iLOOKABOUT Corp.
Consolidated Financial Statements
Years Ended December 31, 2008 and 2007

To the Shareholders of iLOOKABOUT Corp.:

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.

KPMG 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 Audit Committee and management to discuss their audit findings.

"Robin Dyson"
Robin Dyson, CA
Chief Financial Officer
March 6, 2009

"Jeff Young"
Jeff Young
Chief Executive Officer
March 6, 2009

AUDITORS' REPORT

To the Shareholders of iLOOKABOUT Corp.

We have audited the consolidated balance sheet of iLOOKABOUT Corp. as at December 31, 2008 and the consolidated statements of operations and comprehensive loss, deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for December 31, 2007 were reported on by another firm of chartered accountants.

Chartered Accountants, Licensed Public Accountants

London, Canada
March 6, 2009

iLOOKABOUT Corp.
Consolidated Balance Sheets

As at December 31	2008	2007
Assets		
Current Assets		
Cash and cash equivalents	$ 1,581,938	$ 600,742
Trade and other receivables (note 13)	168,121	204,852
Investment tax credit receivable	258,577	275,000
Prepaid expenses and other current assets	107,764	56,494
Deferred corporate transaction costs	-	100,473
	2,116,400	1,237,561
Equipment (note 4)	582,577	412,602
Intangible assets (note 5)	88,313	80,535
Total Assets	$ 2,787,290	$ 1,730,698
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 378,527	$ 347,300
Deferred revenue	107,569	-
	486,096	347,300
Deferred revenue	37,500	-
Shareholders' Equity		
Share capital (note 8)	6,495,232	3,288,181
Warrant capital (note 8)	1,444,249	205,936
Contributed surplus (note 8)	707,789	169,894
Deficit	(6,383,576)	(2,280,613)
	2,263,694	1,383,398
Commitments (note 11)		
Total Liabilities and Shareholders' Equity	$ 2,787,290	$ 1,730,698

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors:

"Ronald Breen"
Ronald Breen, FCA
Director

"Jeff Young"
Jeff Young
Director

iLOOKABOUT Corp.
Consolidated Statements of Operations and Comprehensive Loss

Years ended December 31		2008		2007
Revenue	$	818,877	$	486,834
Operating expenses				
Research, technology and operations		1,976,601		821,757
Selling, general and administration		2,501,707		1,000,328
Amortization of equipment		254,464		100,489
Amortization of intangible assets		35,146		8,387
Stock based compensation (note 9)		225,776		169,299
		4,993,694		2,100,260
Loss from operations before the undernoted		(4,174,817)		(1,613,426)
Interest and other income		48,930		14,028
Foreign exchange gain (loss)		22,924		(23,331)
Loss and comprehensive loss for the year	$	(4,102,963)	$	(1,622,729)
Loss per share				
Basic and diluted (note 10)	$	(0.13)	$	(0.07)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Corp.
Consolidated Statements of Deficit

Years ended December 31		2008		2007
Deficit - beginning of year	$	(2,280,613)	$	(657,884)
Loss for the year		(4,102,963)		(1,622,729)
Deficit - end of year	$	(6,383,576)	$	(2,280,613)

See accompanying notes to the consolidated financial statements.

iLOOKABOUT Corp.
Consolidated Statements of Cash Flows

Years ended December 31		2008		2007
Operating activities				
Loss for the year	$	(4,102,963)	$	(1,622,729)
Adjustments for non-cash items:				
Loss (gain) on disposal of equipment		965		(300)
Amortization of equipment		254,464		100,489
Amortization of intangible assets		35,146		8,387
Stock based compensation		225,776		169,299
		(3,586,612)		(1,344,854)
Changes in non-cash working capital:				
Trade and other receivables		36,731		(154,047)
Investment tax credit receivable		16,423		(110,978)
Prepaid expenses and other current assets		(51,270)		(52,654)
Accounts payable and accrued liabilities		31,227		304,629
Deferred revenue		145,069		-
		178,180		(13,050)
Cash flow used by operating activities		(3,408,432)		(1,357,904)
Financing activities				
Deferred corporate transaction costs		100,473		(100,473)
Government assistance received		-		7,709
Proceeds from options exercised		20,050		199,990
Issuance of common shares and warrants		4,737,433		2,196,032
Cash flow from financing activities		4,857,956		2,303,258
Investing activities				
Purchase of equipment		(425,404)		(479,553)
Proceeds on disposal of equipment		-		2,400
Purchase of intangible assets		(42,924)		(45,643)
Cash flow used by investing activities		(468,328)		(522,796)
Increase in cash and cash equivalents during the year		981,196		422,558
Cash and cash equivalents - beginning of year		600,742		178,184
Cash and cash equivalents - end of year	$	1,581,938	$	600,742
Represented by:				
Cash	$	282,503	$	600,742
Cash equivalents		1,299,435		-
	$	1,581,938	$	600,742
Supplemental Disclosure				
Cash paid for interest expense	$	-	$	-
Cash paid for income taxes		-		-

