

iLOOKABOUT Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2016 and 2015

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(in Canadian dollars)

| As at | Note | March 31, 2016 | December 31, 2015 |
|---|------|---------------------|---------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash | | \$ 2,493,932 | \$ 2,600,269 |
| Trade and other receivables | | 1,134,544 | 525,849 |
| Prepaid expenses and other current assets | | 172,106 | 158,902 |
| | | <u>3,800,582</u> | <u>3,285,020</u> |
| Non-current Assets: | | | |
| Equipment | | 360,324 | 394,076 |
| Intangible assets | | 2,023,486 | 2,079,385 |
| | | <u>2,383,810</u> | <u>2,473,461</u> |
| Total Assets | | <u>\$ 6,184,392</u> | <u>\$ 5,758,481</u> |
| Liabilities and Shareholders' Equity | | | |
| Current Liabilities: | | | |
| Accounts payable and accrued liabilities | | \$ 1,205,755 | \$ 1,244,414 |
| Unearned revenue | | 1,128,196 | 746,584 |
| Current portion of long-term debt | 4 | 610,467 | 607,159 |
| | | <u>2,944,418</u> | <u>2,598,157</u> |
| Non-current Liabilities: | | | |
| Unearned revenue | | 806,048 | 673,124 |
| Long-term debt | 4 | 26,337 | 29,013 |
| | | <u>832,385</u> | <u>702,137</u> |
| Shareholders' Equity | 5 | 2,407,589 | 2,458,187 |
| Subsequent events | 12 | | |
| Total Liabilities and Shareholders' Equity | | <u>\$ 6,184,392</u> | <u>\$ 5,758,481</u> |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss
(in Canadian dollars)

| | Note | Three months ended | |
|---|------|--------------------|----------------|
| | | March 31, 2016 | March 31, 2015 |
| Revenue | 7 | \$ 2,149,704 | \$ 1,516,419 |
| Direct operating expenses | | 885,394 | 687,682 |
| Gross margin | | 1,264,310 | 828,737 |
| Other operating expenses: | | | |
| Technology | | 378,230 | 323,852 |
| Selling and business development | | 308,518 | 303,623 |
| General and administration | | 655,670 | 786,282 |
| | | 1,342,418 | 1,413,757 |
| Loss from operations | | (78,108) | (585,020) |
| Finance costs | | (11,449) | (55,788) |
| Foreign exchange gain (loss) | | (65,257) | 103,362 |
| Loss for the period | | \$ (154,814) | \$ (537,446) |
| Other comprehensive income (loss): | | | |
| Items that will not be reclassified to loss for the period: | | | |
| Foreign exchange gain (loss) on the translation of foreign operations | | 42,657 | (81,518) |
| Comprehensive loss for the period | | \$ (112,157) | \$ (618,964) |
| Weighted average number of common shares | | | |
| Basic and diluted | 8 | 60,313,784 | 57,017,028 |
| Loss per share | | | |
| Basic and diluted | 8 | \$ - | \$ (0.01) |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

iLOOKABOUT Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(in Canadian dollars)

Period ended March 31, 2016

| | Note | Common share capital | Warrant capital | Conversion option reserve | Contributed surplus | Deficit | Translation reserve | Total Equity |
|---|-------|-------------------------|--------------------|------------------------------|------------------------|-----------------|------------------------|--------------|
| Balance at December 31, 2015 | | \$ 13,173,500 | \$ 717,230 | \$ - | \$ 4,558,722 | \$ (15,646,886) | \$ (344,379) | \$ 2,458,187 |
| Loss for the period | | - | - | - | - | (154,814) | - | (154,814) |
| Other comprehensive income: | | | | | | | | |
| Foreign exchange gain on the translation of foreign operations | | - | - | - | - | - | 42,657 | 42,657 |
| Comprehensive loss for the period | | - | - | - | - | (154,814) | 42,657 | (112,157) |
| Warrants expired | 5 (a) | - | (63,050) | - | 63,050 | - | - | - |
| Share-based compensation | | - | - | - | 61,559 | - | - | 61,559 |
| Balance at March 31, 2016 | | \$ 13,173,500 | \$ 654,180 | \$ - | \$ 4,683,331 | \$ (15,801,700) | \$ (301,722) | \$ 2,407,589 |

