5,771)		(9,584)		(15,929)		(29,784)
Loss and comprehensive loss for the period	**$**	(261,301)	**$**	(408,684)	**$**	(1,285,498)	**$**	(1,496,267)
Weighted average number of shares outstanding								
Basic		40,685,417		39,942,842		40,205,834		36,242,831
Diluted		41,126,465		41,151,920		40,629,996		36,751,434
Loss per share								
Basic and diluted	$	(0.01)	$	(0.01)	$	(0.03)	$	(0.04)

See accompanying notes to the consolidated financial statements.

Interim Consolidated Statements of Deficit
(Unaudited)

	Three months ended				Nine months ended			
	September 30, 2010		September 30, 2009		September 30, 2010		September 30, 2009	
Deficit - beginning of period	$	(9,993,242)	$	(7,471,159)	$	(8,272,890)	$	(6,383,576)
Loss for the period		(261,301)		(408,684)		(1,285,498)		(1,496,267)
Warrant modification (note 5)		-		-		(696,155)		-
Deficit - end of period	$	(10,254,543)	$	(7,879,843)	$	(10,254,543)	$	(7,879,843)

See accompanying notes to the unaudited interim consolidated financial statements.

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

	Three months ended		Nine months ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Operating activities				
Loss for the period	$ (261,301)	$ (408,684)	$ (1,285,498)	$ (1,496,267)
Adjustments for non-cash items:				
Loss (gain) on disposal of equipment	(17,231)	-	(17,231)	1,467
Investment tax credits refundable, capital related	3,125	122,432	3,125	122,432
Amortization of equipment	63,538	523	169,989	154,750
Amortization of intangible assets	3,767	6,033	11,301	16,396
Stock-based compensation	31,790	11,426	216,624	71,974
	(176,312)	(268,270)	(901,690)	(1,129,248)
Changes in non-cash working capital:				
Trade and other receivables	356	(8,563)	(95,523)	50,086
Investment tax credit receivable	-	(270,633)	-	(270,633)
Prepaid expenses and other current assets	9,325	(24,491)	(77,054)	(49,834)
Accounts payable and accrued liabilities	18,613	(58,964)	112,816	14,316
Deferred revenue	(141,818)	11,320	(152,588)	184,902
	(113,524)	(351,331)	(212,349)	(71,163)
Cash flow used by operating activities	(289,836)	(619,601)	(1,114,039)	(1,200,411)
Financing activities				
Proceeds from options exercised	-	-	-	6,250
Proceeds from warrants exercised (Note 5)	-	16,008	395,657	16,008
Issuance of common shares and warrants	-	1,921,023	-	1,921,023
Cash flow from financing activities	-	1,937,031	395,657	1,943,281
Investing activities				
Purchase of equipment	(69,132)	(34,590)	(273,157)	(171,650)
Proceeds on disposal of equipment	17,231	-	17,231	100
Purchase of intangible assets	-	-	-	(1,125)
Cash flow used by investing activities	(51,901) `	(34,590)	(255,926)	(172,675)
Increase (decrease) in cash and cash equivalents during the period	(341,737)	1,282,840	(974,308)	570,195
Cash and cash equivalents - beginning of period	1,777,435	869,293	2,410,006	1,581,938
Cash and cash equivalents - end of period	$ 1,435,698	$ 2,152,133	$ 1,435,698	$ 2,152,133
Represented by:				
Cash	$ 535,698	$ 652,143	$ 535,698	$ 652,143
Cash equivalents	900,000	1,499,990	900,000	1,499,990
	$ 1,435,698	$ 2,152,133	$ 1,435,698	$ 2,152,133
Supplemental Disclosure				
Cash received for interest	$ 505	$ -	$ 505	$ -
Cash received for income taxes	71,941	694	71,941	694

See accompanying notes to the unaudited interim consolidated financial statements.

1. Nature of Business

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

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

2. Going Concern

Financial statements are required to be prepared on a going concern basis unless management either intends to liquidate the Company or cease trading or has no realistic alternative but to do so within the foreseeable future. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

These unaudited interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. The Company is subject to risks common to early stage, technology based companies including limited operating history, dependence on key personnel, the potential need to raise additional capital to support the Company’s development and operations to meet the Company’s liabilities and commitments as they become due. Specifically, the Company has a history of operating losses with an accumulated deficit of $10,254,543 (December 31, 2009 - $8,272,890), shareholders’ equity of $1,759,559 (December 31, 2009 - $2,432,776) and working capital of $1,242,421 (December 31, 2009 - $1,936,642).

