

iLOOKABOUT Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2011 and 2010

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Financial Position
In Canadian dollars

As at	September 30, 2011	December 31, 2010
Assets		
Current Assets:		
Cash	663,193	\$ 177,730
Short-term investments	-	1,004,850
Trade and other receivables	167,581	137,725
Prepaid expenses and other current assets	289,053	159,583
	<u>1,119,827</u>	<u>1,479,888</u>
Equipment	484,072	513,953
	<u>1,603,899</u>	<u>\$ 1,993,841</u>
Liabilities and Shareholders' (Deficit) Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	441,353	\$ 334,798
Unearned revenue	883,291	177,023
Finance lease liability	17,404	-
	<u>1,342,048</u>	<u>511,821</u>
Unearned revenue	396,158	163,802
Shareholders' (Deficit) Equity	(134,307)	1,318,218
Going concern (note 2)		
	<u>1,603,899</u>	<u>\$ 1,993,841</u>

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

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Comprehensive Loss
In Canadian dollars

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Revenue	\$ 579,647	\$ 879,188	\$ 1,876,897	\$ 2,282,354
Direct operating expenses	610,966	486,297	1,440,652	1,432,509
Gross Margin	(31,319)	392,891	436,245	849,845
Other operating expenses:				
Technology	196,771	170,953	626,329	543,096
Selling and business development	158,203	201,438	501,829	640,153
General and administration	247,813	290,180	901,641	947,968
	602,787	662,571	2,029,799	2,131,217
Loss from operations before the undernoted	(634,106)	(269,680)	(1,593,554)	(1,281,372)
Other items:				
Finance income (costs), net	(122)	1,075	1,661	(2,057)
Other income (expense), net	799	(2,434)	2,038	(1,606)
Gain on disposal of equipment	933	17,231	933	17,231
Foreign exchange gains (losses)	108,445	(5,615)	99,285	24,535
	110,055	10,257	103,917	38,103
Loss	\$ (524,051)	\$ (259,423)	\$ (1,489,637)	\$ (1,243,269)
Other comprehensive income (loss):				
Foreign exchange gain (loss) on the translation of foreign operations	(108,371)	2,848	(95,339)	(40,278)
	(108,371)	2,848	(95,339)	(40,278)
Comprehensive loss	\$ (632,422)	\$ (256,575)	\$ (1,584,976)	\$ (1,283,547)
Loss per share				
Basic and diluted (note 10)	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)

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

iLOOKABOUT Corp.**Unaudited Interim Consolidated Statements of Changes in Shareholders' (Deficit) Equity**

In Canadian dollars

Nine months ended September 30, 2011

	Share capital	Warrant capital	Other reserve	Contributed surplus	Deficit	Translation reserve	Total Deficit
Balance at January 1, 2011	\$ 8,418,442	\$ 1,932,054	\$ (696,155)	\$ 1,761,420	\$ (10,084,317)	\$ (13,226)	\$ 1,318,218
Loss	-	-	-	-	(1,489,637)	-	(1,489,637)
Other comprehensive loss:							
Foreign exchange loss on the translation of foreign operations	-	-	-	-	-	(95,339)	(95,339)
Comprehensive loss	-	-	-	-	(1,489,637)	(95,339)	(1,584,976)
Warrant modification (Note 7)	-	310,000	(310,000)	-	-	-	-
Options exercised	10,519	-	-	(7,394)	-	-	3,125
Share-based compensation	-	-	-	129,326	-	-	129,326
Balance at September 30, 2011	\$ 8,428,961	\$ 2,242,054	\$ (1,006,155)	\$ 1,883,352	\$ (11,573,954)	\$ (108,565)	\$ (134,307)

Nine months ended September 30, 2010

	Share capital	Warrant capital	Other reserve	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at January 1, 2010	\$ 7,936,201	\$ 1,560,329	\$ -	\$ 1,209,136	\$ (8,272,890)	\$ -	\$ 2,432,776
Loss	-	-	-	-	(1,243,269)	-	(1,243,269)
Other comprehensive loss:							
Foreign exchange loss on the translation of foreign operations	-	-	-	-	-	(40,278)	(40,278)
Comprehensive loss	-	-	-	-	(1,243,269)	(40,278)	(1,283,547)
Warrant modification (Note 7)	-	696,155	(696,155)	-	-	-	-
Warrants exercised	482,241	(86,584)	-	-	-	-	395,657
Warrants expired	-	(237,846)	-	237,846	-	-	-
Share-based compensation	-	-	-	216,624	-	-	216,624
Balance at September 30, 2010	\$ 8,418,442	\$ 1,932,054	\$ (696,155)	\$ 1,663,606	\$ (9,516,159)	\$ (40,278)	\$ 1,761,510

