iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months from January 1, 2009 to June 30, 2009 (the "*Period*")

The information set forth below has been prepared as at August 26, 2009, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s ("iLOOKABOUT" or the "Company") unaudited interim consolidated financial statements for the six months ended June 30, 2009, including the accompanying notes, which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis ("MD&A") is intended to assist in understanding the dynamics of the Company's business and key factors underlying its financial results. The Company's Annual Information Form ("AIF") can also be found on SEDAR at www.sedar.com .

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("*GAAP*") for interim financial statements, and follow the same policies and methods of their application as the Company's most recent annual financial statements, except with respect to the accounting policy changes disclosed herein. By their nature, the unaudited interim consolidated financial statements do not conform in all respects with disclosures for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008.

All dollar figures referred to herein are Canadian dollars unless otherwise stated.

A cautionary note regarding forward-looking statements follows the section "Risk Factors" below.

Company Background

iLOOKABOUT is a visual knowledge company, with its primary focus being to provide street-level, geo-spatial imaging. iLOOKABOUT uses proprietary hardware and software systems to capture, process and geo-code street-level image data from a moving vehicle. Each high resolution image is captured with a digital camera and geo-coded using public GPS and proprietary technologies to record location specific and other data. iLOOKABOUT collects data from public streets in its targeted geographic areas, creating a database of images and associated metadata (data about data or content items). The iLOOKABOUT StreetScape ("*StreetScape*") image database is compatible with all major mapping applications (Google, Yahoo, MSN, ESRI, Intergraph, Bentley, etc.) and is accessible through iLOOKABOUT's secure web service. iLOOKABOUT intends to continue to build its image database for major population centres in North America and Europe and to license its image data to governments and related agencies, including emergency services, and businesses in a variety of industries, such as real estate, utilities, property assessment, insurance and financial institutions. iLOOKABOUT also provides Virtual Tour products which it will continue to offer, support and enhance. However, iLOOKABOUT's principal focus will be to provide access to its StreetScape image database.

Current Overview

Given the economic environment and outlook in the latter part of 2008 and the fact that the Company was in the very early stages of commercializing its primary product and facing a longer than initially anticipated sales cycle, Management determined it prudent to develop and implement aggressive cost containment measures to preserve cash resources at that time. These measures continue to be in place. The primary areas of cost reduction were in the areas of sales and marketing human resources and related costs and speculative data capture. As the Company has already captured images for what it considers "critical mass" for Ontario, and is approaching "critical mass" for Canada, Management is leveraging these assets by focusing its sales efforts where data has been collected.

In July 2009, iLOOKABOUT completed a private placement resulting in gross proceeds of $2,198,700, and is continuing to make progress toward generating increased cash inflows through sales and government grants. However, the Company's three-year strategic plan is still not fully funded with its existing cash resources and the Company will need to generate additional funds to meet the objectives of its strategic plan. Management continues to assess the appropriateness of its cost containment measures in light of the Company's progress toward the closing of significant sales agreements and the recently completed private placement. Management, on a regular and on-going basis, assesses the need to balance the preservation of cash resources with the pursuit of strategic objectives critical to the Company's long-term success.

Outlook

To assist in forecasting future financial resources, the Company monitors revenue backlog, a non-GAAP financial measure. As at June 30, 2009, the Company had a revenue backlog of approximately $6,330,000 compared to its revenue backlog of approximately $6,800,000 as at March 31, 2009. This represents an approximate 7% decrease, of which 14% of this decrease relates to foreign exchange rate changes. As at August 26, 2009, the Company's revenue backlog is approximately $6,810,000. The Company defines "revenue backlog" as the estimated revenue attributable to the uncompleted portion of signed sales agreements for which future collection is probable, selling price is fixed and determinable, and there is no reason to believe that the Company will be unable to deliver the contracted service. The revenue backlog disclosed herein does not include any revenue expected to arise from sales agreements where the customer has no commitment to draw upon services from the Company. To the extent revenue derived from these sales agreements is recognized in future periods for financial reporting purposes, such recognized revenue amount is then deducted from the revenue backlog figure. The revenue backlog does not include that portion of revenue associated with sales agreements extending beyond five years, and accordingly, revenue backlog is adjusted at the end of each quarter to include only revenues that fall within the five year limit with the passage of time. Revenue backlog is a non-GAAP financial measure and therefore does not have a standardized meaning as defined by GAAP and may not be consistent with the definition assigned to this measure by other reporting issuers. Revenue backlog is based on Management's current expectations and entails various risks, uncertainties and assumptions which, if not correct, could cause or contribute to actual results that are materially different than those expressed or implied.