See accompanying notes to the consolidated financial statements.

1. Nature of Business

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

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

Amalgamation – iLOOKABOUT Inc. and iLOOKABOUT Inventions Inc.

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

Amalgamation – iLOOKABOUT Holdings Inc. and Berkeley Capital Corp. I

On April 1, 2008, iLOOKABOUT Holdings Inc. ("ILAH") amalgamated with Berkeley Capital Corp. I ("Berkeley"), a public company listed on the TSX Venture Exchange ("TSXV") to form a new company with the name iLOOKABOUT Corp. ("iLOOKABOUT" or "the Company") under the provisions of the Business Corporations Act (Ontario).

The amalgamation constituted the qualifying transaction of Berkeley pursuant to the policies of the TSXV and is the means by which ILAH has become a public issuer.

Under the amalgamation agreement, the then outstanding Berkeley common shares were exchanged for 2,103,829 common shares of iLOOKABOUT; Berkeley broker warrants were exchanged for 83,320 iLOOKABOUT warrants with an exercise price of $0.48; and Berkeley options were exchanged for 208,300 iLOOKABOUT options with an exercise price of $0.48. The transaction resulted in the shareholders of ILAH retaining a 74.7% interest. The iLOOKABOUT common shares commenced trading on April 7, 2008 with 34,304,492 shares issued and outstanding on that date. See notes 8 and 9.

As the qualifying transaction and amalgamation resulted in ILAH shareholders acquiring control of the amalgamated company, ILAH is deemed to be the acquirer for financial reporting purposes. The share exchange is therefore considered to be a reverse takeover. As Berkeley was deemed a non-operating public enterprise, the transaction has been accounted for as a capital transaction wherein the net monetary assets of Berkeley are recorded at their fair market values, net of transaction costs to the extent of cash on hand in Berkeley.

The net monetary assets of Berkeley upon amalgamation were as follows:

Monetary assets	$	543,429
Less monetary liabilities		-
Net monetary assets	$	543,429
Less transaction costs		480,067
Amount allocated to share and warrant capital (note 8)	$	63,362
Amount allocated to share capital	$	60,948
Amount allocated to warrant capital		2,414

2. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Significant accounting policies adopted by the Company are as follows:

(a) 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 consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. The Company is a start-up company and is subject to risks common to early stage, technology based companies including limited operating history, dependence on key personnel, the 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 $6,383,576 (2007 - $2,280,613), shareholders' equity of $2,263,694 (2007 - $1,383,398) and working capital of $1,630,304 (2007 - $890,261). The Company has not generated significant revenues to date which would provide cash inflows. Failure to generate sufficient cash inflows through sales growth, future financing or a combination of these, could result in the inability of the Company to continue as a going concern in the future. The Company's consolidated financial statements do not include adjustments and disclosures that would be required if the going concern assumption was not appropriate.

(b) Principles of Consolidation

The 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.

(c) Financial Assets and Financial Liabilities

CICA Handbook Section 3855 establishes standards for recognizing and measuring financial assets and financial liabilities. It requires that financial assets and liabilities be recognized on the balance sheet when the Company becomes a party to the contractual provisions of a financial instrument. Under this standard, all financial instruments are required to be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held for trading, loans and receivables, held to maturity, available for sale or financial liabilities. Management determines the classification of financial assets and liabilities at initial recognition.

The Company designated its cash and cash equivalents as held for trading, with gains and losses arising from changes in fair value of these instruments recorded in the consolidated statement of operations and comprehensive loss.

(Note 2 – continued)

Trade and other receivables and investment tax credit receivable are classified as loans and receivables which are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other liabilities which are also measured at amortized cost using the effective interest method.

(d) Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term, highly liquid investments such as treasury bills and guaranteed investment certificates.