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

iLOOKABOUT Corp.
Unaudited Interim Consolidated Statements of Cash Flows
In Canadian dollars

	Nine months ended	
	September 30, 2011	September 30, 2010
Cash flows from operating activities		
Loss	\$ (1,489,637)	\$ (1,243,269)
Adjustments for non-cash items:		
Gain on disposal of equipment	(933)	(17,231)
Amortization of equipment	193,678	169,989
Amortization of intangible assets	-	11,301
Unrealized foreign exchange losses	(95,339)	(40,278)
Finance (income) costs, net	(1,661)	2,057
Share-based compensation expense (note 8)	129,326	216,624
	(1,264,566)	(900,807)
Changes in non-cash working capital (note 9)	834,116	(288,803)
Interest received	2,531	505
Taxes received	50,867	71,941
Net cash used in operating activities	(377,052)	(1,117,164)
Financing activities		
Payment of finance lease liabilities	(12,331)	-
Proceeds from warrants exercised (note 7)	-	395,657
Proceeds from options exercised	3,125	-
Net cash provided by (used in) financing activities	(9,206)	395,657
Cash flows from investing activities		
Investment tax credits and government assistance, capital portion	359	3,125
Purchase of short-term investments	(225,000)	-
Proceeds on disposal of short-term investments	1,229,850	100,000
Purchase of equipment	(137,538)	(273,157)
Proceeds on disposal of equipment	4,050	17,231
Net cash provided by (used in) investing activities	871,721	(152,801)
Increase (decrease) in cash during the period	485,463	(874,308)
Cash - beginning of period	177,730	1,410,006
Cash - end of period	\$ 663,193	\$ 535,698

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

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

1. Corporate Information

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

The Company is incorporated under the laws of the Province of Ontario, and its 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.

The consolidated financial statements of the Company as at and for the year ended December 31, 2010, which were prepared under Canadian generally accepted accounting principles ("GAAP"), are available on SEDAR or at www.ilookabout.com.

2. Going Concern

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

The Company is dependent on key personnel and the need to raise additional funds to support the Company's development and continued operations, and to meet the Company's liabilities and commitments as they become due. During the three and nine months ended September 30, 2011, the Company incurred a loss of \$524,051 and \$1,489,637, respectively. In addition, during the three and nine months ended September 30, 2011, the Company had negative cash flow from operations of \$78,053 and \$377,052, respectively. The Company has a history of operating losses with an accumulated deficit of \$11,573,954 (December 31, 2010 - \$10,084,317), shareholders' (deficit) equity of \$(134,307) (December 31, 2010 - \$1,318,218) and a working capital deficiency of (\$222,221) (December 31, 2010 - \$968,067).

The Company's continued existence is dependent on, but not limited to, management's ability to successfully execute its business plan, including a substantial increase in revenue while maintaining an appropriate level of expenses. In August 2011, the Company received notice that one of its licensees made a decision to discontinue access to its StreetScape imagery for many of its end-user customers. Quarterly revenue, subsequent to August 2011, related to these services will be negatively impacted by approximately \$280,000. Significant doubt exists as to whether the Company will be able to execute on its business plan as currently contemplated or that cash generated from operations will be sufficient to satisfy liquidity requirements. The Company will need to raise funds in the near term by selling additional equity or by securing debt financing. No assurance can be given that new sources of operating revenue will be secured or that such additional equity or debt financing will be available or, if available, such financing can be obtained on terms favourable to the Company.

Although material uncertainties exist with respect to the events and circumstances required for the continued existence of the Company, at this point in time, none of the criteria exist, as set out above, that would require the Company to prepare the unaudited interim consolidated financial statements other than on the basis of a going concern. Therefore, the Company has determined that the going concern assumption is still appropriate, and these unaudited interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

(Note 2 - continued)

If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses and the statement of financial position classifications used. The Company's unaudited interim consolidated financial statements do not include adjustments, which could be material, and disclosures that would be required if the going concern assumption was not appropriate.