The Company’s continued existence beyond September 30, 2011 is dependent on, but not limited to, management’s ability to successfully execute its business plan, including a substantial increase in revenue while maintaining an appropriate level of expenses. The Company cannot be certain that it will be able to execute on its business plan or that cash generated from its operations will be sufficient to satisfy its liquidity requirements and it may need to continue to raise capital by selling additional equity or by securing credit facilities. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favourable to the Company.

If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used. The Company’s unaudited interim consolidated financial statements do not include adjustments, which could be material, and disclosures that would be required if the going concern assumption was not appropriate.

3. Basis of Presentation

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

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements, and follow the same policies and methods of their application as the most recent annual financial statements, except as noted in Note 4 – Accounting Policy Changes. These unaudited interim consolidated financial statements do not conform in all respects with disclosures for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009.

4. Accounting Policy Changes

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, 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 sales 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.

Note 4 (continued)

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

The adoption of EIC-175 did not have a significant impact on the amount, pattern and timing of revenues recognized during 2009 or the first two quarters of 2010. The impact on the amount, pattern and timing of revenue recognized in the third quarter was significant when compared with amounts that would have been recognized under the requirements of EIC-142. The table below summarizes the impact of adoption of EIC-175 on revenue, net loss and loss per share for the three and nine month periods ended September 30, 2010.

	Three months ended September 30, 2010	Nine months ended September 30, 2010
Revenue under EIC 142	$ 675,056	$ 2,078,254
Impact of adoption of EIC 175	202,129	202,129
Revenue under EIC 175	$ 877,185	$ 2,280,383
Loss under EIC 142	$ (424,616)	$ (1,448,813)
Impact of adoption of EIC 175	163,315	163,315
Loss under EIC 175	$ (261,301)	$ (1,285,498)
Loss per share under EIC 142	$ (0.01)	$ 0.03
Impact of adoption of EIC 175	$ 0.00	$ 0.00
Loss per share under EIC 175	$ (0.01)	$ (0.03)

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

5. Share capital, warrant capital and contributed surplus

Share and warrant capital

		September 30, 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:							
$0.40 agent warrants	July 13/11	208,640		-	208,640		-
$0.55 warrants	July 13/10	-		-	1,304,000		150,585
$0.40 agent warrants	July 3/11	231,100		-	231,100		-
$0.55 warrants	July 3/10	-		-	1,444,375		173,845
$1.00 agent warrants	April 1/11	515,400		-	515,400		-
$1.00 warrants	April 1/11	6,567,500		1,932,054	6,567,500		1,235,899
		7,522,640		1,932,054	10,271,015		1,560,329
Share capital and warrant capital		48,208,057	$	10,350,496	50,237,057	$	9,496,530

Share capital

	Number of shares		Amount
Balance, December 31, 2009	**39,966,042**	**$**	**7,936,201**
Warrants exercised	719,375		482,241
Balance, September 30, 2010	**40,685,417**	**$**	**8,418,442**

Warrant capital

	Number of warrants		Amount
Balance, December 31, 2009	**10,271,015**	**$**	**1,560,329**
Warrant modification	-		696,155
Warrants expired	(2,029,000)		(237,846)
Warrants exercised	(719,375)		(86,584)
Balance, September 30, 2010	**7,522,640**	**$**	**1,932,054**

(i) 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.

Note 5 (continued)

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

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

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

ii) Exercise of Warrants

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 $395,657.

iii) Expiry of Warrants

On July 3, 2010, 725,000 of the warrants previously issued for the purchase of 725,000 common shares, at a price of $0.55, expired unexercised.

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.

Contributed surplus

Balance, December 31, 2009	**$**	**1,209,136**
Expiry of warrants		237,846
Stock-based compensation		216,624
Balance, September 30, 2010	**$**	**1,663,606**

6. Stock-based compensation

The Company has established a Stock Option Plan ("Plan") whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants.

Under the Plan, the number of authorized common shares that may be issued upon the exercise of options granted under the Plan at any time plus the number of common shares reserved for issuance under outstanding incentive stock options otherwise granted by the Company may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time, and such aggregate number of common shares shall automatically increase or decrease as the number of issued and outstanding common shares changes.

The Board of Directors has authority to determine which eligible persons will be issued options, the number of options to be granted to each, the time when options shall be granted, when such options will vest, when such options will expire, and at what price the options may be exercised.