Period ended March 31, 2015

| | Note | Common share capital | Warrant capital | Conversion option reserve | Contributed surplus | Deficit | Translation reserve | Total Equity |
|---|------|-------------------------|--------------------|------------------------------|------------------------|-----------------|------------------------|--------------|
| Balance at December 31, 2014 | | \$ 10,507,651 | \$ 619,676 | \$ 139,468 | \$ 3,855,424 | \$ (14,687,050) | \$ (193,003) | \$ 242,166 |
| Loss for the period | | - | - | - | - | (537,446) | - | (537,446) |
| Other comprehensive loss: | | | | | | | | |
| Foreign exchange loss on the translation of foreign operations | | - | - | - | - | - | (81,518) | (81,518) |
| Comprehensive loss for the period | | - | - | - | - | (537,446) | (81,518) | (618,964) |
| Dividend conversion | | 20,229 | - | - | - | - | - | 20,229 |
| Issuance of common shares | | 2,279,550 | - | - | - | - | - | 2,279,550 |
| Share-based compensation | | - | - | - | 205,549 | - | - | 205,549 |
| Balance at March 31, 2015 | | \$ 12,807,430 | \$ 619,676 | \$ 139,468 | \$ 4,060,973 | \$ (15,224,496) | \$ (274,521) | \$ 2,128,530 |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(in Canadian dollars)

| | Note | Three months ended | |
|---|-------|--------------------|----------------|
| | | March 31, 2016 | March 31, 2015 |
| Cash flows from operating activities | | | |
| Loss for the period | | \$ (154,814) | \$ (537,446) |
| Adjustments for: | | | |
| Loss on disposal of equipment | | 12,225 | - |
| Gain on disposal of intangible assets | | (387) | - |
| Amortization of equipment | | 33,101 | 41,727 |
| Amortization of intangible assets | | 57,552 | 56,703 |
| Unrealized foreign exchange loss (gain) | | 277,308 | (37,166) |
| Finance costs | | 11,449 | 55,788 |
| Share-based compensation expense | | 61,559 | 205,549 |
| | | 297,993 | (214,845) |
| Changes in non-cash working capital | 9 | (354,169) | 51,900 |
| Interest paid | | (8,340) | (8,421) |
| Interest received | | 44 | 1,027 |
| Cash used in operating activities | | (64,472) | (170,339) |
| Cash flows from financing activities | | | |
| Repayment of debt financing of vehicles | 4 (b) | (2,521) | (2,373) |
| Corporate transaction costs | | - | (2,109) |
| Cash used in financing activities | | (2,521) | (4,482) |
| Cash flows from investing activities | | | |
| Purchase of equipment | | (17,751) | (24,352) |
| Proceeds on disposal of equipment | | 6,177 | - |
| Purchase of intangible asset | | (2,041) | - |
| Proceeds on disposal of intangible assets | | 775 | - |
| Cash used in investing activities | | (12,840) | (24,352) |
| Decrease in cash during the period | | (79,833) | (199,173) |
| Effect of exchange rate fluctuations on cash | | (26,504) | 46,177 |
| Cash - beginning of period | | 2,600,269 | 2,634,779 |
| Cash - end of period | | \$ 2,493,932 | \$ 2,481,783 |

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2016 and 2015
(in Canadian dollars)

1. Corporate Information

iLOOKABOUT Corp. and its subsidiaries are engaged in the visual and data intelligence business of collecting, processing and geo-coding street-level image data; aggregating additional value-added property based data; providing image and related data management and data analysis software; developing custom software applications; and providing real estate consulting services with a focus on Property Tax and Valuation sectors.

The consolidated financial statements comprise iLOOKABOUT Corp., and its wholly-owned subsidiaries iLOOKABOUT Inc., iLOOKABOUT (US) Inc., and Municipal Tax Advisory Group Inc. (together referred to as the “Company”). iLOOKABOUT Corp., iLOOKABOUT Inc. and Municipal Tax Advisory Group Inc. are incorporated under the laws of the Province of Ontario, and iLOOKABOUT (US) Inc. is incorporated under the laws of the State of Delaware. iLOOKABOUT Corp. and its subsidiaries each have a December 31 year end.

The Company’s principal place of business is located at 383 Richmond Street, Suite 408, London, Ontario, Canada.

The Company’s shares are traded in Canada on the TSX Venture Exchange (“TSX-V”) under the symbol ILA.

2. Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). The notes presented in these interim financial statements include only significant changes and transactions occurring since the Company’s last year end and are not fully inclusive of all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements. These interim financial statements should be read in conjunction with the Company’s annual audited consolidated financial statements as at and for the year ended December 31, 2015, which are available on SEDAR.

These interim financial statements were approved by the Board of Directors on May 25, 2016.

3. Significant Accounting Policies

These interim financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2015.

The accounting policies have been consistently applied by the Company’s subsidiaries.

