

iLOOKABOUT Corp.
Unaudited Interim Consolidated Financial Statements

Nine Months Ended September 30, 2008 and 2007



iLOOKABOUT Corp.
Interim Consolidated Balance Sheets

	As at September 30, 2008 Unaudited	As at December 31, 2007 Audited
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,718,518	\$ 600,742
Trade and other receivables	162,866	204,853
Investment tax credit receivable	275,000	275,000
Deferred corporate transaction costs	-	100,473
Prepaid expenses and other current assets	119,018	56,494
	3,275,402	1,237,562
Equipment (note 4)	638,947	412,603
Intangible assets (note 5)	84,458	80,535
Total Assets	\$ 3,998,807	\$ 1,730,700
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 576,182	\$ 347,299
Deferred revenue	125,942	-
	702,124	347,299
Deferred revenue	50,000	-
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)	699,088	169,894
Deficit	(5,391,886)	(2,280,610)
	3,246,683	1,383,401
Commitments (note 11)		
Total Liabilities and Shareholders' Equity	\$ 3,998,807	\$ 1,730,700

See accompanying notes to the unaudited interim consolidated financial statements.

Approved by the Board of Directors:

"Ronald Breen"
Ronald Breen, FCA
Director

"Jeff Young"
Jeff Young
Director

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Operations

	Three months ended		Nine months ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Revenue	\$ 213,233	\$ 92,862	\$ 579,666	\$ 321,704
Operating expenses				
Research, technology and operations	717,272	430,433	1,437,732	643,699
Selling, general and administration	789,543	264,646	1,867,100	531,399
Amortization of equipment	81,921	46,265	189,991	58,669
Amortization of intangible assets	9,236	1,985	15,521	5,377
Stock based compensation (note 9)	145,393	12,787	217,075	61,235
	1,743,365	756,116	3,727,419	1,300,379
Loss from operations before the undernoted	(1,530,132)	(663,254)	(3,147,753)	(978,675)
Interest and other income	17,126	5,641	41,106	5,641
Foreign exchange loss	(658)	(12,912)	(4,629)	(22,756)
Loss and comprehensive loss for the period	\$ (1,513,664)	\$ (670,525)	\$ (3,111,276)	\$ (995,790)
Loss per share				
Basic and fully diluted (note 10)	(0.04)	(0.03)	(0.10)	(0.05)

See accompanying notes to the unaudited interim consolidated financial statements.

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Deficit

	Three months ended		Nine months ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Deficit - beginning of period	\$ (3,878,222)	\$ (983,149)	\$ (2,280,610)	\$ (657,884)
Loss and comprehensive loss for the period	(1,513,664)	(670,525)	(3,111,276)	(995,790)
Deficit - end of period	\$ (5,391,886)	\$ (1,653,674)	\$ (5,391,886)	\$ (1,653,674)

See accompanying notes to the unaudited interim consolidated financial statements.

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Cash Flows

	Three months ended		Nine months ended	
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007
Operating activities				
Loss for the period	\$ (1,513,664)	\$ (670,525)	\$ (3,111,276)	\$ (995,790)
Adjustments for non-cash items:				
Amortization of equipment	81,921	46,265	189,991	58,669
Amortization of intangible assets	9,236	1,985	15,521	5,377
Stock based compensation	145,393	12,787	217,075	61,235
	(1,277,114)	(609,488)	(2,688,689)	(870,509)
Changes in non-cash working capital:				
Trade and other receivables	(50,777)	(14,025)	41,987	(15,498)
Investment tax credit receivable	85,000	(90,856)	-	(155,856)
Prepaid expenses and other current assets	(41,453)	2,009	(62,525)	(27,129)
Accounts payable and accrued liabilities	9,394	244,233	228,883	366,635
Deferred revenue	74,341	-	125,942	-
	76,505	141,361	334,287	168,152
Cash flow used by operating activities	(1,200,609)	(468,127)	(2,354,402)	(702,357)
Financing activities				
Deferred corporate transaction costs	-	(25,000)	100,473	(25,000)
Deferred revenue	(12,500)	-	50,000	-
Government assistance received	-	7,709	-	7,709
Proceeds from options exercised	-	-	20,050	199,990
Issuance of common shares and warrants	-	1,082,734	4,737,433	2,190,992
Cash flow from financing activities	(12,500)	1,065,443	4,907,956	2,373,691
Investing activities				
Purchase of equipment	(175,312)	(285,095)	(415,060)	(344,511)
Purchase of intangible assets	(3,816)	(13,164)	(20,718)	(13,164)
Cash flow used by investing activities	(179,128)	(298,259)	(435,778)	(357,675)
Increase (decrease) in cash and cash equivalents during the period	(1,392,237)	299,057	2,117,776	1,313,659
Cash and cash equivalents - beginning of period	4,110,755	1,192,786	600,742	178,184
Cash and cash equivalents - end of period	\$ 2,718,518	\$ 1,491,843	\$ 2,718,518	\$ 1,491,843
Represented by:				
Cash	\$ 614,010	\$ 1,491,843	\$ 614,010	\$ 1,491,843
Cash equivalents	2,104,508	-	2,104,508	-
	\$ 2,718,518	\$ 1,491,843	\$ 2,718,518	\$ 1,491,843
Supplemental Disclosure				
Cash paid for interest expense	\$ -	\$ -	\$ -	\$ -
Cash paid for income taxes	-	-	-	-

