

iLOOKABOUT Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2015 and 2014

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

As at	Note	September 30, 2015	December 31, 2014
Assets			
Current Assets:			
Cash		\$ 2,341,866	\$ 2,634,779
Trade and other receivables		718,635	525,622
Prepaid expenses and other current assets		192,434	155,574
		3,252,935	3,315,975
Non-current Assets:			
Equipment		424,394	477,417
Intangible assets	4	2,135,464	26,167
		2,559,858	503,584
Total Assets		\$ 5,812,793	\$ 3,819,559
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable and accrued liabilities		\$ 1,053,429	\$ 822,204
Unearned revenue		773,572	808,403
Current portion of long-term debt	5	603,853	744,169
Provision		155,000	-
		2,585,854	2,374,776
Non-current Liabilities:			
Unearned revenue		573,693	458,056
Long-term debt	5	31,649	623,561
Provision		-	121,000
		605,342	1,202,617
Shareholders' Equity	6	2,621,597	242,166
Total Liabilities and Shareholders' Equity		\$ 5,812,793	\$ 3,819,559

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

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

	Note	Three months ended		Nine months ended	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue	8	\$ 2,277,269	\$ 1,753,670	\$ 5,853,498	\$ 4,275,233
Direct operating expenses		911,822	806,857	2,674,811	2,048,234
Gross margin		1,365,447	946,813	3,178,687	2,226,999
Other operating expenses:					
Technology		205,127	224,340	873,873	755,697
Selling and business development		273,152	166,172	933,034	607,917
General and administration		570,009	330,447	2,141,282	1,190,035
		1,048,288	720,959	3,948,189	2,553,649
Earnings (loss) from operations		317,159	225,854	(769,502)	(326,650)
Finance costs		(28,691)	(56,074)	(106,170)	(178,504)
Foreign exchange gain		132,909	70,680	217,644	65,032
Earnings (loss) for the period		\$ 421,377	\$ 240,460	\$ (658,028)	\$ (440,122)
Other comprehensive loss:					
Items that will not be reclassified to earnings					
(loss) for the period:					
Foreign exchange loss on the translation of foreign operations		(68,853)	(58,301)	(128,078)	(56,784)
Comprehensive income (loss) for the period		\$ 352,524	\$ 182,159	\$ (786,106)	\$ (496,906)
Weighted average number of common shares					
Basic	10	60,313,784	46,225,256	59,073,577	46,072,694
Diluted	10	64,306,493	51,395,889	59,073,577	46,072,694
Earnings (loss) per share					
Basic	10	\$ 0.01	\$ 0.01	\$ (0.01)	\$ (0.01)
Diluted	10	\$ 0.01	\$ -	\$ (0.01)	\$ (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 (Deficiency)

(in Canadian dollars)

Period ended September 30, 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		-	-	-	-	(658,028)	-	(658,028)
Other comprehensive loss:								
Foreign exchange loss on the translation of foreign operations		-	-	-	-	-	(128,078)	(128,078)
Comprehensive loss for the period		-	-	-	-	(658,028)	(128,078)	(786,106)
Dividend conversion	6 (a)	61,661	-	-	-	-	-	61,661
Issuance of common shares for asset purchase	6 (b)	2,279,550	-	-	-	-	-	2,279,550
Conversion of preference shares	6 (c)	324,638	97,554	(66,479)	-	-	-	355,713
Redemption of preference shares	6 (c)	-	-	(72,989)	72,989	-	-	-
Share-based compensation		-	-	-	468,613	-	-	468,613
Balance at September 30, 2015		\$ 13,173,500	\$ 717,230	\$ -	\$ 4,397,026	\$ (15,345,078)	\$ (321,081)	\$ 2,621,597