Overall Performance and Results of Operations

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's unaudited interim consolidated financial statements for the six months ended June 30, 2009, including the accompanying notes, which can be found on SEDAR at www.sedar.com.

Summary of Quarterly Results

	Unaudited				Audited
	Three months ended				Year ended
	March 31	June 30	Sept 30	Dec 31	Dec 31
Fiscal 2009					
Revenue	$ 431,062	$ 551,339			
Loss from operations before interest and other income and foreign exchange gain (loss)	(503,203)	(562,492)			
Loss for the period	(514,494)	(573,089)			
Loss per share (basic and diluted)	(0.01)	(0.02)			
Fiscal 2008					
Revenue	$ 180,703	$ 185,730	$ 213,234	$ 239,211	$ 818,878
Loss from operations before interest and other income and foreign exchange gain (loss)	(487,324)	(1,130,298)	(1,530,131)	(1,027,066)	(4,174,819)
Loss for the period	(474,496)	(1,123,117)	(1,513,664)	(991,688)	(4,102,965)
Loss per share (basic and diluted)	(0.02)	(0.03)	(0.05)	(0.03)	(0.13)
Fiscal 2007					
Revenue	$ 81,290	$ 147,553	$ 92,862	$ 165,129	$ 486,834
Loss from operations before interest and other income and foreign exchange gain (loss)	(44,962)	(270,462)	(663,254)	(634,748)	(1,613,426)
Loss for the period	(44,962)	(280,306)	(670,525)	(626,936)	(1,622,729)
Loss per share (basic and diluted)	(0.003)	(0.01)	(0.03)	(0.02)	(0.07)

Cumulative Quarterly Results Summary

	Unaudited			Audited
	Three Months Ended Mar 31	Six Months Ended June 30	Nine Months Ended Sept 30	Year Ended Dec 31
Fiscal 2009				
Revenue	$ 431,062	$ 982,401		
Loss from operations before interest and other income and foreign exchange gain (loss)	(503,203)	(1,065,695)		
Loss for the period	(514,494)	(1,087,583)		
Loss per share (basic and diluted)	(0.01)	(0.03)		
Fiscal 2008				
Revenue	$ 180,703	$ 366,433	$ 579,667	$ 818,878
Loss from operations before interest and other income and foreign exchange gain (loss)	(487,324)	(1,617,622)	(3,147,753)	(4,174,819)
Loss for the period	(474,496)	(1,597,613)	(3,111,277)	(4,102,965)
Loss per share (basic and diluted)	(0.02)	(0.05)	(0.10)	(0.13)
Fiscal 2007				
Revenue	$ 81,290	$ 228,843	$ 321,705	$ 486,834
Loss from operations before interest and other income and foreign exchange gain (loss)	(44,962)	(315,424)	(978,678)	(1,613,426)
Loss for the period	(44,962)	(325,268)	(995,793)	(1,622,729)
Loss per share (basic and diluted)	(0.00)	(0.02)	(0.05)	(0.07)

Revenue and Operating Expense Analysis

	Unaudited		Unaudited	
	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Total Revenue	**$ 551,339**	**$ 185,730**	**$ 982,401**	**$ 366,433**
Research, technology & operations	346,869	518,125	637,572	720,461
Selling, general & administration	643,838	708,903	1,185,386	1,077,558
Amortization of equipment	84,681	63,654	154,227	108,070
Amortization of intangible assets	6,036	3,292	10,363	6,285
Stock based compensation	32,407	22,055	60,548	71,682
Total Operating Expenses	**$ 1,113,831**	**$ 1,316,029**	**$ 2,048,096**	**$ 1,984,056**
Other earnings (loss)	(10,597)	7,181	(21,888)	20,009
Net loss	**$ (573,089)**	**$ (1,123,118)**	**$ (1,087,583)**	**$ (1,597,614)**
Loss per share (basic and diluted)	**$ (0.02)**	**$ (0.03)**	**$ (0.03)**	**$ (0.05)**