(a) *New accounting pronouncements adopted*

IAS 1 - Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1 - Presentation of Financial Statements as part of its initiative to improve presentation and disclosure in financial reports. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not require any significant change to current practice, but facilitate improved financial statement disclosures. The adoption of these amendments did not have a material impact on the financial statements.

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2016 and 2015
(in Canadian dollars)

4. Long-term debt

| | March 31, 2016 | | December 31, 2015 | |
|----------------------------------|----------------|----------------|-------------------|----------------|
| (a) Secured term credit facility | \$ | 600,000 | \$ | 596,847 |
| (b) Debt financing of vehicles | | 36,804 | | 39,325 |
| | \$ | 636,804 | \$ | 636,172 |
| Due within 1 year | \$ | 610,467 | \$ | 607,159 |
| Due between 1 and 5 years | | 26,337 | | 29,013 |
| | \$ | 636,804 | \$ | 636,172 |

(a) *Secured term credit facility*

| | Face Value | | Carrying Value | |
|----------------------------|------------|----------------|----------------|----------------|
| Balance, December 31, 2015 | \$ | 600,000 | \$ | 596,847 |
| Accretion expense | | - | | 3,153 |
| Balance, March 31, 2016 | \$ | 600,000 | \$ | 600,000 |

(b) *Debt financing of vehicles*

| | Carrying Value | |
|----------------------------|----------------|---------------|
| Balance, December 31, 2015 | \$ | 39,325 |
| Repayment of financing | | (2,521) |
| Balance, March 31, 2016 | \$ | 36,804 |

5. Common Share and Warrant Capital

| | Expiry date | Exercise price | March 31, 2016 | | December 31, 2015 | |
|-----------------------------------|-------------------|----------------|----------------|---------------|-------------------|---------------|
| | | | Issued | Amount | Issued | Amount |
| Issued and outstanding: | | | | | | |
| Common shares | | | 60,313,784 | \$ 13,173,500 | 60,313,784 | \$ 13,173,500 |
| Share purchase warrants: | | | | | | |
| Series G warrants | March 29, 2017 | 0.31 | 576,611 | 97,554 | 576,611 | 97,554 |
| Series H warrants | January 24, 2016 | 0.15 | - | - | 1,481,000 | 63,050 |
| Series I warrants | January 24, 2017 | 0.15 | 1,481,000 | 68,044 | 1,481,000 | 68,044 |
| Series J warrants | January 24, 2018 | 0.15 | 1,481,000 | 76,160 | 1,481,000 | 76,160 |
| Series K warrants | December 23, 2016 | 0.60 | 3,333,333 | 412,422 | 3,333,333 | 412,422 |
| | | | 6,871,944 | 654,180 | 8,352,944 | 717,230 |
| Share capital and warrant capital | | | 67,185,728 | \$ 13,827,680 | 68,666,728 | \$ 13,890,730 |

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2016 and 2015
(in Canadian dollars)

(Note 5 - continued)

The authorized capital is an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value and are each entitled to one vote. All issued common shares are fully paid.

There were no changes in common share capital during the period.

The following table presents changes in warrant capital:

| | Number of warrants | | Amount |
|-----------------------------------|--------------------|-----------|----------------|
| Balance, December 31, 2015 | 8,352,944 | \$ | 717,230 |
| Warrants expired (a) | (1,481,000) | | (63,050) |
| Balance, March 31, 2016 | 6,871,944 | \$ | 654,180 |

(a) *Warrant expiry*

On January 24, 2016, 1,481,000 Series H common share purchase warrants previously issued for the purchase of 1,481,000 common shares at a price of \$0.15 expired unexercised.

6. Related party transactions

Key management personnel compensation

One of the premises occupied by the Company is rented on an annual basis from a related company owned by an officer and director of the Company. For the three months ended March 31, 2016, the Company paid rent to the related company of \$3,000, (three months ended March 31, 2015 - \$3,000), which is included in general and administration expense.

The Company receives consulting services with respect to software development and related services from Yeoman & Company Paralegal Professionals Corp. (“YCP”). YCP is related to a Director and Officer of the Company. For the three months ended March 31, 2016, the Company incurred consulting fees of \$96,350 (three months ended March 31, 2015 – \$70,587) from YCP, which is included in technology and direct operating expense.

The Company provides business development related consulting services to YCP. For the three months ended March 31, 2016, the Company earned compensation of \$325 for these services (three months ended March 31, 2015 – nil).

These transactions are in the normal course of operations and are measured at the transaction amount, being the amount of consideration established and agreed to by the related parties.

