

iLOOKABOUT Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2018 and 2017

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

As at	Note	June 30, 2018	December 31, 2017 (Restated - Note 3a)	January 1, 2017 (Restated - Note 3a)
Assets				
Current Assets:				
Cash		\$ 7,126,869	\$ 7,139,614	\$ 2,221,432
Trade and other receivables, net		944,580	798,130	677,125
Contract assets	4	213,254	306,240	266,606
Prepaid expenses and other current assets		284,853	184,755	143,501
		8,569,556	8,428,739	3,308,664
Non-current Assets:				
Contract assets	4	43,251	91,253	268,885
Equipment		474,323	355,564	429,736
Intangible assets		1,511,804	1,628,484	1,851,643
		2,029,378	2,075,301	2,550,264
Total Assets		\$ 10,598,934	\$ 10,504,040	\$ 5,858,928
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities		\$ 1,467,941	\$ 1,566,660	\$ 1,205,631
Unearned revenue		1,365,631	1,196,988	1,325,213
Current portion of long-term debt	5	11,644	11,523	10,947
		2,845,216	2,775,171	2,541,791
Non-current Liabilities:				
Unearned revenue		253,275	344,628	933,822
Long-term debt	5	697	6,543	18,066
		253,972	351,171	951,888
Shareholders' Equity		7,499,746	7,377,698	2,365,249
Subsequent events	15			
Total Liabilities and Shareholders' Equity		\$ 10,598,934	\$ 10,504,040	\$ 5,858,928

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		Six months ended	
		June 30, 2018	June 30, 2017 (Restated Note 3a)	June 30, 2018	June 30, 2017 (Restated Note 3a)
Revenue	7, 8, 9	\$ 2,323,085	\$ 2,424,243	\$ 4,715,023	\$ 4,398,562
Direct operating expenses		717,542	732,701	1,464,898	1,335,472
Gross margin		1,605,543	1,691,542	3,250,125	3,063,090
Other operating expenses:					
Technology		575,326	502,588	1,034,769	941,853
Selling and business development		255,092	248,745	464,927	461,941
General and administration		1,220,006	1,074,766	2,126,891	1,838,790
		2,050,424	1,826,099	3,626,587	3,242,584
Loss from operations		(444,881)	(134,557)	(376,462)	(179,494)
Finance income (costs)		15,470	39	30,043	(220)
Foreign exchange gain (loss)		39,536	(43,714)	103,062	(56,790)
Loss for the period		\$ (389,875)	\$ (178,232)	\$ (243,357)	\$ (236,504)
Other comprehensive income:					
Items that will not be reclassified to loss for the year:					
Foreign exchange gain (loss) on the translation of foreign operations		(15,148)	21,248	(45,060)	27,130
Comprehensive loss for the period		\$ (405,023)	\$ (156,984)	\$ (288,417)	\$ (209,374)
Weighted average number of common shares					
Basic and diluted	11	85,095,784	76,699,784	84,848,951	69,537,951
Loss per share					
Basic and diluted	11	\$ -	\$ -	\$ -	\$ -

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)

Six months ended June 30, 2018

	Note	Common share capital	Warrant capital	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at December 31, 2017		\$ 18,068,624	\$ 305,902	\$ 5,877,554	\$ (16,578,981)	\$ (259,734)	\$ 7,413,365
IFRS 15 implementation adjustment (note 3a)		-	-	-	(17,667)	(18,000)	(35,667)
Balance, December 31, 2017, restated		\$ 18,068,624	\$ 305,902	\$ 5,877,554	\$ (16,596,648)	\$ (277,734)	\$ 7,377,698
Loss for the period		-	-	-	(243,357)	-	(243,357)
Other comprehensive income:							
Foreign exchange loss on the translation of foreign operations		-	-	-	-	(45,060)	(45,060)
Comprehensive loss for the period		-	-	-	(243,357)	(45,060)	(288,417)
Warrants exercised	6 (a)	298,310	(76,160)	-	-	-	222,150
Share-based compensation	10	-	-	188,315	-	-	188,315
Balance at June 30, 2018		\$ 18,366,934	\$ 229,742	\$ 6,065,869	\$ (16,840,005)	\$ (322,794)	\$ 7,499,746