(e) Revenue recognition

The Company recognizes revenue in accordance with Canadian GAAP which, in the circumstances of the Company, is not materially different from the amounts that would be recognized under the provisions of the American Institute of Certified Public Accountants' Statement of Position ("SOP") No. 97-2, "Software Revenue Recognition", as modified by SOP No. 98-9.

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

Revenue from the Virtual Tour product is recognized when persuasive evidence of an arrangement exists, the product has been delivered, there are no significant uncertainties around product acceptance by the customer, the fees are fixed and determinable and collection is considered probable.

StreetScape related revenue is generated through the licensing of geo-coded, street-level images. The related revenue is recognized as service is delivered, when the fee is fixed and determinable and collection is reasonably assured. Revenue for long term licensing contracts is generally recognized over the life of the contract in accordance with contract terms. 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.

Revenue from sales arrangements that include multiple elements is allocated between the elements using the residual method when vendor specific objective evidence of the fair value of all undelivered elements exists.

(f) 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 that are more likely than not to be completed are recognized as deferred corporate transaction costs until the proposed transaction is completed or abandoned.

(Note 2 – continued)

If the Company issues debt securities, the related transaction costs are included in the initial carrying amount of the debt issued and are amortized on an effective yield method. 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 deferred as an asset are expensed in full as of the date of abandonment.

(g) Equipment

Equipment is stated at cost less accumulated amortization, and is amortized over the estimated useful life of the asset based on the following:

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

In the year of acquisition, a half-year of amortization is recorded, and no amortization is recorded in the year of disposal.

(h) Impairment of long-lived assets

Long-lived assets, including equipment and intangible assets with finite useful 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.

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.

(i) Intangible assets

Intangible assets, including patents and trademarks, are stated at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the asset's estimated useful life. Annually, Management assesses the appropriateness of the estimated useful life of intangibles assets.

(Note 2 – continued)

(j) Research and development

Research costs 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.

(k) Future income taxes

The Company follows the asset and liability method of accounting for future income taxes. 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. The effect of future changes in tax rates is recognized in income in the period that includes the date of substantive enactment. To the extent that it is not more likely than not that a future tax asset will be realized, a valuation allowance is provided.

(l) Investment tax credits

The Company applies for 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.

(m) Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar. 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 assets and liabilities are translated to Canadian dollars using the rate in effect at the transaction date. Revenues and expenses in foreign currencies are translated to 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 operations for the period.

(n) Stock-based compensation

Stock options granted under the Company's stock option plan, as summarized in Note 9, are accounted for using the fair value method. Compensation expense is measured at fair value at the date of grant and is recognized over the period of vesting of options granted, with the counterpart recognized in contributed surplus. Upon exercise of stock options, the exercise proceeds together with amounts previously credited to contributed surplus, are credited to share capital.

(o) Loss per share

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

(Note 2 – continued)

Diluted loss per share is calculated by dividing net loss by the weighted average number of shares outstanding including all additional common shares that would have been outstanding if the proceeds, as a result of the exercise of dilutive stock options and warrants, were used to acquire shares at the average market price during the period.

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

(p) Use of estimates

The preparation of these 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 areas requiring the use of management estimates include valuation of future income taxes, valuation of investment tax credit receivable, stock-based compensation, accounting for share and warrant capital, valuation of equipment and intangible assets, and valuation of accounts receivable. Due to the start-up nature of the Company, it is reasonably possible that changes in future conditions could require a material change in recognized amounts.

3. Accounting Policy Changes

On January 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections:

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

(a) Capital Disclosures

Section 1535 – Capital Disclosures, requires disclosure of the Company’s objectives, policies and processes for managing capital. Implementation of this section requires 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, if any, and how it monitors and manages capital. These new disclosures are included in Note 12.

(b) Financial Instruments – Disclosures

Section 3862 – Financial Instruments – Disclosures, requires the Company 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. These new disclosures are included in Note 13.

(Note 3 – continued)

(c) Financial Instruments – Presentation

Section 3863 – Financial Instruments – Presentation, carries forward the presentation standards which previously existed under Section 3861.