3. Statement of Compliance

These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These unaudited interim consolidated financial statements do not include all the information required for full annual financial statements. The accounting policies have been selected to be consistent with policies the Company expects to adopt in its consolidated financial statements as at and for the year ending December 31, 2011, the Company's first annual IFRS reporting date. These accounting policies are disclosed in Note 4 of the Company's 2011 first quarter unaudited interim consolidated financial statements. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian GAAP.

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies, set out in Note 4 of the Company's 2011 first quarter interim consolidated financial statements, were consistently applied to all periods presented unless otherwise noted. They also have been applied in the preparation of an opening IFRS statement of financial position as at January 1, 2010, as required by IFRS 1, *First Time Adoption of International Financial Reporting Standards* ("IFRS 1"). The impact of the transition from Canadian GAAP to IFRS is explained in Note 14.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these unaudited interim consolidated financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending December 31, 2011.

These unaudited interim consolidated financial statements should be read in conjunction with the Company's 2010 audited annual consolidated financial statements prepared in accordance with Canadian GAAP, the unaudited interim consolidated financial statements for the three months ended March 31, 2011 prepared in accordance with IFRS, and in consideration of the IFRS transition disclosures included in Note 14 to these unaudited interim consolidated financial statements. Since the Company's audited consolidated financial statements for the year ended December 31, 2010 were previously prepared in accordance with Canadian GAAP, a summary of significant accounting policies were disclosed in Note 4 of the March 31, 2011 consolidated interim financial statements.

These unaudited interim consolidated financial statements are presented in Canadian dollars and are prepared mainly on the historical basis. Other measurement bases are described in the applicable notes.

The unaudited interim consolidated statements of comprehensive loss are presented using the functional classification for expenses.

These unaudited interim consolidated financial statements for the three and nine month periods ended September 30, 2011 were authorized for issuance by the Board of Directors of the Company on November 24, 2011.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

4. Significant Accounting Policies

The accounting policies set out in Note 4 of the unaudited interim consolidated financial statements for the three months ended March 31, 2011 have been applied consistently to all periods presented in these unaudited interim consolidated financial statements.

5. Intangible assets

Cost	
At January 1, 2010	\$ 105,176
Additions	9,024
At December 31, 2010 and September 30, 2011	\$ 114,200
Accumulated Amortization and Impairment Loss	
At January 1, 2010	\$ 24,706
Amortization	17,960
Impairment loss	71,534
At December 31, 2010 and September 30, 2011	\$ 114,200
Carrying amount at December 31, 2010 and September 30, 2011	\$ -

At least annually, Management conducts its assessment of the potential impairment of long lived assets and the appropriateness of estimates with respect to the useful lives of long-lived assets.

In 2010, the Company determined that it was no longer able to conclude objectively and reliably that future undiscounted cash flows expected to result from the use of its long-lived assets, which include equipment and intangible assets, exceed the carrying amount of these assets. The Company was unable to reliably and objectively, without undue cost and effort, establish the fair value of its intangible assets. Therefore, an impairment loss was recorded against these assets to fully write down their value.

6. Related party transactions

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 and nine months ended September 30, 2011, the Company paid rent to the related company of \$3,000 and \$9,000, respectively (three and nine months ended September 30, 2010 - \$3,000 and \$9,000, respectively), which is included in general and administration expense.

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.

During the third quarter, the Company disposed of a vehicle through an officer and director of the Company for \$4,050, reflected as due from related party as at the end of the reporting period. The transaction was accounted for at the fair value of the asset disposed and recognized a gain on the disposal as a result of the transaction.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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In Canadian dollars

7. Share and warrant capital

	Expiry date	September 30, 2011		December 31, 2010	
		Issued	Amount	Issued	Amount
Authorized:					
Unlimited common shares					
Unlimited preferred shares					
Issued:					
Common shares		40,710,417	\$ 8,428,961	40,685,417	\$ 8,418,442
Share purchase warrants:					
\$0.40 agent warrants	July 3/11	-	-	231,100	-
\$0.40 agent warrants	July 13/11	-	-	208,640	-
\$1.00 warrants	April 1/12	6,567,500	2,242,054	6,567,500	1,932,054
		6,567,500	2,242,054	7,007,240	1,932,054
Share capital and warrant capital		47,277,917	\$ 10,671,015	47,692,657	\$ 10,350,496