Revenue

Revenue increased 197% to $551,339 for the three months ended June 30, 2009, compared to the same period in fiscal 2008. For the six months ended June 30, 2009, revenue increased 168%, as compared to the same period of the prior year. These increases are primarily attributable to growth in the Company's StreetScape product. In the first two quarters of 2009, StreetScape revenue increased to approximately 89% of total revenue, as compared to approximately 67% in the same period of 2008. Virtual Tour related revenue decreased approximately 44% in the first two quarters of 2009 as compared to the same period in 2008. This decrease is attributable to a combination of the Company's shift in focus and resources to the StreetScape product and a general weakening of the real estate industry which is the target market for Virtual Tours, particularly in the United States.

In the first two quarters of 2008 compared to the first two quarters of 2009, revenue related to US-based customers increased from $254,244 to $322,870 respectively. As a percentage of total revenue, revenue related to the Company's US-based customers for this six month period decreased from 69% in 2008 to 33% in 2009. This change is primarily attributable to the increase in sales agreements with Canadian based customers for the StreetScape product in 2009.

In December 2007, iLOOKABOUT entered into a reseller agreement with Teranet Enterprises Inc. ("*Teranet*"). Teranet is the exclusive provider of access to Ontario's electronic land registration system and provides products and services, such as property information, transaction management, collateral risk management, geospatial information and workflow software, to real estate and other markets. Teranet has agreed to provide access to iLOOKABOUT StreetScape images as an additional product offering to its existing customers when they renew their licenses with Teranet, as well as to its new customers. The first significant Teranet customer license amendment to add the iLOOKABOUT StreetScape web service was executed in July 2008. As Teranet customer license renewals occur and as iLOOKABOUT StreetScape images are incorporated into other Teranet applications, revenue derived from the Company's reseller agreement with Teranet is expected to increase. Commencing February 1, 2009 iLOOKABOUT StreetScape data became available through Teranet's GeoWarehouse online service to all of the Real Estate Boards in Ontario, representing approximately 47,000 realtors that serve all regions of the Province.

Research, technology and operations expense

Generally, this expense category is composed primarily of direct data capture costs, such as driver labour, vehicle operating costs, and labour costs associated with research, technology and operations staff.

The Company's research, technology and operations expense decreased from $720,461 to $637,572 for the six months ended June 30, 2009 as compared to the same period in the prior year, representing a decrease of approximately 12%; and decreased from $518,125 to $346,869 for the three months ended June 30, 2008 and 2009 respectively. These decreases are primarily related to decreased data capture activity in 2009 as compared to 2008. In 2008, data capture was focused on building critical mass in the Company's target markets, while in 2009, the Company's data capture efforts have been focused on capturing data required to service existing sales agreements. As part of the Company's cost containment plans adopted in the latter part of 2008, speculative data capture was significantly reduced in order to conserve cash resources. In addition to a reduction in data capture expenditures in 2009, human resource related costs in the area of research, technology and operations were reduced, consistent with the Company's cost containment actions.

Data capture costs in the second quarter of 2009 increased approximately 313% compared to the first quarter. Due to the seasonal impact on data capture in Canada, the northern regions of the United States, and the United Kingdom, being the Company's current area of focus, minimal data capture occurred in the first quarter of 2009.

In the first quarter of 2008, research, technology and operations expenses were reduced by $85,000 for the estimated scientific research and experimental development ("SR&ED") tax credit claimed. On April 1, 2008, iLOOKABOUT became a "public company" and is therefore no longer eligible for a federal cash refund for SR&ED, but rather, will receive tax credits. Accordingly, a similar reduction was not made in the last three quarters of 2008, nor the first two quarters of 2009. At this time, Management has assessed that it is not more likely than not that the related future tax assets will be realized, and has therefore not recognized these amounts in the financial statements.