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

4. Equipment

	2008			2007		
	Cost	**Accum. Amort'n**	**Net Book Value**	**Cost**	**Accum. Amort'n**	**Net Book Value**
Computer hardware	$566,773	$221,016	**$345,757**	$355,820	$118,039	**$237,781**
Computer software	66,926	42,378	**24,548**	17,830	12,713	**5,117**
Equipment – Virtual Tours	18,531	12,868	**5,663**	16,988	11,645	**5,343**
Equipment – StreetScape	246,637	144,297	**102,340**	164,627	41,157	**123,470**
Furniture and equipment	132,099	47,829	**84,270**	71,922	34,284	**37,638**
Leasehold improvements	30,431	12,223	**18,208**	10,972	10,277	**695**
Vehicles	4,300	2,509	**1,791**	4,300	1,742	**2,558**
	$1,065,697	$483,120	**$582,577**	$642,459	$229,857	**$412,602**

5. Intangible assets

	2008	2007
Trademarks, patents, incorporation costs	$ 151,820	$ 116,576
Accumulated amortization	(63,507)	(36,041)
Intangible assets, net	$ 88,313	$ 80,535

(Note 5 – continued)

At least annually, Management conducts its annual assessment of the potential impairment of long lived assets and the appropriateness of estimates with respect to the useful lives of long lived assets. With respect to intangible assets, composed of patents and trademarks, Management determined there was no impairment of these assets. Given the rapidly changing technology environment and Management's experience to date regarding the uncertainty of patent application success and timing to obtain patents, Management has determined that the estimated useful life of these assets is from one to three years as compared to an estimated useful life of ten years utilized in prior years. The impact of this change in estimate in 2008, was amortization of approximately $20,000 more than would have been recorded had there been no change in estimated useful life.

6. Income taxes

The recovery of income taxes differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate of 33.5% (2007 - 36.12%) to the Loss before taxes for reasons as follows:

		Year ended December 31, 2008		**Year ended December 31, 2007**
Loss before taxes	$	(4,102,963)	$	(1,622,729)
Expected income tax recovery using statutory income tax rates		(1,374,500)		(590,500)
Tax effect of:				
Amounts not deductible for tax		104,000		58,400
Share issuance costs deductible for tax		(168,300)		(23,600)
Change in valuation allowance		1,279,800		511,400
Change in future income tax rates		195,000		39,300
Change in scientific research and development incentives		214,100		
Tax impact of amalgamation		(245,000)		-
Other		(5,100)		5,000
Income tax recovery	$	-	$	-

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

		December 31, 2008		**December 31, 2007**
Future income tax assets (liabilities):				
Non-capital losses carried forward	$	1,421,000	$	437,600
Scientific research and development incentives		581,800		484,300
Share issuance costs		194,400		94,600
Equipment and intangible assets		79,200		(15,500)
	$	2,276,400	$	1,001,000
Valuation allowance		(2,276,400)		(1,001,000)
Net future tax assets (liabilities)	$	-	$	-

(Note 6 – continued)

In assessing the value of the future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will be realized. The ultimate realization of future tax assets is dependent upon future taxable income. Management considers the likelihood of future profitability, the character of the tax assets and any applicable tax planning strategies to make this assessment. To the extent that management believes that the realization of future tax assets do not meet the more likely than not criterion, a valuation allowance is provided against the future tax assets. Management currently believes that the Company does not meet the more likely than not criterion and, therefore, future tax assets have not been recognized in the consolidated financial statements. Accordingly, the Company has recorded a valuation allowance of $2,276,400 and $1,001,000 for the periods ended December 31, 2008 and 2007, respectively.

As at December 31, 2008, the Company has non-capital losses for tax purposes of approximately $4,900,000 that expire between 2009 and 2028.

As at December 31, 2008, the Company also has undeducted federal and provincial Scientific Research and Experimental Development (“SR&ED”) expenditures of approximately $1,570,000 and $2,684,000, respectively. These SR&ED expenditures do not expire. In addition, the Company has unused investment tax credits of approximately $164,000.

7. Related party transactions

Two of the premises occupied by the Company are rented on an annual basis from a related company owned by an officer and director of the Company. The Company paid rent of $15,300 (2007 - $13,100), which is included in selling, general and administration costs, to the related company. The rental agreement for one of these premises expired May 2008.

In September 2007, the Company purchased computer equipment from a related company owned by two officers and directors of the Company at the exchange amount of $20,000.

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.

