

iLOOKABOUT Holdings Inc.
Consolidated Financial Statements

December 31, 2007 and 2006



To the Shareholders of iLOOKABOUT Holdings Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements of the Company and its subsidiaries, including responsibility for significant accounting judgments and estimates. (This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which judgment is required.) These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”).

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. To fulfill these responsibilities, the Board reviews the financial information prepared by management and discusses relevant and significant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company’s external auditors.

Neal, Pallett & Townsend LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them. Their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

“Jeff Young”
Jeff Young
Chief Executive Officer

“Robin Dyson”
Robin Dyson, CA
Chief Financial Officer

NPT

NEAL, PALLETT & TOWNSEND_{LLP}

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Directors of iLOOKABOUT Holdings Inc.

We have audited the consolidated balance sheet of iLOOKABOUT Holdings Inc. as at December 31, 2007 and the consolidated statements of operations, deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Neal, Pallett & Townsend LLP

London, Canada
March 28, 2008

Neal, Pallett & Townsend LLP
Chartered Accountants
Licensed Public Accountants

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iLOOKABOUT Holdings Inc.
Consolidated Balance Sheets
As at December 31, 2007 and 2006

	2007	2006
Assets		
Current		
Cash and cash equivalents	\$ 600,742	\$ 178,184
Accounts receivable	135,868	50,805
Sales tax recoverable	38,521	-
Investment tax credit receivable	275,000	164,022
Deferred corporate transaction costs	100,473	-
Prepaid and other expenses	56,494	3,840
	\$ 1,207,098	\$ 396,851
Capital assets (note 4)	\$ 412,603	\$ 43,353
Intangible assets (note 5)	\$ 80,535	\$ 43,274
Total Assets	\$ 1,700,236	\$ 483,478
Liabilities		
Current		
Accounts payable and accrued charges	\$ 316,835	\$ 35,167
Sales tax payable	-	7,504
	\$ 316,835	\$ 42,671
Shareholders' equity		
Share capital (note 8)	\$ 3,288,181	\$ 1,074,039
Warrant capital (note 8)	\$ 205,936	\$ -
Contributed surplus (note 8)	\$ 169,894	\$ 24,652
Deficit	\$ (2,280,610)	\$ (657,884)
	\$ 1,383,401	\$ 440,807
Total Liabilities & Shareholders' Equity	\$ 1,700,236	\$ 483,478

Commitments (note 11)
Subsequent events (note 15)

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:

"Brice Scheschuk"
Brice Scheschuk
Director

"Jeff Young"
Jeff Young
Director

iLOOKABOUT Holdings Inc.
Consolidated Statements of Deficit
For the years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Deficit - beginning of year	\$ (657,884)	\$ (520,110)
Net loss for the year	(1,622,726)	(137,774)
Deficit - end of year	<u>\$ (2,280,610)</u>	<u>\$ (657,884)</u>

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Holdings Inc.
Consolidated Statements of Operations
For the years ended December 31, 2007 and 2006

	2007	2006
Revenue	\$ 486,833	\$ 336,470
Operating expenses		
Research, technology and operations	\$ 821,757	\$ 153,385
Selling, general and administration	1,000,323	254,501
Amortization of capital and intangible assets	108,877	20,272
Stock based compensation (note 9)	169,299	59,427
	\$ 2,100,256	\$ 487,585
Loss before other earnings (loss)	\$ (1,613,423)	\$ (151,115)
Other earnings (loss)		
Interest and other income	\$ 14,028	\$ 4,320
Foreign exchange gain (loss)	(23,331)	9,021
	\$ (9,303)	\$ 13,341
Net loss for the year	\$ (1,622,726)	\$ (137,774)
Loss per share		
Basic and fully diluted (note 10)	(0.072)	(0.008)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Holdings Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2007 and 2006