The following table presents changes in share capital:

	Number of shares	Amount
Balance, January 1, 2010	39,966,042	\$ 7,936,201
Warrants exercised	719,375	482,241
Balance, December 31, 2010	40,685,417	\$ 8,418,442
Options exercised	25,000	10,519
Balance, September 30, 2011	40,710,417	\$ 8,428,961

The following table presents changes in warrant capital:

	Number of warrants	Amount
Balance, January 1, 2010	10,271,015	\$ 1,560,329
Warrant modification	-	696,155
Warrants exercised	(719,375)	(86,584)
Warrants expired	(2,544,400)	(237,846)
Balance, December 31, 2010	7,007,240	\$ 1,932,054
Warrant modification	-	310,000
Warrants expired (a)	(439,740)	-
Balance, September 30, 2011	6,567,500	\$ 2,242,054

(a) Expiry of Warrants

- (i) On July 3, 2011, 231,100 of the warrants previously issued for the purchase of 231,100 common shares, at a price of \$0.40, expired unexercised.
- (ii) On July 13, 2011, 208,640 of the warrants previously issued for the purchase of 208,640 common shares, at a price of \$0.40, expired unexercised.

iLOOKABOUT Corp.
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In Canadian dollars

8. Share-based compensation

For the three and nine months ended September 30, 2011 the Company recorded share-based compensation expense of \$14,246 and \$129,326, respectively (September 30, 2010 - \$31,790 and \$216,624, respectively) related to stock options granted to employees, officers, directors and consultants, which is included in direct operating expenses, technology expense, selling and business development expense, and general and administration expense.

Of the 2,711,309 unexercised options as at September 30, 2011, 2,341,309 had vested and were exercisable, with exercise prices ranging from \$0.125 to \$0.60 per share.

9. Non-cash working capital

For the nine months ended September 30	2011	2010
Changes in non cash working capital:		
Trade and other receivables	\$ (81,593)	\$ (208,620)
Prepaid expenses and other current assets	(129,470)	(38,283)
Accounts payable and accrued liabilities	106,555	112,816
Unearned revenue	938,624	(154,716)
	\$ 834,116	\$ (288,803)

10. Loss per share

For the three months ended September 30	2011	2010
Loss	\$ (524,051)	\$ (259,423)
Weighted average number of common shares, options and warrants outstanding:		
Basic	40,710,417	39,966,042
Effect of stock options and warrants	-	-
Diluted	40,710,417	39,966,042
Loss per share:		
Basic and diluted	\$ (0.01)	\$ (0.01)

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

(Note 10 - continued)

For the nine months ended September 30	2011	2010
Loss	\$ (1,489,637)	\$ (1,243,269)
Weighted average number of common shares, options and warrants outstanding:		
Basic	40,699,306	39,966,042
Effect of stock options and warrants	-	-
Diluted	40,699,306	39,966,042
Loss per share:		
Basic and diluted	\$ (0.04)	\$ (0.03)

Diluted loss per share does not take into account any outstanding warrants or options, as their effect would be anti-dilutive for these periods. As at September 30, 2011 a total of 9,278,809 (September 30, 2010 – 9,895,940) warrants and options were outstanding.

11. Financial risk management

The Company is exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk from its financial assets and liabilities. 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, 2010.

12. Financial instruments

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

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

13. Segmented information

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

Operations of the Company are in the following geographic areas:

	Three months ended September 30, 2011				Three months ended September 30, 2010			
	Canada	United States	Other	Total	Canada	United States	Other	Total
Revenue	\$ 472,578	\$ 95,267	\$ 11,802	\$ 579,647	\$ 497,138	\$ 370,529	\$ 11,521	\$ 879,188
Equipment	484,072	-	-	484,072	556,204	-	-	556,204
Intangible assets	-	-	-	-	69,170	-	-	69,170
	Nine months ended September 30, 2011				Nine months ended September 30, 2010			
	Canada	United States	Other	Total	Canada	United States	Other	Total
Revenue	\$ 1,547,232	\$ 294,539	\$ 35,126	\$ 1,876,897	\$ 1,538,544	\$ 694,109	\$ 49,701	\$ 2,282,354
Equipment	484,072	-	-	484,072	556,204	-	-	556,204
Intangible assets	-	-	-	-	69,170	-	-	69,170

Four customers accounted for more than 10% of total revenue, representing 74% of total revenue for the three months ended September 30, 2011. Two customers accounted for more than 10% of total revenue, representing 58% of total revenue for the nine months ended September 30, 2011.