8. Share capital, warrant capital and contributed surplus

Share capital and warrants

		2008		2007	
	Expiry date	**Issued**	**Amount**	**Issued**	**Amount**
Authorized:					
Unlimited common shares					
Unlimited preferred shares					
Issued:					
Common shares		34,384,492	$ 6,495,232	25,633,133	$ 3,288,181
Share purchase warrants:					
$0.69 warrants	April 7/09	1,576,196	205,936	1,576,196	205,936
$0.46 agent warrants[1]	June 19/09	217,391	-	217,391	-
$0.46 agent warrants[1]	Aug 13/09	34,800	-	34,800	
$0.48 warrants	Sept 17/09	83,320	2,414	-	-
$1.00 warrants	April 1/10	6,567,500	1,235,899	-	-
$1.00 agent warrants[1]	Feb 21/10	515,400	-		
		8,994,607	1,444,249	1,828,387	205,936
Share capital and warrants		43,379,099	$ 7,939,481	27,461,520	$ 3,494,117

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

The details of changes in common shares and warrants outstanding are summarized in the following tables:

	2008		2007	
	Shares	**Amount**	**Shares**	**Amount**
Common shares, beginning of year	25,633,133	$ 3,288,181	17,827,000	$ 1,074,039
Options exercised - private placement	-	-	2,313,000	200,000
Options exercised - other	80,000	45,516	675,000	72,900
Shares issued - private placement	6,567,530	5,254,000	4,818,133	2,449,545
Fair value assigned to warrants	-	(1,497,390)	-	(241,158)
Shares issued – amalgamation (note 1)	2,103,829	60,948	-	-
Share issue costs	-	(656,023)	-	(267,145)
Common shares, end of year	34,384,492	$ 6,495,232	25,633,133	$ 3,288,181

	2008		2007	
	Warrants	**Amount**	**Warrants**	**Amount**
Warrants, beginning of year	1,828,387	$ 205,936	-	$ -
Warrants issued - private placement	7,082,900	1,497,390	1,828,387	241,158
Warrants issued – amalgamation (note 1)	83,320	2,414	-	-
Warrant issue costs	-	(261,491)	-	(35,222)
Warrants, end of year	8,994,607	$ 1,444,249	1,828,387	$ 205,936

(Note 8 – continued)

(i) In June of 2006, ILAH entered into an agreement with a shareholder for a private placement. ILAH 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.

(ii) In June of 2007, ILAH completed a private placement of 2,717,392 units for $0.46 per unit. Each unit consisted of one common share of ILAH and one-half of one common share purchase warrant. Each full warrant entitled the subscriber to purchase one common share of ILAH for an exercise price of $0.69 per share. Gross proceeds of this financing were $1,250,000; share issue costs, including agents' fees and the value of broker warrants granted to agents, totaled $183,937, resulting in net proceeds of $1,066,063. 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 the share issue costs noted above. Total warrants issued in connection with this placement were 1,576,087.

The $0.69 warrants were allocated $177,291 of the net proceeds based on their *prorata* 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 4.5%; an expected volatility of 100%; an expected life of two years and no expected dividend yield. The Agent's warrants were valued at $41,521 utilizing Black-Scholes model and the same assumptions.

In August 2007, ILAH completed two private placements.

(iii) Under the first private placement in August 2007, ILAH issued 435,000 units at a unit price of $0.46. Each unit consisted of one common share and one half of one common share purchase warrant, for a total of 217,500 warrants. Each full warrant entitled the subscriber to purchase one common share of ILAH for an exercise price of $0.69 per share. Gross proceeds of this financing were $200,100. Share issue costs, including agents' fees and the value of broker warrants granted to agents, totaled $27,853, resulting in net proceeds of $172,246. 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.

The $0.69 warrants were allocated $28,645 of the net proceeds based on their *prorata* 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 4.5%; an expected volatility of 100%; an expected life of two years and no expected dividend yield. The agent's warrants were valued at $6,646 utilizing Black-Scholes model and the same assumptions.

(iv) Under the second private placement in August 2007, ILAH issued 1,657,341 common shares at a share 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.

(v) In October of 2007, ILAH issued 8,400 common shares at a price of $0.60 per 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.

(Note 8 – continued)

(vi) In February 2008, ILAH completed a private placement of 6,567,530 units for $0.80 per unit. Each unit consisted of one common share of ILAH and one common share purchase warrant. Each full warrant entitled the subscriber to purchase one common share of ILAH for an exercise price of $1.00 per share. Gross proceeds of this financing were $5,254,000. Share issue costs, including the fair value of warrants issued to agents, totaled $917,514. Agents were issued 515,400 units in connection with this financing. Each unit entitles the agent to purchase one common share and one common share purchase warrant for an exercise price of $0.80. The resulting warrant entitles the agent to purchase an additional common share at an exercise price of $1.00. Total warrants issued to investors and agents in connection with this placement were 7,082,900. As at December 31, 2008, none of these warrants had been exercised.