	2007	2006
Operating activities		
Net loss for the year	\$ (1,622,726)	\$ (137,774)
Adjustments for non-cash items:		
Gain on disposal of capital assets	(300)	-
Amortization of capital and intangible assets	108,877	20,272
Stock based compensation	169,299	59,427
	\$ (1,344,850)	\$ (58,075)
Changes in non-cash working capital:		
Accounts receivable	\$ (85,063)	\$ (3,753)
Sales tax recoverable	(38,521)	-
Investment tax credit receivable	(110,978)	12,380
Prepaid and other expenses	(52,654)	660
Accounts payable and accrued charges	281,668	(46,495)
Sales tax payable	(7,504)	(2,180)
	\$ (13,052)	\$ (39,388)
Cash flow used by operating activities	\$ (1,357,902)	\$ (97,463)
Financing activities		
Due from related parties	\$ -	\$ (2,065)
Deferred corporate transaction costs	(100,473)	-
Proceeds from issue of share capital	2,396,022	200,325
Cash flow from financing activities	\$ 2,295,549	\$ 198,260
Investing activities		
Additions to capital assets	\$ (471,846)	\$ (15,277)
Proceeds on disposal of capital assets	\$ 2,400	\$ -
Additions to intangible assets	(45,643)	(1,320)
Cash flow used by investing activities	\$ (515,089)	\$ (16,597)
Increase in cash and cash equivalents during the year	\$ 422,558	\$ 84,200
Cash and cash equivalents - beginning of the year	178,184	93,984
Cash and cash equivalents - end of the year	\$ 600,742	\$ 178,184
Supplemental Disclosure		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

1. Nature of Business

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

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

2. Summary of significant accounting policies

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

Basis of presentation

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

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

Revenue recognition

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes balances with banks.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in-first-out method.

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

(Note 2 – continued)

Deferred corporate transaction costs

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

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

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

Impairment of long-lived assets

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

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

As at December 31, 2007, no events or changes in circumstances had occurred that would indicate that the carrying costs of long-lived assets may not be recoverable.

Capital assets

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

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

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

(Note 2 – continued)

Intangible assets

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

Research and development

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

Future income taxes

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

Investment tax credits

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

Foreign currency translation

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

Stock-based compensation

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

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

(Note 2 – continued)

Earnings (loss) per share

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

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

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

Use of estimates

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

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

3. Accounting Policy Changes

The Company has adopted the following Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections which apply to fiscal years beginning on or after October 1, 2006.

Section 1530 - Comprehensive Income
Section 3855 - Financial Instruments – Recognition and Measurement
Section 3861 - Financial Instruments – Disclosure and Presentation
Section 3865 - Hedges
Section 3251 - Equity

The recommendations contained in Sections 3855, 3861 and 3865 establish standards for recognizing and measuring financial instruments, which include financial assets, financial liabilities, derivatives and embedded derivatives. Under these recommendations, all financial instruments are to be recorded initially at fair value. In subsequent periods, all financial instruments are re-measured based on the classification adopted for the financial instrument: held for trading, held-to-maturity, loans and receivables, available-for-sale or other liabilities.

Held for trading

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

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
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(Note 3 – continued)

Held-to-maturity

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

Loans and receivables

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

Available-for-sale

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

Other liabilities

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

The Company has designated its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	Held for trading
Accounts receivable	Loans and receivable
Taxes other than income tax receivable	Loans and receivable
Investment tax credit receivable	Loans and receivable
Accounts payable and accrued charges	Other liabilities

These sections also establish standards for when and how hedge accounting may be applied. Consistent with financial instruments, it requires that all derivatives be measured at fair value, with changes in fair value recognized in earnings unless specific hedge criteria are met, which requires that a company must formally document, designate and assess effectiveness of transactions that require hedge accounting. Certain derivatives embedded in other contracts must also be measured at fair value.

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

CICA Handbook Section 3251, Equity, establishes standards for the presentation of equity and changes in equity during the reporting period.

These new standards have been adopted prospectively. Adoption of these standards did not have an impact on the January 1, 2007 opening balances.

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

4. Capital assets

	December 31, 2007			December 31, 2006		
	Cost	Accum. Amort'n	Net Book Value	Cost	Accum. Amort'n	Net Book Value
Computer hardware	\$355,820	\$118,039	\$237,781	\$92,789	\$72,496	\$20,293
Computer software	17,830	12,713	5,117	7,596	7,596	-
Equipment – Virtual Tours	16,988	11,645	5,343	16,565	10,362	6,203
Equipment – Street Level	164,628	41,157	123,471	-	-	-
Furniture and equipment	71,922	34,284	37,638	39,170	28,968	10,202
Leasehold improvements	10,972	10,277	695	10,200	10,200	-
Vehicles	4,300	1,742	2,558	7,830	1,175	6,655
	\$642,460	\$229,857	\$412,603	\$174,150	\$130,797	\$43,353