See accompanying notes to the unaudited interim consolidated financial statements.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

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.

Since 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

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

2. Significant Accounting Policies

(a) Basis of presentation

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

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), and follow the same policies and methods of their application as the most recent annual financial statements except with respect to the accounting policy changes disclosed in note 3 herein. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2007.

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

These unaudited interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. The Company is a start-up company and is subject to risks common to early stage, technology based companies. Specifically, the Company has a history of operating losses and has not generated significant revenues to date. 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 unaudited interim consolidated financial statements do not include adjustments and disclosures that would be required if the going concern assumption was not appropriate.

(b) 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.

(c) 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 at the time the product is delivered and collection is reasonably assured.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(Note 2 – continued)

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

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

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

(d) 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 deferred corporate transaction costs until the proposed transaction is completed or abandoned.

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.

(e) Equipment

Equipment is stated at cost less accumulated amortization, and is amortized based on the following:

Asset	Rate	Method
Computer software	100%	declining balance method
Computer hardware	30%	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

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(Note 2 – continued)

(f) 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.

(g) Intangible assets

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

(h) 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.

(i) 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.

(j) 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.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(Note 2 – continued)

(k) 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.

(l) 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.

(m) 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.

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.

(n) 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.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

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 required further note disclosure about how the Company defines capital, what externally imposed capital requirements it faces, the consequences of non-compliance with external capital requirements, 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 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. These new disclosures are included in Note 13.

(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

	September 30, 2008			December 31, 2007		
	Cost	Accum. Amort'n	Net Book Value	Cost	Accum. Amort'n	Net Book Value
Computer hardware	\$557,468	\$194,225	\$363,243	\$355,820	\$118,039	\$237,781
Computer software	66,926	34,962	31,964	17,830	12,713	5,117
Equipment – Virtual Tours	18,531	12,562	5,969	16,988	11,645	5,343
Equipment – StreetScape	248,804	118,675	130,129	164,628	41,157	123,471
Furniture and equipment	131,351	44,386	86,965	71,922	34,284	37,638
Leasehold improvements	30,431	11,737	18,694	10,972	10,277	695
Vehicles	4,300	2,317	1,983	4,300	1,742	2,558
	\$1,057,811	\$418,864	\$638,947	\$642,460	\$229,857	\$412,603

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

5. Intangible assets

	September 30, 2008	December 31, 2007
Trademarks, patents, incorporation costs	\$ 136,997	\$ 116,576
Accumulated amortization	(52,539)	(36,041)
Intangible assets, net	\$ 84,458	\$ 80,535

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:

	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Loss before taxes	\$ (3,111,276)	\$ (995,790)
Expected income tax recovery using statutory income tax rates	(1,042,300)	(359,700)
Tax effect of:		
Amounts not deductible for tax	82,800	22,100
Share issuance costs deductible for tax	(190,200)	(7,600)
Change in valuation allowance	1,139,900	341,500
Change in future income tax rates	137,600	-
Tax impact of amalgamation	(245,000)	-
Other	117,200	3,700
Income tax recovery	\$ -	\$ -

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

	September 30, 2008	September 30, 2007
Future income tax assets (liabilities):		
Non-capital losses carried forward	\$ 1,148,800	\$ 346,900
Scientific research expenditures carried forward	583,800	380,800
Investment tax credits carried forward	136,500	3,800
Share issuance costs	207,800	16,700
Equipment and intangible assets	59,600	(3,600)
	\$ 2,136,500	\$ 744,600
Valuation allowance	(2,136,500)	(744,600)
Net future tax assets (liabilities)	\$ -	\$ -

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(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 \$2,136,500 and \$744,600 for the periods ended September 30, 2008 and 2007, respectively.