The $1.00 warrants were allocated $1,235,899 of the net proceeds based on their *prorata* 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 2.75%; an expected volatility of 100%; an expected life of two years and no expected dividend yield. The agent's warrants were valued at $337,587 utilizing Black-Scholes model and the same assumptions.

(vii) Effective April 1, 2008, ILAH and Berkeley amalgamated to form iLOOKABOUT Corp. Pursuant to the amalgamation, common shares, options and warrants of ILAH were exchanged on a one for one basis for iLOOKABOUT Corp. common shares, options and warrants, and each Berkeley common share, option and warrant was exchanged for 0.2083 common shares, options and warrants of iLOOKABOUT Corp. common shares, options and warrants.

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, 2006	$	24,652
Stock compensation expense		169,299
Fair value of warrants granted to agents		48,168
Options exercised		(72,225)
Balance, December 31, 2007	$	169,894
Stock compensation expense		225,776
Fair value of warrants granted to agents		337,587
Options exercised		(25,468)
Balance, December 31, 2008	$	707,789

9. Stock-based compensation

The Company has established a 2008 Stock Option Plan ("Plan") whereby the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants. Pursuant to the amalgamation of iLOOKABOUT Holdings Inc. and Berkeley, this Plan replaces the stock option plans of each predecessor entity.

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 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, 2006	349,050	0.001	0.108	4.4
Granted	325,950	0.001	0.108	
Granted	795,000	0.411	0.509	
Exercised	(675,000)	0.001	0.108	
Outstanding December 31, 2007	795,000	0.411	0.509	5.0
Granted	400,000	0.375	0.500	
Granted upon amalgamation	208,300	0.480	0.021	
Exercised	(80,000)	0.251	0.465	
Outstanding December 31, 2008	1,323,300	0.421	0.432	4.0

Of the 1,323,300 unexercised options as at December 31, 2008; 1,124,550 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:

	2008 Stock Option Plan	2007 Stock Option Plan	2001 Stock Option Plan
Exercise price	$0.375	$0.125 to $0.60	$0.001
Estimated fair value at grant	$0.50	$0.384 to $0.60	$0.108
Risk free interest rate	3.50%	4.50%	4.40%
Expected dividend yield	0%	0%	0%
Expected share volatility	65.5%	100%	100%
Expected average option life	5 years	0 to 2 years	1 year

10. Loss per share

		2008		2007
Loss for the period	$	(4,102,963)	$	(1,622,729)
Weighted average number of common shares, options and warrants outstanding:				
Basic		32,196,652		22,527,054
Effect of stock options		1,024,558		995,513
Effect of warrants		7,203,052		1,024,509
		40,424,262		24,547,076
Loss per share:				
Basic and diluted	$	(0.13)	$	(0.07)

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

11. Commitments

The Company is committed to minimum payments under operating leases for vehicles and premises as follows:

2009	$	98,775
2010		41,097

12. Capital management

The Company defines capital as the components of shareholders' equity.

The Company's objectives in managing capital are to:

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

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

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

13. Financial risk management

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

(a) Liquidity risk

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

The contractual obligations of the Company as at December 31, 2008, were composed of accounts payable, accrued liabilities and commitments in the amount of $518,399. The Company's immediate cash and cash equivalent resources totaled $1,581,938 as at December 31, 2008, indicating the Company's ability to meet its financial obligations. Working capital, defined as current assets less current liabilities, was $1,630,303 as at December 31, 2008.

(b) Credit risk

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

Cash and cash equivalents

As at December 31, 2008, the Company held cash in bank accounts in the amount of $282,503 and cash equivalents such as treasury bills and guaranteed investment certificates in the amount of $1,299,435. The Company's investment policy requires that the Company only invest in highly rated investment grade securities, with highly rated financial institutions, in order to minimize exposure to loss.

Accounts receivable

Trade credit risk arises from the potential that a customer will fail to meet their contractual obligations as they fall due and is primarily attributable to accounts receivable. To reduce exposure to this risk, the Company has implemented a credit policy which incorporates an approval process for new customers expected to carry significant balances, establishment of credit limits and ongoing monitoring of the credit worthiness of customers with significant credit limits. Further, the Company regularly monitors and manages the aging of accounts receivable.