5. Intangible assets

	December 31, 2007	December 31, 2006
Trademarks, patents, incorporation costs	\$ 116,576	\$ 70,934
Accumulated amortization	(36,041)	(27,660)
Intangible assets, net	\$ 80,535	\$ 43,274

6. Income taxes

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

	December 31, 2007	December 31, 2006
Loss before taxes	\$ (1,622,726)	\$ (137,774)
Expected income tax recovery using statutory income tax rates	(586,100)	(49,800)
Tax effect of:		
Scientific research expenditures not claimed in the period	179,400	103,600
Investment tax credit recognized in earnings not taxable in the period	(65,300)	(60,700)
Loss carry forward(s) claimed in the period	-	(23,900)
Loss in year not currently recognized	392,900	-
Finance costs deductible for tax	(23,600)	-
Foreign tax rate differences	12,800	-
Enacted tax rate changes	26,500	-
Non-deductible expenses incurred:		
Stock compensation expense	58,400	21,400
Other	5,000	9,400
Income tax recovery	\$ -	\$ -

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

(Note 6 – continued)

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

	December 31, 2007	December 31, 2006
Future income tax assets (liabilities):		
Non-capital losses carried forward	\$ 433,200	\$ 17,100
Scientific research expenditures carried forward	469,900	358,800
Investment tax credits carried forward	14,400	3,800
Finance costs	94,600	-
Capital assets and intangible assets	(15,500)	(300)
	\$ 996,600	\$ 379,400
Valuation allowance	(996,600)	(379,400)
Net future tax assets (liabilities)	\$ -	\$ -

As at December 31, 2007, the Company had approximately \$1,361,000 of Canadian and United States Federal non-capital losses and \$1,430,000 of Ontario and State of Michigan non-capital losses that expire between 2008 and 2027.

As at December 31, 2007, the Company also had a pool of Scientific Research and Experimental Development (“SRED”) expenditures carried forward of approximately \$1,056,000 Federally and \$1,810,000 Provincially which may be applied to reduce Canadian taxable income of future years. The SRED pool of expenditures carried forward do not expire.

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

Year ended December 31, 2007	\$321,800
Year ended December 31, 2006	\$168,000

The Company has also received assistance from the Industrial Research Assistance Program which is recorded as a direct reduction in wages and contracted services. Assistance received is presented below.

Year ended December 31, 2007	-
Year ended December 31, 2006	\$23,800

7. Related party transactions

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

Year ended December 31, 2007	\$13,100
Year ended December 31, 2006	\$13,035

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

(Note 7 – continued)

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

In September 2007, the Company purchased computer equipment from a related company owned by two officers and directors of the Company. The equipment was recorded at the exchange amount as a capital asset in the amount of \$20,000. This transaction was in the normal course of operations.

8. Share and warrant capital

Common shares

In June of 2006, the Company entered into an agreement with a shareholder for a private placement. The Company issued 1,850,375 common shares for proceeds of \$200,000. This agreement also included options entitling the holder to purchase a further 2,313,000 common shares for proceeds of \$200,000. In April of 2007, the shareholder exercised all options under this agreement.

In June of 2007, the Company completed a private placement of 2,717,392 units for \$0.46 per unit. Each unit consisted of one common share of the Corporation and one-half of one common share purchase warrant. Each full warrant entitles the Subscriber to purchase one common share for an exercise price of \$0.69 per share. Gross proceeds of this financing were \$1,250,000; share issue costs totaled \$183,937, resulting in net proceeds of \$1,107,573. An additional 217,391 warrants to purchase one common share at an exercise price of \$0.46 per share were granted to the Agents, the fair value of which is included in share issue costs. Total warrants issued in connection with this placement were 1,576,087.

In August 2007, the Company completed two private placements.

Under the first private placement, the Company issued 435,000 units at a unit price of \$0.46. Each unit consisted of one common share plus one half of one common share purchase warrant, for a total of 217,500 warrants. Each full warrant entitles the Subscriber to purchase one common share for an exercise price of \$0.69 per share. Gross proceeds of this financing were \$200,100. Share issue costs totaled \$27,853, resulting in net proceeds of \$178,905. An additional 34,800 warrants to purchase one common share at an exercise price of \$0.46 per share were granted to the Agent, the fair value of which is included in share issue costs. Total warrants issued in connection with this placement were 252,300.