Selling, general and administration expense

This category of expense is composed primarily of corporate and sales related human resource costs, expenditures associated with the Company's sales and marketing program, professional and regulatory fees, and facilities and communication costs.

Selling, general and administration expense was $1,185,386 for the six months ended June 30, 2009 as compared to $1,077,558 for the same period in 2008. Human resource and travel related costs were reduced in the first two quarters of 2009 as compared to 2008, consistent with the Company's cost containment actions. Professional fees were also lower in the first two quarters of 2009, as the Company incurred greater expenditures in the first half of 2008 in order to develop the administrative infrastructure required to support the Company having become a "public company" in April 2008. Offsetting these decreases, was a significant increase in royalty and commission expenses in 2009, as compared to 2008, which were incurred as a result of increased sales in 2009. Timing related to the above noted changes generated an approximate 9% decrease in selling, general and administration expense for the three months ended June 30, 2008 compared to the same period in 2009.

Other

Increased amortization of equipment in the first two quarters of 2009 compared to the same period in 2008 is the result of significant equipment additions in the second and third quarters of 2008, which were needed to develop the infrastructure required for the Company's move from the research and development phase to the commercialization phase of the Company's lifecycle.

Stock compensation expense is recognized over the period of the vesting of options granted, with the counterpart recognized in contributed surplus. The fluctuations in stock compensation expense relate to the grant of options, the timing of vesting of granted options, and fair value assigned to options granted. In the first quarter of 2009, 120,000 options were granted and vested immediately. In the second quarter of 2009, 125,000 options were granted, of which 50% vested immediately.

In 2009, the combination of deflated interest rates on investments such as treasury bills and guaranteed investment certificates, a reduced cash position available for investment, and foreign exchange losses were the primary cause of the change from Other Income of $20,009 for the six months ended 2008, to Other Loss of $21,888 for the same period in 2009.

Certain revenue and expenditures of the Company are denominated in US Dollars, which exposes the Company to fluctuations in foreign exchange rates. To date, the nature of the Company's operations have provided a natural hedge (i.e. US Dollar denominated inflows have approximately matched US Dollar denominated outflows) which Management considers to be sufficient at this time to mitigate significant exchange rate risk based on the Company's current risk tolerance. The nature, extent and timing of foreign currency denominated cash flows are regularly monitored to identify changes in exposure and to assess the need for active management of this exposure through the use of foreign exchange contracts.

Assets, Liabilities and Share Capital Analysis

		June 30, 2009 Unaudited		Dec 31, 2008 Audited
Assets	$	2,013,367	$	2,787,290
Liabilities	$	770,458	$	523,596
Share and warrant capital	$	7,754,583	$	7,939,481
Contributed surplus	$	959,485	$	707,789
Common shares outstanding		34,434,492		34,384,492
Options and warrants outstanding		7,201,020		10,317,907

Assets

Total assets held at June 30, 2009 and December 31, 2008 were composed primarily of cash and cash equivalents, trade and other receivables, investment tax credit receivable and equipment.

Cash and cash equivalents decreased from $1,581,938 to $869,291 from December 31, 2008 to June 30, 2009 as the Company has not yet achieved sales levels sufficient to generate ongoing net cash inflows from operations. As discussed, the Company has undertaken cost containment measures and continues to seek additional cash inflows through new sales, government grants and/or equity financing. To that end, in July 2009, the Company successfully completed a private placement resulting in gross proceeds of $2,198,700. The positive impact on assets from this private placement will be reflected in the Company's third quarter financial statements.

Trade and other receivables decreased from $168,121 at December 31, 2008 to $109,472 at June 30, 2009. As at June 30, 2009, of trade receivables totaling $91,899, 84% was attributed to one customer and was fully collected subsequent to June 30, 2009. Investment tax credits receivable, which relate to estimated SR&ED investment tax credits for which a cash refund is anticipated, remained unchanged from the December 31, 2008 balance, at $258,577. The related SR&ED claims have yet to be assessed by the Canada Revenue Agency.