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
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(in Canadian dollars)

7. Revenue

The Company operates and reports its results as one operating segment, which is real property related products and services.

Nature of services:

The Company generates revenue from the provision of visual and data services, and from consulting services.

| | Three months ended | |
|--------------------------|---------------------------|-----------------------|
| | March 31, 2016 | March 31, 2015 |
| Visual and data services | \$ 1,894,866 | \$ 1,335,208 |
| Consulting services | 254,838 | 181,211 |
| Total | <u>\$ 2,149,704</u> | <u>\$ 1,516,419</u> |

Significant customers:

Customers representing more than 10% of revenue are classified as significant customers.

For the three months ended March 31, 2016, the Company had two significant customers; one represented 54% and the other represented 17% of total revenue.

For the three months ended March 31, 2015, the Company had two significant customers; one represented 48% and the other represented 13% of total revenue.

At March 31, 2016, three customers each accounted for more than 10% of trade accounts receivable, totalling approximately 66% of trade accounts receivable at that time, of which 76% was collected subsequent to March 31, 2016.

At December 31, 2015, three customers each accounted for more than 10% of trade accounts receivable, totalling approximately 65% of trade accounts receivable at December 31, 2015, of which 100% was collected subsequent to December 31, 2015.

Geographic information:

Geographically, the Company operates primarily in Canada and the United States.

Information regarding the revenue of each geographic area is included below:

| | Three months ended | |
|---------------|---------------------------|-----------------------|
| | March 31, 2016 | March 31, 2015 |
| Canada | \$ 1,966,600 | \$ 1,266,958 |
| United States | 183,104 | 249,461 |
| Total | <u>\$ 2,149,704</u> | <u>\$ 1,516,419</u> |

Equipment and intangible assets were entirely located in Canada.

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
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(in Canadian dollars)

8. Loss per share

For the three months ended March 31, 2016, diluted loss per share did not take into account any outstanding warrants, options, or convertible preference shares as their effect would be anti-dilutive for these periods. As at March 31, 2016, there were a total of:

- 6,871,944 warrants outstanding (March 31, 2015 – 7,776,333);
- 4,852,475 options outstanding (March 31, 2015 – 4,852,475);
- 1,219,667 deferred share units outstanding (March 31, 2015 – 482,324);
- There were no convertible preference shares outstanding as at March 31, 2016 (March 31, 2015 – 750,000 preference shares outstanding, which could be converted into 2,419,355 common shares and 1,209,678 warrants to purchase common shares at the option of the holder); and
- There were no accrued but unpaid preference share dividends which could be converted to common shares at the option of the holder as at March 31, 2016 (March 31, 2015 – \$53,504).

9. Supplementary cash flow information

| | 2016 | 2015 |
|--|---------------------|------------------|
| Changes in non cash working capital: | | |
| Trade and other receivables | \$ (608,695) | \$ (119,680) |
| Prepaid expenses and other current assets | (13,204) | (58,517) |
| Accounts payable and accrued liabilities | (38,659) | 197,027 |
| Unearned revenue | 514,536 | 123,599 |
| Unrealized foreign exchange losses related to non-cash working capital | (208,147) | (90,529) |
| | \$ (354,169) | \$ 51,900 |

10. Financial risk management

The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities. Financial risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Company's key financial risks or risk management strategies since December 31, 2015.

The aging of trade and other receivables at the reporting date was:

| As at | March 31, 2016 |
|-----------------------|-----------------------|
| Current | \$ 716,917 |
| Past due 1-90 days | 210,609 |
| Past due over 90 days | 207,018 |
| | \$ 1,134,544 |

The balance of the past due amounts relates to reoccurring customers and are considered collectible.

iLOOKABOUT Corp.**Notes to Unaudited Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2016 and 2015****(in Canadian dollars)****11. Financial instruments***Fair values versus carrying amounts*

Fair values of cash, trade and other receivables, and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the secured term credit facility and debt financing of vehicles were determined based on present valuing future estimated cash flows using market rates of interest, as follows:

| As at | March 31, 2016 | | December 31, 2015 | |
|------------------------------|-----------------|--------------|-------------------|--------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Secured term credit facility | (600,000) | (600,000) | (596,847) | (583,801) |
| Debt financing of vehicles | (36,804) | (36,804) | (39,325) | (39,325) |
| | \$ (636,804) | \$ (636,804) | \$ (636,172) | \$ (623,126) |

12. Subsequent event

(i) Secured term credit facility

In April 2016, the Company repaid the \$600,000 principal of its secured term credit facility and in May 2016 paid the related bonus interest in the amount of \$165,550.