Six months ended June 30, 2017

	Note	Common share capital	Warrant capital	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at December 31, 2016		\$ 13,302,626	\$ 338,077	\$ 5,424,757	\$ (16,144,245)	\$ (323,660)	\$ 2,597,555
IFRS 15 implementation adjustment (note 3a)		-	-	-	(214,306)	(18,000)	(232,306)
Balance, January 1, 2017, restated		\$ 13,302,626	\$ 338,077	\$ 5,424,757	\$ (16,358,551)	\$ (341,660)	\$ 2,365,249
Loss for the period		-	-	-	(236,504)	-	(236,504)
Other comprehensive loss:							
Foreign exchange gain on the translation of foreign operations		-	-	-	-	27,130	27,130
Comprehensive loss for the period		-	-	-	(236,504)	27,130	(209,374)
Issuance of common shares and warrants		4,423,773	133,423	-	-	-	4,557,196
Warrants exercised		290,194	(68,044)	-	-	-	222,150
Warrants expired		-	(97,554)	97,554	-	-	-
Options exercised		52,031	-	(25,031)	-	-	27,000
Share-based compensation	10	-	-	181,165	-	-	181,165
Balance at June 30, 2017		\$ 18,068,624	\$ 305,902	\$ 5,678,445	\$ (16,595,055)	\$ (314,530)	\$ 7,143,386

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	Six months ended	
		June 30, 2018	June 30, 2017 (Restated Note 3a)
Cash flows from operating activities			
Loss for the year		\$ (243,357)	\$ (236,504)
Adjustments for:			
Loss on disposal of equipment		1,580	37,738
Gain on disposal of intangible assets		-	231
Amortization of equipment		46,439	63,151
Amortization of intangible assets		116,680	115,405
Unrealized foreign exchange (gain) loss		(126,701)	55,180
Finance (income) costs		(30,043)	220
Share-based compensation expense	10	188,315	181,165
		(47,087)	216,586
Changes in non-cash operating assets and liabilities	12	(126,989)	(399,880)
Interest paid		(471)	(803)
Interest received		30,514	583
Tax credits received		-	848
Cash used in operating activities		(144,033)	(182,666)
Cash flows from financing activities			
Repayment of debt financing of vehicles	5	(5,725)	(5,392)
Proceeds from issuance of common shares and warrants		-	4,557,196
Proceeds from warrants exercised	6 (a)	222,150	222,150
Proceeds from options exercised		-	27,000
Cash provided by financing activities		216,425	4,800,954
Cash flows from investing activities			
Purchase of equipment		(170,668)	(26,838)
Proceeds on disposal of equipment		3,890	-
Purchase of intangible asset		-	(914)
Cash used in investing activities		(166,778)	(27,752)
Increase (Decrease) in cash for the period		(94,386)	4,590,536
Effect of exchange rate fluctuations on cash		81,641	(28,050)
Cash - beginning of period		7,139,614	2,221,432
Cash - end of period		\$ 7,126,869	\$ 6,783,918

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 six months ended June 30, 2018 and 2017
(in Canadian dollars)

1. Corporate Information

iLOOKABOUT (the "Company") is a software, data analytics, and visual 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 United States ("US").

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.

The consolidated financial statements comprise the subsidiaries presented below.

Subsidiary ¹	Voting Securities	Jurisdiction of Incorporation	Year End
iLOOKABOUT Inc.	100%	Ontario	December 31
iLOOKABOUT (US) Inc.	100%	Delaware	December 31
Municipal Tax Advisory Group Inc.	100%	Ontario	December 31
MTAG Paralegal Professional Corporation ²	0%	Ontario	December 31

Note:

- Subsidiaries are legal entities controlled by the Company. Control exists when the Company has power to direct the relevant activities of an entity and is exposed to or has rights to variable returns from its involvement with the entity. In certain circumstances, the Company may have control over an entity in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations.
- As required under the *Law Society Act* (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. While the Company does not have any voting rights in this entity, the Company controls the entity through contractual arrangements.

2. Basis of Presentation

(a) 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, 2017, which are available on SEDAR. Changes to significant accounting policies are described in Note 3. These interim financial statements were approved by the Board of Directors on August 29, 2018.

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2018 and 2017
(in Canadian dollars)

(Note 2 - continued)

(b) Use of estimates and judgements

Critical accounting estimates

The preparation of these consolidated financial statements requires management to apply judgement when making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ materially from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Key areas of estimation are as follows:

Revenue recognition

Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated stand-alone selling price of each performance obligation in the contract. Stand-alone selling price is established based on observable prices for the same or similar service when sold separately, or estimated using a cost plus margin approach. In order to allocate the total revenue from an arrangement with multiple elements, management is required to estimate the fair value of each of those elements. These estimates can affect the timing of revenue recognition over the term of the sales arrangement.