Period ended September 30, 2014

	Note	Common share capital	Warrant capital	Conversion option reserve	Contributed surplus	Deficit	Translation reserve	Total Deficiency
Balance at December 31, 2013		\$ 8,834,916	\$ 207,254	\$ 139,468	\$ 3,526,394	\$ (13,744,001)	\$ (87,439)	\$ (1,123,408)
Loss for the period		-	-	-	-	(440,122)	-	(440,122)
Other comprehensive loss:								
Foreign exchange gain on the translation of foreign operations		-	-	-	-	-	(56,784)	(56,784)
Comprehensive loss for the period		-	-	-	-	(440,122)	(56,784)	(496,906)
Dividend conversion		59,666	-	-	-	-	-	59,666
Options exercised		24,300	-	-	(9,300)	-	-	15,000
Share-based compensation		-	-	-	136,098	-	-	136,098
Balance at September 30, 2014		\$ 8,918,882	\$ 207,254	\$ 139,468	\$ 3,653,192	\$ (14,184,123)	\$ (144,223)	\$ (1,409,550)

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	Nine months ended	
		September 30, 2015	September 30, 2014
Cash flows from operating activities			
Loss for the period		\$ (658,028)	\$ (440,122)
Adjustments for:			
Loss (gain) on disposal of equipment		5,211	(37)
Amortization of equipment		131,822	143,223
Amortization of intangible assets	4	170,703	78,500
Unrealized foreign exchange (gain) loss		(180,039)	12,539
Finance costs		106,170	178,504
Share-based compensation expense		468,613	136,098
		44,452	108,705
Changes in non-cash working capital	11	(174,779)	(80,523)
Interest paid		(25,714)	(37,185)
Interest received		1,663	252
Tax credits received		245,923	55,726
Cash provided by operating activities		91,545	46,975
Cash flows from financing activities			
Repayment of debt financing of software licence		-	(64,115)
Repayment of debt financing of vehicles	5 (c)	(7,230)	(2,033)
Redemption of preference shares	5 (b)	(405,992)	-
Proceeds from debt financing of vehicles		-	53,409
Proceeds from options exercised		-	15,000
Corporate transaction costs		(3,896)	(4,658)
Cash used in financing activities		(417,118)	(2,397)
Cash flows from investing activities			
Purchase of equipment		(88,337)	(142,857)
Proceeds on disposal of equipment		4,327	819
Cash used in investing activities		(84,010)	(142,038)
Decrease in cash during the period		(409,583)	(97,460)
Effect of exchange rate fluctuations on cash		116,670	10,309
Cash - beginning of period		2,634,779	1,058,192
Cash - end of period		\$ 2,341,866	\$ 971,041

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 and nine months ended September 30, 2015 and 2014
(in Canadian dollars)

1. Corporate Information

The unaudited condensed interim consolidated financial statements (“interim financial statements”) as at and for the nine months ended September 30, 2015 comprise iLOOKABOUT Corp. and its subsidiaries, (together referred to as the “Company”). The Company is a visual and data intelligence company focused on real property, serving primarily the property assessment, property taxation, municipal, insurance, and appraisal sectors, both public and private, in Canada and the US.

iLOOKABOUT Corp. 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.

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, 2014, which are available on SEDAR.

These interim financial statements were approved by the Board of Directors on November 25, 2015.

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, 2014.

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

(a) *New accounting pronouncements adopted*

Annual Improvements to IFRS

In December 2013, the IASB issued narrow-scope amendments to a total of nine standards. Most of the amendments apply prospectively for annual periods beginning on or after July 1, 2014. The Company adopted these amendments in its financial statements effective January 1, 2015. The adoption of these amendments did not have a material impact on the financial statements.

iLOOKABOUT Corp.
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4. Intangible assets

Cost	
At December 31, 2014	\$ 436,857
Addition (a)	2,280,000
Disposal (b)	(314,000)
At September 30, 2015	\$ 2,402,857
Accumulated Amortization and Impairment Loss	
At December 31, 2014	\$ 410,690
Amortization	170,703
Disposal (b)	(314,000)
At September 30, 2015	\$ 267,393
Carrying amounts	
At December 31, 2014	\$ 26,167
At September 30, 2015	\$ 2,135,464

(a) Software Asset Purchase

In February 2015, the Company completed a software asset purchase. The purchase included Real Property Tax Analytics Software and Realty Tax Management Software (the “Software”) from Yeoman & Company Paralegal Professional Corporation (“YCP”), a related party as disclosed in note 7, and 2025832 Ontario Inc. (collectively the “Vendors”). The Company intends to re-licence this Software to end customers. In exchange for the Software, the Company issued 6,000,000 common shares of the Company at a price of \$0.38 per share, being the closing share price on the date prior to the share issuance date. The Company valued the software at the fair value of the shares granted as the fair value of the software could not be estimated reliably.