As at December 31, 2008, accounts receivable related to four customers represented approximately 85% of trade accounts receivable at that date, of which 100% were collected subsequent to December 31, 2008.

(Note 13 – continued)

General provisions for bad debt are made based on past experience. Specific provisions are made against trade receivables for any customer that is known to be in poor financial condition or for any other reason it is considered doubtful that the customer's balance outstanding will be settled in full. Of the Company's accounts receivable as at December 31, 2008, $27,147 was outstanding greater than 30 days and therefore considered overdue. Of this outstanding amount, $2,761 was outstanding greater than 180 days, and an allowance has been established in full against these receivables. Further amounts are allowed for when an account is less than 180 days old but there is a specific reason to believe collection may be doubtful. As at December 31, 2008 the Company's allowance for doubtful accounts was $3,210.
The change in allowance for doubtful accounts is as follows:

Allowance for doubtful accounts at December 31, 2007	$	47,589
Increase in allowance after considering write offs		7,342
Accounts written off		(51,721)
Allowance for doubtful accounts at December 31, 2008	$	3,210

(c) Market risk

Market risk is the risk of loss that may arise from changes in market prices such as foreign exchange rates and interest rates, which will affect the Company's operating results or value of its financial instruments.

Foreign currency exchange rate risk

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

All other things being equal, based on the US dollar denominated assets and liabilities of the consolidated Company as at December 31, 2008, the impact of a 5% strengthening (weakening) of the Canadian dollar against the US dollar would have a nominal impact on loss for the year.

Interest rate risk

The Company receives a fixed rate of interest on investments in treasury bills and a variable rate of interest, based on movements in the prime interest rate, on guaranteed investment certificates. A change of 1% in the interest rate received on investments with a variable interest rate would have a nominal impact on loss for the year.

14. Financial instruments

The carrying amounts cash and cash equivalents, trade and other receivables, investment tax credit receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

15. Segmented information

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

Operations of the Company are in the following geographic areas:

	2008			**2007**		
	Canada	United States	Total	Canada	United States	Total
Revenue	$ 255,581	$ 563,296	$ 818,877	$ 351,869	$ 134,965	$ 486,834
Equipment	582,577	-	582,577	412,602	-	412,602
Intangible assets	88,313	-	88,313	80,535	-	80,535

One customer accounted for approximately 60% of revenue recognized for the year ended December 31, 2008. At December 31, 2008, four customers each accounted for more than 10% of trade accounts receivable, totaling approximately 85% of trade accounts receivable at December 31, 2008, of which 100% was collected subsequent to December 31, 2008.

One customer accounted for 30% of revenue recognized for the year ended December 31, 2007. This customer accounted for 86% of trade accounts receivable at December 31, 2007.

16. Comparative figures

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

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.

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, with early adoption allowed starting in calendar year 2009. 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. Changes in accounting policies are likely, but whether their impact on the financial statements will be material has not yet been determined. The Company is currently assessing the impact of adoption of IFRS on its financial statements.

Goodwill and intangible assets

Section 3064 – Goodwill and intangible assets, is effective for fiscal years beginning on or after October 1, 2008 and replaces Section 3062 (Goodwill and other intangible assets) and Section 3450 (Research and development costs). Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The Company is currently evaluating the impact of this new standard on its 2009 financial statements.

Consolidated Financial Statements

The Accounting Standards Board ("AcSB") issued a revised Section 1601 – Consolidated Financial Statements. This revised Section is applicable to accounting periods beginning on or after January 1, 2011. This Section establishes standards for the preparation of consolidated financial statements. Management does not expect that the adoption of this revised section will have a material impact on the Company's financial statements.

Non-controlling Interests

The AcSB issued a revised section 1602 – Non-controlling Interests. This revised Section is applicable to accounting periods beginning on or after January 1, 2011. This Section establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. There are currently no non-controlling interests, nor are there any expected, in the Company's subsidiaries. Accordingly, management does not expect that the adoption of this revised section will have a material impact on the Company's financial statements.

Business Combinations

The AcSB issued a revised section 1602 – Non-controlling Interests. This revised Section is applicable to accounting periods beginning on or after January 1, 2011. The objective of this Section is to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statement about a business combination and its effects. Management does not expect that the adoption of this revised section will have a material impact on the Company's financial statements.