Non-monetary transactions

In order to account for non-monetary transactions, Management is required to make certain estimates in the determination of the fair values of goods/services received by and/or goods/services provided by the Company. These fair value estimates can affect the amount and timing of revenue and expense recognition resulting from non-monetary transactions.

Share-based compensation

Management is required to make certain estimates and assumptions when determining the grant date fair value of stock option awards, the number of awards that are expected to vest and the expected timing of vesting for awards with non-market performance conditions. Fair value is determined using the Black-Scholes option pricing model. Estimates are made with respect to expected share volatility and expected life. Service and performance conditions are not taken into account in determining fair value. Vesting of options with non-market performance conditions is based on achievement of specific milestones for which management must estimate a date of completion. These estimates are reviewed at each reporting period, and the cumulative effect of the change is recognized in that period.

Warrants

Management is required to make certain estimates and assumptions when determining the fair value of warrants. Fair value is determined using the Black-Scholes option pricing model. Estimates are made with respect to inputs to the Black-Scholes option pricing model including expected share volatility and expected life.

Intangible assets

Management is required to make certain estimates related to the expected useful lives of intangible assets, upon which amortization for those assets are based.

iLOOKABOUT Corp.
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(in Canadian dollars)

(Note 2 - continued)

Impairment of non-financial assets

When the Company identifies indicators of a potential impairment of non-financial assets, analysis is performed to estimate the recoverable amount of such assets. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In calculating the value in use, the Company uses expected future cash flows which are discounted using a rate specific to the asset or CGU. Significant estimates used in the preparation of the value in use calculation include future cash flows and projections, estimates of achieving specific operating results, estimates of future capital expenditures and the weighted average cost of capital used to discount the future cash flows.

Critical judgements in applying accounting policies

In the preparation of these consolidated financial statements management has made judgements, aside from those that involve estimates, in the process of applying the accounting policies. These judgements can have an affect on the amounts recognized in the financial statements.

Revenue recognition

Management is required to make judgements as to whether multiple products or services sold in a contract are considered distinct and should be accounted as separate performance obligations, or together as a combined performance obligation.

For arrangements recognized over a period of time, management uses judgement as to the pattern of recording the revenue and expected renewal options in the contract.

In certain sales arrangements, Management must also use judgement in determining whether the Company is acting as an agent or principal in a transaction based on an evaluation of which party controls the asset before it is transferred to the buyer. Judgement is required in each applicable sales arrangement and all relevant facts and circumstances must be considered.

Income tax

Management is required to apply judgement in determining whether it is probable that deferred income tax assets will be realized. At June 30, 2018 and January 1, 2017, management had determined that future realization of its deferred income tax assets did not meet the threshold of being probable, and as such, has not recognized any deferred income tax assets in the consolidated statements of financial position.

In addition, the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgements in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Accounts receivable

Management is required to use judgement in assessing the collectability of accounts receivable. Factors considered in making these judgements include, but are not limited to, age of the receivable, payment history and financial condition of the debtor.

Impairment of non-financial assets

Management exercises judgement in assessing whether there are indications that an asset may be impaired. Factors considered include whether an active market exists for the output produced by the asset or group of assets, as well as how management monitors and makes decisions about the Company's operations.

Management must also use judgement in regularly assessing whether any previously recorded impairment losses should be reversed.

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(Note 2 - continued)

Cash Generating Units

Cash Generating Units (öCGUsö) are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors operations.

3. Significant Accounting Policies

Except for the adoption of IFRS 9 and IFRS 15, 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, 2017.

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

(a) New accounting pronouncements adopted

IFRS 9 - Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9, which sets out requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities.

Cash and trade and other receivables that were classified as loans and receivables under IAS 39 are classified as financial assets measured at amortized cost. There is no change to the initial measurement of the Company's financial assets. Impairment of financial assets is based on an expected credit loss (öECLö) model under IFRS 9, rather than the incurred loss model under IAS 39. ECLs are a probability-weighted estimate of credit losses. The Company calculated ECLs based on consideration of customer-specific factors and actual credit loss experience. As a percentage of revenue, the Company's actual credit loss experience has not been significant.