As at September 30, 2008, the Company has non-capital losses for tax purposes of approximately \$3,961,000 that expire between 2008 and 2028.

As at September 30, 2008, the Company also has undeducted federal and provincial Scientific Research and Experimental Development (“SR&ED”) expenditures of approximately \$1,475,000 and \$2,589,000, respectively. These SR&ED expenditures do not expire. In addition, the Company has unused investment tax credits of approximately \$136,500.

SR&ED investment tax credits have been applied as a reduction to research, technology and operations expense in the following amounts:

Period ended September 30, 2008		-
Period ended September 30, 2007	\$	150,000

7. Related party transactions

Two of the premises occupied by the Company are rented on an annual basis from a related company. The related company is partially owned by an officer and director of the Company. The Company paid rent, which is included in selling, general and administration costs, to the related company in the amounts noted below. The rental agreement for one of these premises expired May 2008.

Three months ended September 30, 2008	\$	3,000
Nine months ended September 30, 2008		13,400
Three months ended September 30, 2007	\$	3,000
Nine months ended September 30, 2007		9,000

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 of \$20,000. This transaction was in the normal course of operations.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

8. Share capital, warrant capital and contributed surplus

Share capital and warrants

	Expiry date	September 30, 2008		December 31, 2007	
		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 18/09	252,191	-	252,191	-
\$1.00 warrants	Feb 22/09	7,082,900	1,235,899	-	-
\$0.48 warrants	Sept 17/09	83,320	2,414	-	-
		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 outstanding are summarized in the following table:

	Nine Months Ended September 30, 2008		Year Ended December 31, 2007	
	Shares	Amount	Shares	Amount
Common shares, beginning of period	25,633,133	\$ 3,288,181	17,827,000	\$ 1,074,039
Options exercised - private placement	-	-	2,313,000	200,000
Options exercised - other	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	2,103,829	60,948	-	-
Share issue costs	-	(656,023)	-	(267,145)
Common shares, end of period	34,384,492	\$ 6,495,232	25,633,133	\$ 3,288,181

The details of changes in warrants outstanding are summarized in the following table:

	Nine Months Ended September 30, 2008		Year Ended December 31, 2007	
	Warrants	Amount	Warrants	Amount
Warrants, beginning of period	1,828,387	\$ 205,936	-	\$ -
Warrants issued - private placement	7,082,900	1,497,390	1,828,387	241,158
Warrants issued - amalgamation	83,320	2,414	-	-
Warrant issue costs	-	(261,491)	-	(35,222)
Warrants, end of period	8,994,607	\$ 1,444,249	1,828,387	\$ 205,936

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(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 pro-rata share of the calculated fair value of the total unit fair value at issuance using a Black-Scholes pricing model and assuming: a risk free interest rate of 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 pro-rata share of the calculated fair value of the total unit fair value at issuance using a Black-Scholes pricing model and assuming: a risk free interest rate of 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 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.
- (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.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(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 September 30, 2008, none of these warrants had been exercised.

The \$1.00 warrants were allocated \$1,235,899 of the net proceeds based on their pro-rata share of the calculated fair value of the total unit fair value at issuance using a Black-Scholes pricing model and assuming: a risk free interest rate of 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 - options granted to directors, officers and consultants		169,299
Fair value of warrants granted to agents		48,168
Options exercised		(72,225)
Balance, December 31, 2007	\$	169,894
Stock compensation expense - options granted to directors, officers and consultants		217,075
Fair value of warrants granted to agents		337,587
Options exercised		(25,468)
Balance, September 30, 2008	\$	699,088

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

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 but unissued 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 Sept 30, 2008	1,323,300	0.421	0.432	4.2

Of the 1,323,300 unexercised options as at September 30, 2008; 1,040,800 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	\$0.500	\$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

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

10. Loss per share

	Three months ended September 30, 2008	Three months ended September 30, 2007
Loss for the period	\$ (1,513,664)	\$ (670,525)
Weighted average number of common shares, options and warrants outstanding:		
Basic	34,384,492	24,927,286
Effect of stock options	1,056,633	418,333
Effect of warrants	8,994,607	1,744,287
	44,435,732	27,089,906
Loss per share:		
Basic and diluted	\$ (0.04)	\$ (0.03)