The Company has determined that the expected life of the Software is approximately ten years. The Software will be amortized over ten years on a straight line basis, commencing on the date of acquisition. Such amortization is included in direct operating expenses.

(b) Software licence expiry

In March 2012, the Company acquired a software licence, which was amortized on a straight-line basis over the licence term of three years, until March 2015, at which time it expired.

iLOOKABOUT Corp.
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5. Long-term debt

	September 30, 2015	December 31, 2014
(a) Secured term credit facility	\$ 593,695	\$ 584,237
(b) Debt component of Series 1 Preference Shares	-	734,456
(c) Debt financing of vehicles	41,807	49,037
	\$ 635,502	\$ 1,367,730
Due within 1 year	\$ 603,853	\$ 744,169
Due between 1 and 5 years	31,649	623,561
	\$ 635,502	\$ 1,367,730

(a) Secured term credit facility

	Face Value	Carrying Value
Balance, December 31, 2014	\$ 600,000	\$ 584,237
Accretion expense	-	9,458
Balance, September 30, 2015	\$ 600,000	\$ 593,695

(b) Series 1 Preference Shares

	Face Value	Carrying Value
Balance, December 31, 2014	\$ 750,000	\$ 734,456
Accretion expense	-	15,544
Conversion of preference shares	(357,500)	(357,500)
Redemption of preference shares	(392,500)	(392,500)
Balance, September 30, 2015	\$ -	\$ -

In April 2015, the Company received notices from certain Preference Shareholders to convert 357,500 Preference Shares and \$41,432 of accrued dividends on its Preference Shares into 1,271,598 common shares and 576,611 Warrants to satisfy the conversion requests received.

The Company also received notices from certain Preference Shareholders to redeem 335,000 Preference Shares held by them for an aggregate amount of \$346,953, including accrued but unpaid dividends of \$11,952.

The Company decided to redeem the remaining 57,500 Preference Shares for an aggregate Redemption Price of \$59,039, including accrued but unpaid dividends of \$1,539.

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Notes to Unaudited Condensed Interim Consolidated Financial Statements
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(Note 5 - continued)

(c) *Debt financing of vehicles*

	Carrying Value
Balance, December 31, 2014	\$ 49,037
Repayment of financing	(7,230)
Balance, September 30, 2015	\$ 41,807

6. Common Share and Warrant Capital

	Expiry date	Exercise price	September 30, 2015		December 31, 2014	
			Issued	Amount	Issued	Amount
Issued and outstanding:						
Common shares			60,313,784	\$ 13,173,500	52,966,712	\$ 10,507,651
Share purchase warrants:						
Series H warrants	January 27, 2016	0.15	1,481,000	63,050	1,481,000	63,050
Series I warrants	January 27, 2017	0.15	1,481,000	68,044	1,481,000	68,044
Series J warrants	January 27, 2018	0.15	1,481,000	76,160	1,481,000	76,160
Series K warrants	December 22, 2016	0.60	3,333,333	412,422	3,333,333	412,422
Series L warrants	March 30, 2017	0.31	576,611	97,554	-	-
			8,352,944	717,230	7,776,333	619,676
Share capital and warrant capital			68,666,728	\$ 13,890,730	60,743,045	\$ 11,127,327

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.