The adoption of IFRS 9 has not had an effect on the Company's accounting policies related to financial liabilities.

There was no material impact of transition to IFRS 9 on the Company's statement of financial position at January 1, 2018.

IFRS 15 - Revenue from Contracts with Customers

Effective January 1, 2018, the Company adopted IFRS 15 which introduces a single model for recognizing revenue from contracts with customers. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs.

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(in Canadian dollars)

(Note 3 - continued)

Upon initial adoption, the Company has applied IFRS 15 with full retrospective application, subject to certain practical expedients. Therefore, the comparative information has been restated as if IFRS 15 had been in effect since January 1, 2017.

The Company used the practical expedients on adoption of IFRS 15 as follows:

- Did not restate completed contracts, including completed contracts at the beginning of the earliest period presented and those that commenced and ended within the same annual reporting period;
- Did not recognize the incremental costs of obtaining contracts as an asset if the amortization period of the assets would have been one year or less;
- Did not adjust the total consideration over the contract term for effects of a financing component, if the period between the transfer a promised good or service to the customer and the customer's payment for the good or service would be one year or less; and
- Did not disclose the amount of consideration allocated to the remaining performance obligations and an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before the date of initial application.

The Company's revenue recognition accounting policy in accordance with IFRS 15 is as follows:

Revenue is recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers:

The Company earns revenue primarily from providing access to real property related data and imagery, access to real property related web-based applications and other related services, on either a subscription or usage basis. The Company also generates revenue from the provision of professional and other services on either a time and materials or fixed fee basis.

Subscription-based revenue is recognized ratably over the contract period commencing on the date an executed contract exists and the customer has the right and ability to access the application. Billing terms of such subscriptions are typically in advance of service on a monthly, quarterly or annual basis. Revenue from subscription-based arrangements that involve complex implementation or customization that is not distinct, is recognized as a combined performance obligation and recognized ratably over the remaining contract term, including any expected renewal periods.

Usage-based revenue is recorded at a point in time, being when the buyer takes control of the asset (i.e. the point at which the Company has no current or future obligations to the buyer). Generally, usage-based revenue is billed monthly in arrears.

Professional and other services revenue is typically billed monthly in arrears of services provided on a time and material basis, and revenue is recognized over time as the services are performed. For professional and other services contracts billed on a fixed-price basis, revenue is recognized over time based on the proportion of services performed.

iLOOKABOUT Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2018 and 2017
(in Canadian dollars)

(Note 3 - continued)

The services and products offered by the Company can be sold on a stand-alone basis or in a sales arrangement containing multiple performance obligations. Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated stand-alone selling price of each performance obligation in the contract. The best evidence of a stand-alone selling price is the observable price of a service or product when it is sold separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, the stand-alone selling price is estimated taking into account reasonably available information relating to market conditions and entity-specific factors.

At each reporting period, there are unfulfilled performance obligations for which the Company has collected funds and deposits. These amounts relate to various licenses and services and are recorded as current and non-current unearned revenues.

Contract acquisition and fulfillment costs:

Acquisition costs that are incremental to obtaining the contract and contract fulfillment costs that are directly attributable to a sales contract, that enhance the resources of the Company to satisfy performance obligations of the sales contract in the future, and that are expected to be recovered, are recorded as a contract asset. Contract assets are recognized as an expense on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates.

Such contract acquisitions assets of the Company are typically comprised of royalties and commissions, and such contract fulfillment assets are typically comprised of imagery capture and processing costs.

Primary changes on adoption of IFRS 15:

A. Bundled products and services

IAS 15 allows for judgement in establishing a suitable method for estimating the stand-alone selling price of elements (i.e. performance obligations) within multiple element arrangements when the stand-alone selling price is not directly observable. Typical multiple element arrangements of the Company include a combination of the licensing of a web-based application, web-based access for a period of time to the Company's StreetScape imagery database for a defined geographic area, and selection of preferred property images for each property in the defined geographic area. For these arrangements, the Company's methodology for allocating the transaction price under IFRS 15 will result in less revenue being allocated to delivery of the preferred property images, which is at a point in time, and more revenue being recognized over time, being the term of access to the street level-imagery database and the web-based application.