Under the second private placement, the Company issued 1,657,341 units at a unit price of \$0.60. Each unit consisted of one common share. Gross proceeds of this financing were \$994,405. Share issue costs totaled \$90,577, resulting in net proceeds of \$903,828. No warrants were issued in connection with this private placement.

In October of 2007, the Company issued 8,400 units at a unit price of \$0.60. Each unit consisted of one common share. Gross proceeds of this share issue were \$5,040. There were no share issue costs or warrants issued in connection with this share issue.

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2007 and 2006

(Note 8 – continued)

Authorized: Unlimited Common Shares
 Issued: 25,633,133 Common Shares as below

	December 31, 2007		December 31, 2006	
	Shares	Amount	Shares	Amount
Common shares outstanding, beginning of the year	17,827,000	\$ 1,074,039	15,651,625	\$ 838,939
Options exercised - private placement	2,313,000	200,000	-	-
Options exercised - other	675,000	72,900	325,000	35,100
Shares issued – private placement	4,818,133	2,449,545	1,850,375	200,000
Fair value assigned to warrants	-	(241,158)	-	-
Share issue costs	-	(267,145)	-	-
Shares outstanding, end of the year	25,633,133	\$ 3,288,181	17,827,000	\$ 1,074,039

Warrants

In relation to the June 2007 private placement of 2,717,392 units, of the 1,576,087 total warrants issued, none of these warrants had been exercised as at December 31, 2007.

In relation to the first August 2007 private placement of 435,000 units, of the 252,300 total warrants issued, none of these warrants had been exercised as at December 31, 2007.

In relation to the second August 2007 private placement of 1,657,341 units, no warrants were issued.

As at December 31, 2007, a total of 1,828,387 warrants were outstanding.

	December 31, 2007		December 31, 2006	
	Warrants	Amount	Warrants	Amount
Warrants outstanding, beginning of year	-	\$ -	-	\$ -
Warrants issued	1,828,387	241,158	-	-
Warrant issue costs	-	(35,222)	-	-
Warrants outstanding, end of year	1,828,387	\$ 205,936	-	\$ -

Contributed Surplus

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

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

iLOOKABOUT Holdings Inc.
Notes to Consolidated Financial Statements
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(Note 8 – continued)

The following table presents changes in contributed surplus.

Balance, January 1, 2006	\$	-
Options granted to directors, officers and consultants		59,427
Options exercised		(34,775)
Balance, December 31, 2006	\$	24,652
Options granted to directors, officers and consultants		169,299
Fair value of warrants granted to agents		48,168
Options exercised		(72,225)
Balance, December 31, 2007	\$	169,894

9. Stock-based compensation

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

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

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

	Number of Options	Weighted Average Exercise Price	Weighted Average Share Price	Weighted Average Years to Expiry
Outstanding December 31, 2005	-			-
Granted	674,050	0.001	0.108	
Exercised	(325,000)	0.001	0.108	
Outstanding December 31, 2006	349,050			5
Granted	325,950	0.001	0.108	
Granted	795,000	0.411	0.509	
Exercised	(675,000)	0.001	0.001	
Outstanding December 31, 2007	795,000			5

Of the 349,050 unexercised Options as at December 31, 2006, all had vested. Of the 795,000 unexercised Options as at December 31, 2007; 198,750 had vested.

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

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(Note 9 – Stock-based compensation)

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

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

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

10. Loss per share

	Year ended December 31, 2007	Year ended December 31, 2006
Net loss	\$ (1,622,726)	\$ (137,774)
Weighted average number of common shares, options and warrants outstanding:		
Basic	22,527,054	16,920,594
Effect of stock options	995,513	1,581,841
Effect of warrants	1,024,509	-
	24,547,076	18,502,435
Loss per share:		
Basic and fully diluted	\$ (0.072)	\$ (0.008)

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

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11. Commitments

The Company is committed to payments under operating leases for vehicles and premises through 2010 in the total amount of approximately \$244,237. Annual payments are:

2008	\$	116,557
2009		86,583
2010		41,097

12. Financial instruments

Fair values

As at December 31 2006 and 2007, the estimated fair value of cash and cash equivalents, accounts receivable, investment tax credit receivable and accounts payable and accrued charges approximate their carrying value due to the short-term maturities of these instruments.