Equipment, net of accumulated amortization, decreased from $582,577 at December 31, 2008 to $563,843 at June 30, 2009, as additions in the first two quarters of 2009 were $137,060 as compared to $239,750 for the same period of the prior year, and amortization continued at regular rates.

Liabilities

As at June 30, 2009, the Company's liabilities totaled $770,458, of which $451,807 represented accounts payable and accrued liabilities and $318,651 represented deferred revenue. As at December 31, 2008, liabilities totaled $523,596, of which $378,527 represented accounts payable and accrued liabilities and $145,069 represented deferred revenue. Deferred revenue relates to payments received from customers in advance of providing StreetScape services and for which revenue has not yet been earned.

Commitments for the remainder of 2009 and 2010 related to leasing of premises and vehicles were in the amount of $90,484. The Company does not currently hold any traditional financing debt.

Share capital

In the first two quarters of 2009, the following changes occurred: share capital increased $21,038 due to the exercise of 50,000 options; warrant capital decreased $205,936 due to the expiry of 1,793,587 warrants; contributed surplus increased $251,696 due to recognition of stock compensation expense for the period, the exercise of 50,000 stock options, and the expiry of 1,793,587 warrants. Both the exercise of options and expiry of warrants occurred in the second quarter.

Outstanding Share Data

As at June 30, 2009, iLOOKABOUT had 34,434,492 common shares issued and outstanding, and outstanding options and warrants to purchase 8,719,320 common shares, exercisable at prices ranging from $0.125 to $1.00 per share.

On April 7, 2009, 1,576,196 of the warrants previously issued for the purchase of 1,576,196 common shares, at a price of $0.69 per share, expired unexercised. On June 19, 2009, 217,391 of the agent warrants previously issued for the purchase of 217,391 common shares, at a price of $0.46, expired unexercised. On August 13, 2009, subsequent to the second quarter, 34,800 of the agent warrants previously issued for the purchase of 34,800 common shares, at a price of $0.46, were exercised.

As discussed below, in July 2009, subsequent to the second quarter, iLOOKABOUT completed a private placement resulting in the sale of 5,496,750 Units. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company for a period of twelve months from the date of issuance at an exercise price of $0.55. In addition, 439,740 agent options were issued, which options entitle the holders to purchase 439,740 Units within 24 months of the issuance of such options, at an exercise price of $0.40.

Liquidity, Financing Activities and Capital Resources

As at June 30, 2009, iLOOKABOUT had working capital, calculated as current assets less current liabilities, of $649,813, consisting of cash and cash equivalents of approximately $869,291, trade and other receivables of $109,472, investment tax credit receivable of $258,577, prepaid and other current assets of $133,107, accounts payable and accrued charges of $451,807, and current deferred revenue of $268,827. The Company also has commitments of $90,484 due between July 2009 and December 2010. The Company’s current level of working capital, after considering commitments, indicates that the Company is presently able to meet its financial obligations as they fall due.

In July 2009, subsequent to the second quarter, iLOOKABOUT completed a private placement resulting in the sale of 5,496,750 Units for gross proceeds of $2,198,700. Net proceeds of the private placement will be used to pursue growth opportunities which may include the capture of additional streetscape image-data, increased sales and marketing efforts, expansion of capital infrastructure and for general corporate and working capital purposes.

In early April 2008, the funds raised through a private placement that was completed in February 2008 were released from escrow to the Company. The net proceeds of this private placement was $4,674,072. In the latter half of 2008, given the economic environment and outlook at that time and a longer than expected sales cycle, Management determined it to be prudent to curtail planned spending on speculative data capture costs (i.e. data capture without a definitive customer to license that data to), which includes direct and indirect costs to capture and process image data and capital expenditures required to support this data. The impact of this decision is reflected in a lower actual than planned use of proceeds to date for data capture.