The following table presents changes in common share capital:

		Number of shares	Amount
Balance, December 31, 2014		52,966,712	\$ 10,507,651
Shares issued, dividend conversion	(a)	193,849	61,661
Shares issued, asset purchase	(b)	6,000,000	2,279,550
Shares issued, preference share conversion	(c)	1,153,223	324,638
Balance, September 30, 2015		60,313,784	\$ 13,173,500

The following table presents changes in warrant capital:

		Number of warrants	Amount
Balance, December 31, 2014		7,776,333	\$ 619,676
Warrants issued, preference share conversion	(c)	576,611	97,554
Balance, September 30, 2015		8,352,944	\$ 717,230

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(in Canadian dollars)

(Note 6 - continued)

(a) *Dividend conversion*

In April 2015, the Company received notices from Preference Shareholders to convert unpaid cumulative dividends on Preference Shares totaling \$41,432 into common shares. As a result, the Company issued 118,375 common shares, based on a closing market price on December 31, 2014 of \$0.31. The Company recorded \$41,432 as an increase to common share capital and a decrease to accounts payable and accrued liabilities for the accrued dividends.

In January 2015, the Company received notices from Preference Shareholders to convert unpaid cumulative dividends on Preference Shares totaling \$21,888 into common shares. As a result, the Company issued 75,474 common shares, based on a closing market price on December 31, 2014 of \$0.29. The Company recorded \$20,229, net of costs of issuance of \$1,659, as an increase to common share capital and a decrease to accounts payable and accrued liabilities for the accrued dividends.

(b) *Software asset purchase*

In February 2015, the Company issued 6,000,000 common shares as payment for Software acquired, as disclosed in Note 4(a).

As the closing share price on the date prior to this share issuance was \$0.38, the Company recorded an increase to share capital of \$2,280,000, less share issuance costs of \$450.

(c) *Preference share conversion*

In April 2015, the Company issued 1,153,223 common shares and 576,611 warrants to settle the conversion of 357,500 Series 1 Preference Shares. The Company recorded \$324,638, net of costs of issuance of \$1,787, as an increase to common share capital and \$97,554 as an increase to warrant capital. The allocation between share capital and warrant capital was made on a relative fair value basis.

The fair value of the warrants granted was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Series L Warrants
Exercise price	\$0.31
Risk free interest rate	0.50%
Expected dividend yield	0%
Expected share volatility	106%
Expected life	24 months

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7. Related party transactions

Key management personnel 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, 2015, the Company paid rent to the related company of \$3,000 and \$9,000, respectively (three and nine months ended September 30, 2014 - \$3,000 and \$9,000, respectively), which is included in general and administration expense.

Directors and/or senior officers of the Company participated in the March 2012 private placement of Preference Shares.

For the nine months ended September 30, 2015, directors and senior officers converted a total of \$13,759 accrued dividends into 43,511 common shares. There were no dividends converted in the three months ended September 30, 2015, as all preference shares were redeemed or converted to common shares and warrants in April 2015. For the three and nine months ended September 30, 2014, directors and senior officers converted a total of \$7,629 and \$22,887 accrued dividends into 47,678 and 123,962 common shares, respectively.

In March 2015, the Company received notices from certain directors and/or senior officers to convert 232,500 Preference Shares into 749,998 common shares and 374,999 Warrants to satisfy the conversion requests received. These conversions were completed in April 2015.

In April 2015, the Company redeemed 22,500 Preference Shares of a director and senior officer for an aggregate Redemption Price of \$23,913, including accrued but unpaid dividends of \$1,413.

There were no conversions or redemptions of Preference Shares for the three and nine months ended September 30, 2014.

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.

Other related party transactions

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 and nine months ended September 30, 2015, the Company paid consulting fees of \$56,224 and \$212,118, respectively (2014 - \$12,516 and \$19,605, respectively) to YCP, which is included in technology and direct operating expense.

The Company receives fees from YCP with respect to (i) the re-licensing of the Company's software to YCP customers, and (ii) YCP client referrals made by the Company. For the three and nine months ended September 30, 2015, the Company recorded revenue of \$6,400 and \$6,400, respectively (2014 - \$nil and \$nil, respectively) related to these fees.

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.