Three customers each accounted for more than 10% of total revenue, representing 70% and 64% of total revenue for the three and nine months ended September 30, 2010, respectively.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

14. Transition to IFRS

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of an entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of its opening IFRS interim consolidated statement of financial position as at January 1, 2010, (Transition Date):

- To apply IFRS 2 Share-based Payments only to equity-settled instruments that had not vested by the Transition Date.
- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To deem cumulative foreign currency translation difference for foreign operations to be zero at the Transition Date. Any gains and losses on subsequent disposal of foreign operations will not be impacted by translation differences that arose prior to the Transition Date.

IFRS 1 does not permit changes to estimates that have been made previously. Estimates used in the preparation of the Company's opening IFRS statement of financial position, and other comparative information restated to comply with IFRS, are consistent with those made previously under current Canadian GAAP.

The accounting policies set out in Note 4 of the Company's interim unaudited consolidated financial statements for the three months ended March 31, 2011 have been applied in preparing the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011, the comparative information for both the three and nine months ended September 30, 2010 and the year ended December 31, 2010, and in the preparation of an opening IFRS statement of financial position at January 1, 2010 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, comparative statement of comprehensive loss information for the three and nine months ended September 30, 2010, and comparative financial statement information for the year ended December 31, 2010, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP.

An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance, and cash flows is set out in the following tables and the notes that accompany the tables.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars

(Note 14 - continued)

Transitional adjustments
Reconciliations of Canadian GAAP to IFRS

The following provide reconciliations from Canadian GAAP to IFRS.

	Note	September 30, 2010	December 31, 2010
Shareholders' equity under Canadian GAAP		\$ 1,759,559	\$ 1,308,025
Change in functional currency of			
iLOOKABOUT (US) Inc.	a	1,951	10,193
Modification of warrants	b	-	-
Shareholders' equity under IFRS		\$ 1,761,510	\$ 1,318,218

	Note	Three months ended September 30, 2010	Nine months ended September 30, 2010
Comprehensive loss under Canadian GAAP		\$ (261,301)	\$ (1,285,498)
Change in functional currency of			
iLOOKABOUT (US) Inc.	a	4,726	1,951
Comprehensive loss under IFRS		\$ (256,575)	\$ (1,283,547)

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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In Canadian dollars

(Note 14 - continued)

As at	September 30, 2010				December 31, 2010			
Note	Canadian GAAP ¹	Foreign Currency Translation	Warrant Modification	IFRS	Canadian GAAP ¹	Foreign Currency Translation	Warrant Modification	IFRS
Assets								
Current Assets:								
Cash and cash equivalents	\$ 535,698	\$ -	\$ -	\$ 535,698	\$ 177,730	\$ -	\$ -	\$ 177,730
Short-term investments	900,000	-	-	900,000	1,004,850	-	-	1,004,850
Trade and other receivables	a 249,452	133	-	249,585	134,940	2,785	-	137,725
Prepaid expenses and other current assets	a 180,921	(309)	-	180,612	161,315	(1,732)	-	159,583
	1,866,071	(176)	-	1,865,895	1,478,835	1,053	-	1,479,888
Equipment	556,204	-	-	556,204	513,953	-	-	513,953
Intangible assets	69,170	-	-	69,170	-	-	-	-
Total Assets	\$ 2,491,445	\$ (176)	\$ -	\$ 2,491,269	\$ 1,992,788	\$ 1,053	\$ -	\$ 1,993,841
Liabilities and Shareholders' Equity								
Current Liabilities:								
Accounts payable and accrued liabilities	\$ 430,624	\$ -	\$ -	\$ 430,624	\$ 334,798	\$ -	\$ -	\$ 334,798
Unearned revenue	a 193,026	(1,682)	-	191,344	181,016	(3,993)	-	177,023
	623,650	(1,682)	-	621,968	515,814	(3,993)	-	511,821
Unearned revenue	a 108,236	(445)	-	107,791	168,949	(5,147)	-	163,802
Shareholders' Equity:								
Share capital	8,418,442	-	-	8,418,442	8,418,442	-	-	8,418,442
Warrant capital	1,932,054	-	-	1,932,054	1,932,054	-	-	1,932,054
Other reserve	b -	-	(696,155)	(696,155)	-	-	(696,155)	(696,155)
Contributed surplus	1,663,606	-	-	1,663,606	1,761,420	-	-	1,761,420
Deficit	a, b (10,254,543)	42,229	696,155	(9,516,159)	(10,803,891)	23,419	696,155	(10,084,317)
Translation reserve	a -	(40,278)	-	(40,278)	-	(13,226)	-	(13,226)
	1,759,559	1,951	-	1,761,510	1,308,025	10,193	-	1,318,218
Total Liabilities and Shareholders' Equity	\$ 2,491,445	\$ (176)	\$ -	\$ 2,491,269	\$ 1,992,788	\$ 1,053	\$ -	\$ 1,993,841