	Planned Use of Proceeds	Actual Use of Proceeds
Data capture	$2,477,000	$1,491,000
Sales, marketing and general administration	1,309,000	1,405,000
Information technology infrastructure	608,000	600,000
Research and development	280,000	399,000
	$4,674,000	$3,895,000

The unused proceeds noted above will be combined with net proceeds raised through the July 2009 private placement, and will be used to pursue growth opportunities which may include the capture of additional streetscape image-data, increased sales and marketing efforts, expansion of capital infrastructure and for general corporate and working capital purposes.

Management continues to assess the appropriateness of its cost containment measures, discussed in "Current Challenges", including curtailed speculative data capture, in light of the Company's progress toward the closing of significant sales agreements and its recently completed private placement, and regularly assesses and responds to the need to balance the preservation of cash resources with pursuit of strategic objectives critical to the Company's long term success.

Commitments and Contractual Obligations

There has been no significant change in commitments and contractual obligations from those disclosed in Management's Discussion and Analysis for the year ended December 31, 2008, with the exception of the private placement completed in July 2009 discussed above. In connection with this private placement, the Company engaged an agent, pursuant to an agency agreement made as of July 3, 2009. As permitted under the agency agreement, the agent engaged the services of sub-agents. Collectively, the agents were entitled to, and did receive, cash commissions equal to 8% of the gross proceeds of the financing and a work fee of $20,000. As additional compensation provided for under this agreement, the agents received options to acquire the equivalent of 8% of the Units sold in the private placement for an exercise price of $0.40 for a period of twenty-four months from the closing date of the private placement. The agents were also entitled to reimbursement of reasonable fees and expenses, which totaled approximately $40,000.

Off Balance Sheet Arrangements

As at June 30, 2009, iLOOKABOUT had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company.

Financial Instruments

iLOOKABOUT's financial instruments consist of cash and cash equivalents, trade and other receivables, investment tax credits receivable and accounts payable and accrued charges. Management does not believe these financial instruments expose iLOOKABOUT to any significant interest, currency or credit risks.

Transactions with Related Parties

One of the premises occupied by the Company is rented on an annual basis from a related company which is owned by an officer and director of the Company. The Company paid rent of $6,000 to the related company in the period. These transactions are in the normal course of operations and are disclosed at the exchange amount, being the amount of consideration established and agreed to by the related parties.

Changes in Accounting Policies

Effective January 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") revised Handbook Section 3064 - Goodwill and Intangible Assets. This Section establishes new standards for the recognition and measurement of intangible assets. Adoption of this standard had no impact on the Company's financial statements.

On January 20, 2009, the CICA issued Emerging Issues Committee Abstract – 173 ("EIC-173"), Credit Risk and the Fair Value of Financial Assets and Liabilities. This abstract concludes that an entity's own credit risk and the credit risk of the counterparty should be taken into account when determining the fair value of financial assets and financial liabilities, including derivative instruments. This abstract is to apply to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this abstract had no impact on the Company's financial statements.

Future Accounting Policy 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.

Financial Instruments - Disclosures

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures", to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level 3 valuations are based on inputs that are not based on observable market data. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its consolidated 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.

International Financial Reporting Standards

In February 2008, the CICA's Accounting Standards Board confirmed that publicly accountable enterprises are required to 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 for periods beginning on or after 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 the adoption of IFRS on its financial statements and is developing a conversion plan which includes, but is not limited to, the following:

- Comparison of the Company's significant accounting policies under Canadian GAAP as compared to IFRS and quantification of the expected impact of IFRS adoption on its financial statements;
- Assessment of the impact of conversion on financial and business processes (i.e. internal control, data gathering and management, internal reporting, etc.);
- Assessment of the information technology and reporting systems required to support conversion to IFRS;
- Assessment of the financial reporting expertise required for conversion and expected training needs; and
- Identification of external resources and expertise required to facilitate an effective conversion.

Risk Factors

Significant risks that could materially affect iLOOKABOUT's future financial and/or operating results are contained in the Company's Annual Information Form that can be found on SEDAR at www.sedar.com. Those risks remain in effect and unchanged as at August 26, 2009.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Management's expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company's stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company's dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Additional information about some of these risk factors can be found in the Company's Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com.

Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to iLOOKABOUT, including the Company's Annual Information Form, may be found on SEDAR at www.sedar.com.