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(Note 7 - continued)

In December 2014, the Company entered into a technology asset purchase agreement (the “Purchase Agreement”) to purchase certain technology assets (the “Software”) from YCP and 2025832 Ontario Inc. (collectively, the “Vendors”). The Software included the Realty Tax Management Platform and the Real Property Tax Analytics Platform as disclosed in note 4(a). The purchase constituted a non-arm’s length transaction under TSX-V regulations and, as such, it required regulatory and shareholder approval. Upon receiving such approvals in February 2015, the transaction closed. As consideration for the Software, upon the closing of the transaction, the Company issued a total of 6,000,000 common shares to the Vendors at a share price of \$0.38 per common share, being the closing price of the Company’s common shares on the date prior to the closing.

8. Revenue

Geographic information:

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

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

	Three months ended September 30, 2015			Three months ended September 30, 2014		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 1,703,524	\$ 573,745	\$ 2,277,269	\$ 1,345,144	\$ 408,526	\$ 1,753,670
Equipment	424,394	-	424,394	503,886	-	503,886
Intangible assets	2,135,464	-	2,135,464	52,333	-	52,333
	Nine months ended September 30, 2015			Nine months ended September 30, 2014		
	Canada	United States	Total	Canada	United States	Total
Revenue	\$ 4,740,682	\$ 1,112,816	\$ 5,853,498	\$ 3,479,513	\$ 795,720	\$ 4,275,233
Equipment	424,394	-	424,394	503,886	-	503,886
Intangible assets	2,135,464	-	2,135,464	52,333	-	52,333

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(Note 8 - continued)

Nature of services:

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

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Visual and data services	\$ 1,964,231	\$ 1,753,670	\$ 5,073,509	\$ 4,275,233
Consulting services	313,038	-	779,989	-
Total	\$ 2,277,269	\$ 1,753,670	\$ 5,853,498	\$ 4,275,233

Significant customers:

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

For the three months ended September 30, 2015, the Company had two significant customers; one represented 40%, and the other represented 13% of total revenue. For the three months ended September 30, 2014, the Company had two significant customers; one represented 38%, and the other represented 28% of total revenue.

For the nine months ended September 30, 2015, the Company had two significant customers; one represented 47%, and the other represented 13% of total revenue. For the nine months ended September 30, 2014, the Company had two significant customers; one represented 45%, and the other represented 24% of total revenue.

At September 30, 2015, three customers each accounted for more than 10% of trade accounts receivable, totalling approximately 65% of trade accounts receivable at that time, of which 88% was collected subsequent to September 30, 2015.

At September 30, 2014, four customers each accounted for more than 10% of trade accounts receivable, totalling approximately 93% of trade accounts receivable at that time, of which 100% was collected subsequent to September 30, 2014.

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9. Share-based compensation

Stock Options:

The number and weighted average exercise prices of options to purchase common shares are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding December 31, 2014	2,789,475	\$ 0.200	3.6
Granted	2,333,000	\$ 0.335	
Expired	(270,000)	\$ 0.370	
Outstanding September 30, 2015	4,852,475	\$ 0.255	3.8

The options outstanding at September 30, 2015 have exercise prices ranging from \$0.120 to \$0.335. All options outstanding had a contractual life of 5 years upon grant.

The fair value of options granted during the period was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Exercise price	\$0.335
Common share value at grant date	\$0.335
Risk free interest rate	0.45% to 0.74%
Expected dividend yield	0%
Expected share volatility	139.10% to 148.04%
Expected life	2.5 to 5 years

For the three and nine months ended September 30, 2015, the Company recorded share-based compensation expense of \$79,196 and \$364,663 (three and nine months ended September 30, 2014 - \$1,866 and \$136,098) related to stock options granted to employees, officers, and directors, which is included in technology expense, selling and business development expense, and general and administration expense.

Of the 4,852,475 unexercised options as at September 30, 2015, 3,079,819 had vested and were exercisable, with exercise prices ranging from \$0.120 to \$0.335 per share.

Deferred Share Units:

The following table presents changes in Deferred Share Units ("DSUs"):

	Number of Units	Amount
Outstanding December 31, 2014	482,324	\$ 139,875
Granted	324,843	\$ 103,950
Outstanding September 30, 2015	807,167	\$ 243,825

For the nine months ended September 30, 2015, the Company recorded share-based compensation expense of \$103,950 related to DSUs granted to directors, which is included in general and administration expense. There were no DSUs granted in the three months ended September 30, 2015, or the three and nine months ended September 30, 2014.