	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Loss for the period	\$ (3,111,276)	\$ (995,790)
Weighted average number of common shares, options and warrants outstanding:		
Basic	31,467,372	21,491,694
Effect of stock options	924,978	1,062,350
Effect of warrants	6,605,867	756,550
	38,998,217	23,310,594
Loss per share:		
Basic and diluted	\$ (0.10)	\$ (0.05)

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

11. Commitments

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

2008 - fourth quarter	\$ 47,615
2009	98,775
2010	41,097

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

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 September 30, 2008, were composed of accounts payable, accrued liabilities and commitments in the amount of \$728,274. The Company's immediate cash and cash equivalent resources totaled \$2,718,518 as at September 30, 2008, indicating the Company's ability to meet its financial obligations. Working capital, defined as current assets less current liabilities, was \$2,608,479 as at September 30, 2008.

(b) Credit risk

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

Cash and cash equivalents

As at September 30, 2008, the Company held cash in bank accounts in the amount of \$614,010 and cash equivalents such as treasury bills and guaranteed investment certificates in the amount of \$2,104,508. The Company's investment policy requires that the Company only invest in highly rated investment grade securities in order to minimize exposure to loss.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(Note 13 – continued)

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 and investment tax credit 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 September 30, 2008, accounts receivable related to two customers represented approximately 78% of trade accounts receivable at that date, which were fully collected subsequent to September 30, 2008.

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 September 30, 2008, \$30,592 were greater than 180 days old, 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. The Company has not permanently written off these receivables as none of these amounts have been challenged by the respective customers(s) and the Company continues to conduct business with them on an ongoing basis.

The change in allowance for doubtful accounts is as follows:

Allowance for doubtful accounts at December 31, 2007	\$ 47,589
Accounts written off	(18,504)
Foreign exchange change on accounts allowed for	1,392
Increase in allowance	2,267
Allowance for doubtful accounts at September 30, 2008	\$ 32,744

(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 (i.e. the use of foreign exchange contracts).

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

(Note 13 – continued)

All other things being equal, based on the US dollar denominated assets and liabilities of the consolidated Company as at September 30, 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 period.

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 period.

14. Financial instruments

The Company has classified and designated its financial instruments as follows:

	September 30, 2008		December 31, 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Held for trading				
Cash and cash equivalents	\$2,718,518	\$2,718,518	\$600,742	\$600,742
Loans and receivables				
Trade and other receivables	162,866	162,866	204,853	204,853
Investment tax credit receivable	275,000	275,000	275,000	275,000
	\$3,156,384	\$3,156,384	\$1,080,595	\$1,080,595
Financial liabilities				
Other liabilities				
Accounts payable and accrued liabilities	\$576,182	\$576,182	\$347,299	\$347,299
	\$576,182	\$576,182	\$347,299	\$347,299

The carrying amounts reflected in the above table approximate fair values due to the short-term nature of these financial instruments.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

15. Segmented information

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

Operations of the Company are in the following geographic areas:

	Three months ended September 30, 2008			Three months ended September 30, 2007		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 55,582	\$ 157,651	\$ 213,233	\$ 64,877	\$ 27,985	\$ 92,862
Equipment	638,947	-	638,947	321,484	-	321,484
Intangible assets	84,458	-	84,458	51,062	-	51,062

	Nine months ended September 30, 2008			Nine months ended September 30, 2007		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 167,771	\$ 411,895	\$ 579,666	\$ 195,651	\$ 126,053	\$ 321,704
Equipment	638,947	-	638,947	321,484	-	321,484
Intangible assets	84,458	-	84,458	51,062	-	51,062

Two customers accounted for 69% of revenue recognized for the three months ended September 30, 2008, and 65% of revenue recognized for the nine months ended September 30, 2008. As at September 30, 2008, three customers accounted for 88% of trade accounts receivable.

For the three months ended September 30, 2007, two customers accounted for 32% of recognized revenue, and for the nine months ended September 30, 2007, three customers accounted for 32% of recognized revenue. As at September 30, 2007, four customers each accounted for greater than 10% of trade accounts receivable. In total, these customers accounted for 73% of trade accounts receivable.

16. Comparative figures

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

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
Nine months ended September 30, 2008

17. Future changes in accounting policies

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.