B. Costs to obtain and fulfill a sales contract

Prior to adopting IFRS 15, contract acquisition and fulfillment costs were expensed as they were incurred. Under IFRS 15, contract acquisition and fulfillment costs, that meet certain criteria, are capitalized as contract assets and are recognized as an expense on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates. Such contract assets of the Company are typically comprised of image capture costs, sub-contractor fees, royalties and commissions. The nature of some of the Company's sales agreements is that a substantial amount of costs are incurred at the outset of the arrangement over a period of a few months, while a portion of the related revenue is recognized over a period of years. Adoption of IFRS 15 will provide for greater alignment between the periods in which revenues and directly attributable expenses are recorded.

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(in Canadian dollars)

(Note 3 - continued)

C. Principal and agent assessment

Prior to adopting IFRS 15, the evaluation of whether an entity is performing as a principal or an agent was focused on assessing the transfer of risks and rewards. IFRS 15 focuses the evaluation on which party controls the asset before it is transferred to the customer. As a result of applying IFRS 15, the Company has concluded it is performing as the agent with respect to a specific sales arrangement, whereas under previous IFRS it was acting as a principal, which results in the reporting of revenue at the net amount as opposed to the gross amount.

The following tables summarize the impacts of adopting IFRS 15 on the Company's previously reported Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2017 and as at January 1, 2017 and December 31, 2017.

	As at January 1, 2017			As at December 31, 2017		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Assets						
Current Assets:						
Cash	\$ 2,221,432	-	\$ 2,221,432	\$ 7,139,614	\$ -	\$ 7,139,614
Trade and other receivables, net	677,125	-	677,125	798,130	-	798,130
Contract assets	-	266,606	266,606	-	306,240	306,240
Prepaid expenses and other current assets	163,575	(20,074)	143,501	204,829	(20,074)	184,755
	3,062,132	246,532	3,308,664	8,142,573	286,166	8,428,739
Non-current Assets:						
Contract assets	-	268,885	268,885	-	91,253	91,253
Equipment	429,736	-	429,736	355,564	-	355,564
Intangible assets	1,851,643	-	1,851,643	1,628,484	-	1,628,484
	2,281,379	268,885	2,550,264	1,984,048	91,253	2,075,301
Total Assets	\$ 5,343,511	\$ 515,417	\$ 5,858,928	\$ 10,126,621	\$ 377,419	\$ 10,504,040
Liabilities and Shareholders' Equity						
Current Liabilities:						
Accounts payable and accrued liabilities	\$ 1,205,631	-	\$ 1,205,631	\$ 1,566,660	\$ -	\$ 1,566,660
Unearned revenue	980,084	345,129	1,325,213	844,838	352,150	1,196,988
Current portion of long-term debt	10,947	-	10,947	11,523	-	11,523
	2,196,662	345,129	2,541,791	2,423,021	352,150	2,775,171
Non-current Liabilities:						
Unearned revenue	531,228	402,594	933,822	283,692	60,936	344,628
Long-term debt	18,066	-	18,066	6,543	-	6,543
	549,294	402,594	951,888	290,235	60,936	351,171
Shareholders' Equity	2,597,555	(232,306)	2,365,249	7,413,365	(35,667)	7,377,698
Total Liabilities and Shareholders' Equity	\$ 5,343,511	\$ 515,417	\$ 5,858,928	\$ 10,126,621	\$ 377,419	\$ 10,504,040

iLOOKABOUT Corp.
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(in Canadian dollars)

(Note 3 - continued)

	Three months ended June 30, 2017			Six months ended June 30, 2017		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Revenue	\$ 2,476,217	(51,974)	\$ 2,424,243	\$ 4,556,832	(158,270)	\$ 4,398,562
Direct operating expenses	848,301	(115,600)	732,701	1,575,294	(239,822)	1,335,472
Gross margin	1,627,916	63,626	1,691,542	2,981,538	81,552	3,063,090
Other operating expenses:						
Technology	502,588	-	502,588	941,853	-	941,853
Selling and business development	248,745	-	248,745	461,941	-	461,941
General and administration	1,074,766	-	1,074,766	1,838,790	-	1,838,790
	1,826,099	-	1,826,099	3,242,584	-	3,242,584
Loss from operations	(198,183)	63,626	(134,557)	(261,046)	81,552	(179,494)
Finance costs	39	-	39	(220)	-	(220)
Foreign exchange loss	(43,714)	-	(43,714)	(56,790)	-	(56,790)
Loss for the period	\$ (241,858)	63,626	\$ (178,232)	\$ (318,056)	81,552	\$ (236,504)
Other comprehensive income (loss):						
Items that will not be reclassified to loss for the period:						
Foreign exchange loss on the translation of foreign operations	21,248	-	21,248	27,130	-	27,130
Comprehensive loss for the period	\$ (220,610)	63,626	\$ (156,984)	\$ (290,926)	81,552	\$ (209,374)
Weighted average number of common shares						
Basic and diluted	76,699,784		79,699,784	69,537,951		69,537,951
Loss per share						
Basic and diluted	\$ -		\$ -	\$ -		\$ -

(b) Accounting pronouncements not yet adopted

The IASB has issued new standards and amendments to existing standards. These changes in accounting were not yet effective at December 31, 2017 and could have an impact on future periods.