Credit risk

Credit risk arises from the potential that a customer will fail to make payment in respect of outstanding accounts. As at December 31, 2007, accounts receivable related to one customer represented approximately 80% of net accounts receivable. This amount was fully collected subsequent to year end.

Currency risk

The Company realizes some of its sales and purchases in foreign currency. As a result, some assets, liabilities, income and expenses are exposed to foreign exchange fluctuations. At December 31, 2007, the Company's cash, accounts receivable and accounts payable denominated in U.S. dollars amounted to \$29,873; \$119,979; and \$14,639 respectively. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk. Depending on the future nature, extent and timing of foreign currency transactions, the Company, upon approval by the Board of Directors, may enter into foreign currency contracts to mitigate the associated risks. For the periods reported upon herein, there were no foreign currency contracts outstanding.

Interest rate risk

The Company does not have significant exposure to interest rate risk as the Company does not have short or long-term debt, nor does it have short or long-term investments upon which interest is earned; therefore, the Company does not use derivative instruments to reduce its exposure to interest rate risk.

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13. Segmented information

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

Operations of the Company are in the following geographic areas:

	2007			2006		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 253,199	\$ 233,634	\$ 486,833	\$ 286,955	\$ 49,515	\$ 336,470
Capital assets	412,603	-	412,603	43,353	-	43,353
Intangible assets	80,535	-	80,535	43,274	-	43,274

One customer accounted for 30% of revenue recognized for the year ended December 31, 2007, and one customer accounted for 12% of revenue recognized for the year ended December 31, 2006. These customers accounted for 86% of net trade accounts receivable at December 31, 2007, and 17% of net trade accounts receivable at December 31, 2006.

14. Comparative figures

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

15. Subsequent events

Qualifying Transaction and Private Placement

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

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

As at December 31, 2007, deferred corporate transaction costs of \$95,833 were recognized as an asset with respect to the proposed amalgamation.

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(Note 15 – continued)

On February 21, 2008, the Company completed a Private Placement Offering. An aggregate of 6,567,500 subscription receipts at \$0.80 per subscription receipt were issued, each consisting of one common share and one warrant to purchase one common share of iLOOKABOUT at a price per share of \$1.00. The agents in the offering received 515,400 options each consisting of an option to purchase one common share and receive one warrant to purchase one common share of iLOOKABOUT at a price per share of \$1.00 upon the payment of \$0.80. The subscription receipts automatically converted into the shares and warrants upon the closing of the amalgamation, and the agents' options converted into iLOOKABOUT Corp. agents' options. As such, 6,567,500 iLOOKABOUT Corp. common shares and 6,567,500 iLOOKABOUT Corp. warrants and 515,400 iLOOKABOUT Corp. agents' compensation options are attributable to the offering.

As at December 31, 2007, deferred corporate transaction costs of \$4,640 were recognized as an asset with respect to the proposed Private Placement Offering.

16. Restatement

The restated consolidated financial statements for the year ended December 31, 2006, were prepared to reflect stock-based compensation expense relating to stock-based awards that were granted during 2006. The impact of the restatement was an increase in stock compensation expense and contributed surplus of \$59,427. The resulting net loss per share increased from 0.005 to 0.008. The withdrawal of the previous audit opinion dated March 28, 2007, was replaced with the audit opinion dated October 3, 2007.

17. Future accounting changes

The CICA has issued a number of new accounting pronouncements that have not yet come into effect that will need to be considered for subsequent years.

(a) Capital Disclosures

Section 1535 – Capital Disclosures, applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, and will require disclosure of the Company's objectives, policies and processes for managing capital. It is expected that this section will require further note disclosure about how the Company defines capital, what externally imposed capital requirements it faces, the consequences of non-compliance with external capital requirements, and how it monitors and manages capital.

(b) Financial Instruments – Disclosures

Section 3862 – Financial Instruments – Disclosures, is effective for fiscal years beginning on or after October 1, 2007 and will require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

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(Note 17 – continued)

(c) Financial Instruments – Presentation

Section 3863 – Financial Instruments – Presentation, is effective for fiscal years beginning on or after October 1, 2007. The purpose of this Section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This Section establishes standards for the presentation of financial instruments and non-financial derivatives, and deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.