(1) Certain of the Canadian GAAP balances have been reclassified to conform to IFRS presentation.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2011 and 2010
In Canadian dollars
(Note 14 - continued)

	Note	For the Three Months Ended September 30, 2010				For the Nine Months Ended September 30, 2010			
		Canadian GAAP	Presentation Adjustments	Foreign Currency Translation	IFRS	Canadian GAAP	Presentation Adjustments	Foreign Currency Translation	IFRS
Revenue	a	\$ 877,185	\$ -	\$ 2,003	\$ 879,188	\$ 2,280,383	\$ -	\$ 1,971	\$ 2,282,354
Direct operating expenses	d	-	486,086	211	486,297	-	1,432,373	136	1,432,509
Gross Margin		-	(486,086)	1,792	392,891	-	(1,432,373)	1,835	849,845
Operations, technology and research	d	447,582	(447,582)	-	-	1,355,495	(1,355,495)	-	-
Technology	a, d	-	170,953	-	170,953	-	543,096	-	543,096
Selling, general and administration	d	673,047	(673,047)	-	-	1,881,248	(1,881,248)	-	-
Selling and business development	a, d	-	201,362	76	201,438	-	640,077	76	640,153
General and administration	a, d	-	290,144	36	290,180	-	947,932	36	947,968
Investment tax credits and government assistance	d	(71,179)	71,179	-	-	(71,179)	71,179	-	-
Amortization of equipment	d	63,538	(63,538)	-	-	169,989	(169,989)	-	-
Amortization of intangible assets	d	3,767	(3,767)	-	-	11,301	(11,301)	-	-
Stock-based compensation	d	31,790	(31,790)	-	-	216,624	(216,624)	-	-
		1,148,545	(486,086)	112	662,571	3,563,478	(1,432,373)	112	2,131,217
Loss from operations before the undernoted		(271,360)	-	1,680	(269,680)	(1,283,095)	-	1,723	(1,281,372)
Other items:									
Interest and other income (expense), net	d	(1,401)	1,401	-	-	(3,705)	3,705	-	-
Finance income (costs)	d	-	1,075	-	1,075	-	(2,057)	-	(2,057)
Other income (expenses)	d	-	(2,476)	42	(2,434)	-	(1,648)	42	(1,606)
Gain on disposal of equipment		17,231	-	-	17,231	17,231	-	-	17,231
Impairment of intangible assets		-	-	-	-	-	-	-	-
Foreign exchange gains (losses)	a	(5,771)	-	156	(5,615)	(15,929)	-	40,464	24,535
		10,059	-	198	10,257	(2,403)	-	40,506	38,103
Loss		\$ (261,301)	\$ -	\$ 1,878	\$ (259,423)	\$ (1,285,498)	\$ -	\$ 42,229	\$ (1,243,269)
Other comprehensive income (loss):									
Unrealized gain (loss) on the translation of foreign operation	a	-	-	2,848	2,848	-	-	(40,278)	(40,278)
		-	-	2,848	2,848	-	-	(40,278)	(40,278)
Comprehensive loss		\$ (261,301)	\$ -	\$ 4,726	\$ (256,575)	\$ (1,285,498)	\$ -	\$ 1,951	\$ (1,283,547)