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

	Number of Options	Weighted Average Exercise Price	Weighted Average Share Price	Weighted Average Years to Expiry
Outstanding December 31, 2009	1,768,300	$ 0.42	$ 0.44	3.4
Granted	415,000	$ 0.37	$ 0.49	
Outstanding March 31, 2010	2,183,300	$ 0.41	$ 0.45	3.5
Granted	200,000	$ 0.60	$ 0.60	
Outstanding June 30, 2010	2,383,300	$ 0.43	$ 0.46	3.4
Forfeited	(10,000)	$ 0.37	$ 0.49	
Outstanding September 30, 2010	2,373,300	$ 0.43	$ 0.46	3.2

Of the 2,373,300 unexercised options as at September 30, 2010; 1,884,550 had vested, with exercise prices ranging from $0.125 to $0.60 per share.

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

	2010
Exercise price	$0.37 to $0.60
Estimated fair value at grant	$0.49 to $0.60
Risk free interest rate	2.50%
Expected dividend yield	0%
Expected share volatility	102% to 104%
Expected average option life	5 years

During the three months and nine months ended September 30, 2010, the Company recorded stock-based compensation expense of $31,790 (2009 - $11,426) and $216,624 (2009 - $71,974) respectively, related to stock options granted to employees, officers, directors and consultants.

7. Financial risk management

The Company is exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk from its financial assets and liabilities. Risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Company's key financial risks or risk management strategies since December 31, 2009.

8. Segmented information

The Company operates and reports its results as one operating segment which is the visual and data intelligence business.

Operations of the Company are in the following geographic areas:

	Three months ended September 30, 2010				Three months ended September 30, 2009			
	Canada	United States	Other	Total	Canada	United States	Other	Total
Revenue	$ 497,138	$ 368,526	$ 11,521	$ 877,185	$ 431,550	$ 137,976	$ -	$ 569,526
Equipment	556,204	-		556,204	475,478	-		475,478
Intangible assets	69,170	-		69,170	73,042	-		73,042

	Nine months ended September 30, 2010				Nine months ended September 30, 2009			
	Canada	United States	Other	Total	Canada	United States	Other	Total
Revenue	$ 1,538,547	$ 692,135	$ 49,701	$ 2,280,383	$ 1,091,081	$ 460,846	$ -	$ 1,551,927
Equipment	556,204	-	-	556,204	475,478	-	-	475,478
Intangible assets	69,170	-	-	69,170	73,042	-	-	73,042

Three customers each accounted for more than 10% of revenue recognized, representing a combined total of 70%, for the three months ended September 30, 2010, and a combined total of 64% of revenue recognized for the nine months ended September 30, 2010. As at September 30, 2010, two customers each accounted for more than 10% of trade accounts receivable, representing a combined total of 55%, or $90,132, of which $84,587 was collected subsequent to September 30, 2010.

Two customers accounted for 67% of revenue recognized for the three months ended September 30, 2009, and 71% of revenue recognized for the nine months ended September 30, 2009. As at September 30, 2009, one customer accounted for 84% of trade accounts receivable, which was fully collected subsequent to September 30, 2009.

9. Seasonality

Prior to the current period, the Company's experience was that seasonality did not have a significant impact on the Company's primary revenue stream, rather, fluctuations were more closely tied to customer budget cycles. Further, StreetScape sales agreements are typically multi-year, reducing seasonal fluctuation in revenue levels. As the Company begins entering an increased number and scale of multiple element arrangements that include an element for which revenue recognition immediately follows the capture and processing of imagery, as opposed to over a period of years, it is expected that seasonality will have an increased impact on the revenue cycle. It is expected that revenue related to this element will be at its peak between July and October. This seasonal impact will be offset as data capture expands from primarily Canada and the northern United States to the southern United States where the data capture season is expanded.

Data capture undertaken by the Company to date has primarily been in Canada and the northern United States. In these geographic areas, customers typically require images when snow is not on the ground, thus substantially limiting the data capture season to between April and October. Further, lighting conditions in late autumn and winter shorten productive driver days, negatively impacting the cost effectiveness of data capture; therefore, capture during these seasons is avoided, resulting in lower data capture costs in the first and fourth quarters as compared to the second and third quarters.

10. Comparative figures

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

11. Future accounting changes

International Financial Reporting Standards

In February 2008, the CICA's Accounting Standards Board confirmed that publicly accountable enterprises will adopt International Financial Reporting Standards ("IFRS") effective in calendar year 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences with respect to recognition, measurement and disclosures. The Company's changeover to IFRS will be required for interim and annual financial statements beginning on January 1, 2011. The 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. The Company is currently assessing the impact of adopting IFRS on its financial statements.