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10. Earnings (loss) per share

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Numerator (basic) -				
Earnings (loss) for the period	\$ 421,377	\$ 240,460	\$ (658,028)	\$ (440,122)
Denominator - Number of common shares				
Weighted average number of common shares outstanding, basic	60,313,784	46,225,256	59,073,577	46,072,694
Effects of dilutive securities				
Options	980,150	647,225	-	-
Warrants	2,205,392	1,988,290	-	-
Deferred share units	807,167	-	-	-
Preference shares	-	2,535,118	-	-
Weighted average number of common shares outstanding, diluted	64,306,493	51,395,889	59,073,577	46,072,694
Earnings (loss) per share:				
Basic	\$ 0.01	\$ 0.01	\$ (0.01)	\$ (0.01)
Diluted	\$ 0.01	\$ -	\$ (0.01)	\$ (0.01)

Basic earnings per share (“EPS”) is calculated using the weighted average number of common shares outstanding during the period.

For the three months ended September 30, 2015 and September 30, 2014, diluted earnings per share did not take into account any outstanding warrants or options whose exercise price exceeded the average share price for the period (“not in the money”). As at September 30, 2015, there were a total of:

- 3,909,944 warrants not in the money (September 30, 2014 – nil); and
- 2,658,725 options not in the money (September 30, 2014 – 520,000).

For the nine months ended September 30, 2015 and September 30, 2014, 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 September 30, 2015, there were a total of:

- 8,352,944 warrants outstanding (September 30, 2014 – 4,443,000);
- 4,852,475 options outstanding (September 30, 2014 – 2,805,375);
- 807,167 deferred share units outstanding (September 30, 2014 – nil);
- There were no convertible preference shares outstanding as at September 30, 2015 (September 30, 2014 – 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 September 30, 2015 (September 30, 2014 – \$39,286).

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11. Supplementary cash flow information

	2015	2014
Changes in non cash working capital:		
Trade and other receivables	\$ (438,936)	\$ (268,641)
Prepaid expenses and other current assets	(36,860)	(32,949)
Accounts payable and accrued liabilities	284,919	494,364
Unearned revenue	80,806	(193,665)
Unrealized foreign exchange losses related to non-cash working capital	(64,708)	(79,632)
	\$ (174,779)	\$ (80,523)

Significant non-cash transactions

- In the nine months ended September 30, 2015, the Company recorded accrued dividends in the amount of \$23,118 and converted \$63,320 accrued dividends into common shares (September 30, 2014 – \$67,315 and \$64,324, respectively).
- In April 2015, the Company issued 1,153,223 common shares and 576,611 warrants to settle the conversion of 357,500 Series 1 Preference Shares.
- In December 2014, the Company entered into a Purchase Agreement to acquire Software to be settled by the issuance of 6,000,000 common shares of iLOOKABOUT. The transaction closed on February 11, 2015. As the closing share price on February 11, 2015 was \$0.38, the cost of the Software asset was determined to be \$2,280,000. The Company valued the software at the fair value of the shares granted as the fair value of the software could not be estimated reliably.

12. 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, 2014.

iLOOKABOUT Corp.**Notes to Unaudited Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2015 and 2014****(in Canadian dollars)****13. 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, preference shares, and debt financing of vehicles were determined based on present valuing future estimated cash flows using market rates of interest, as follows:

As at	September 30, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Secured term credit facility	(593,695)	(723,174)	(584,237)	(681,873)
Preference shares	-	-	(788,151)	(769,609)
Debt financing of vehicles	(41,807)	(41,807)	(49,037)	(49,037)
	\$ (635,502)	\$ (764,981)	\$ (1,421,425)	\$ (1,500,519)

The fair value and carrying amount of the Preference Shares presented in the table above include accrued dividends of \$nil at September 30, 2015 (December 31, 2014 – \$53,695), whereas the financial statements report the accrued dividends as accounts payable and accrued liabilities.