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(Note 14 - continued)

The following notes describe the adjustments required by the transition to IFRS:

(a) *Foreign currency translation*

Under Canadian GAAP, an entity is not explicitly required to assess the unit of measure (functional currency) in which it measures its own assets, liabilities, revenues and expenses. Under Canadian GAAP, an entity applies criteria to determine only whether a foreign subsidiary's operations is integrated or self-sustaining, in which case the temporal or current methods of translation respectively, are then applied to the subsidiary's financial statement balances and results of operations. Under Canadian GAAP, the Company prepared its financial statements in Canadian dollars and its US subsidiaries were determined to be integrated foreign operations, and were translated using the temporal method.

Under IFRS, the functional currency of the Company and each of its subsidiaries must be assessed independently, giving consideration to the primary economic environment in which each operates. IFRS provides guidance in respect of factors to be considered in determining an entity's functional currency that are similar to those noted in Canadian GAAP, however, unlike Canadian GAAP, IFRS distinguishes between primary and secondary factors in making such an assessment. Based on the assessment under IFRS, management has determined that the functional currency of iLOOKABOUT (US) Inc. is the United States dollar (USD) (Canadian dollar under Canadian GAAP). Accordingly, the change in functional currency has been reflected in reporting the Company's consolidated financial position and results of operations under IFRS.

As a result of this change, non-monetary assets and liabilities are translated at the current rate (historic rate under Canadian GAAP) at each reporting period and the unrealized translation gain or loss for the foreign operation is recognized as part of other comprehensive loss and included in translation reserve in shareholders' equity, whereas under Canadian GAAP, it was included in net loss and deficit.

The Company applied this change in an accounting policy retrospectively in conjunction with the application of the first-time adoption exemption to deem the cumulative translation adjustment to be zero at the Transition Date, leaving shareholders' equity unchanged as at January 1, 2010.

(b) *Modification of warrants*

Under Canadian GAAP, the incremental increase in the fair value of the warrants resulting from a modification of the warrant term was recorded in warrant capital with a corresponding increase in deficit within shareholders' equity. Under IFRS, the Company has changed its accounting policy to record the incremental increase in fair value associated with warrant modifications as an increase in other reserve, a component of shareholders' equity, as opposed to deficit. This change resulted in a reclassification within shareholders' equity, reducing deficit by \$696,155 and increasing other reserve for the same amount.

(c) *Reclassifications in statements of cash flow*

Interest received has been moved into the body of the interim consolidated statements of cash flow as part of operating activities, whereas it was previously disclosed as supplementary information under Canadian GAAP.

iLOOKABOUT Corp.
Notes to Unaudited Interim Consolidated Financial Statements
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(Note 14 - continued)

(d) *Presentation adjustments*

The Company has chosen to classify its expenses according to their function. Accordingly, the following classification changes have occurred:

Canadian GAAP Classification	Nature of Expense	IFRS Classification
Operations, technology and research	Direct operating cost of sales.	Direct operating expenses
	Staff and related support costs related to the technology function	Technology
Selling, general and administration	Staff and related support costs of corporate, finance and administration staff; general costs of office administration such as rent, communications, etc.; regulatory and compliance costs; insurance and professional fees.	General and administration
	Staff and related support costs of sales and business development staff; travel, meals; tradeshow and promotion.	Selling and business development
Amortization of equipment	Amortization of imaging equipment, vehicles, hardware and software.	Direct operating expenses
	Amortization of office related furniture and equipment and leasehold improvements.	General and administration
Amortization of intangible assets	Amortization of patents and trademarks.	Technology
Stock-based compensation	Stock based compensation related to individuals classified within the direct operations function.	Direct operating expenses
	Stock based compensation related to individuals classified within the technology function.	Technology
	Stock based compensation related to individuals classified within the general and administration function, including directors.	General and administration
	Stock based compensation related to individuals classified within selling and business development function.	Selling and business development
Investment tax credits and government assistance	Offset against the expenditure to which it relates.	Technology (as applicable)