IFRS 16 - Leases

In January 2016, the IASB issued the final publication of the IFRS 16 - Leases standard, which will supersede the current IAS 17 - Leases standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the entity is also applying IFRS 15. The Company will have the option to either:

- apply IFRS 16 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

Management is assessing the impact of this standard on the consolidated financial statements.

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4. Contract assets

The components of contract assets are as follows:

	June 30, 2018	December 31, 2017 (Restated Note 3a)	January 1, 2017 (Restated Note 3a)
Acquisition costs	\$ 125,347	\$ 124,138	\$ 205,567
Fulfillment costs	131,158	273,355	329,924
Contract assets, total	\$ 256,505	\$ 397,493	\$ 535,491
To be amortized within 1 year	213,254	306,240	266,606
Thereafter	43,251	91,253	268,885
Contract assets, total	\$ 256,505	\$ 397,493	\$ 535,491

Acquisition costs consist of commissions and royalty payments incurred upon initiation of a contract with a customer:

	Six months ended June 30, 2018	Year ended December 31, 2017 (Restated Note 3a)	As at January 1, 2017 (Restated Note 3a)
Balance, beginning of period	\$ 124,138	\$ 205,567	\$ -
Transitional amount	-	-	205,567
Adjusted opening balance	124,138	205,567	205,567
Additions from new contracts with customers	93,147	64,205	-
Amortization of contract assets to direct operating expenses	(91,938)	(145,634)	-
Balance, end of period	\$ 125,347	\$ 124,138	\$ 205,567
To be amortized within 1 year	101,837	91,504	108,741
Thereafter	23,510	32,634	96,826
Contract assets, acquisition costs	\$ 125,347	\$ 124,138	\$ 205,567

Fulfillment costs are comprised of image capture costs and sub-contractor fees:

	Three months ended June 30, 2018	Year ended December 31, 2017 (Restated Note 3a)	As at January 1, 2017 (Restated Note 3a)
Balance, beginning of period	\$ 273,355	\$ 329,924	\$ -
Transitional amount	-	-	329,924
Adjusted opening balance	273,355	329,924	329,924
Additions from new contracts with customers	51,012	113,890	-
Amortization of contract assets to direct operating expenses	(193,209)	(170,459)	-
Balance, end of period	\$ 131,158	\$ 273,355	\$ 329,924
To be amortized within 1 year	111,417	214,736	157,865
Thereafter	19,741	58,619	172,059
Contract assets, fulfillment costs	\$ 131,158	\$ 273,355	\$ 329,924

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5. Long-term debt

	June 30, 2018		December 31, 2017	
Due within 1 year	\$	11,644	\$	11,523
Due between 1 and 5 years		697		6,543
	\$	12,341	\$	18,066
				Carrying Value
Balance, December 31, 2017			\$	18,066
Repayment of financing				(5,725)
Balance, June 30, 2018			\$	12,341

6. Common Share and Warrant Capital

	Expiry date	Exercise price	June 30, 2018		December 31, 2017	
			Issued	Amount	Issued	Amount
Issued and outstanding:						
Common shares			85,095,784	\$ 18,366,934	83,614,784	\$ 18,068,624
Share purchase warrants:						
Series J warrants	January 24, 2018	0.15	-	-	1,481,000	76,160
Series L warrants	October 24, 2021	0.40	1,000,000	96,319	1,000,000	96,319
2017 Broker warrants	May 16, 2019	0.25	1,044,000	133,423	1,044,000	133,423
Share capital and warrant capital			87,139,784	\$ 18,596,676	87,139,784	\$ 18,374,526

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 shares:

	Number of shares	Amount
Balance, December 31, 2017	83,614,784	\$ 18,068,624
Shares issued, warrants exercised (a)	1,481,000	298,310
Balance, June 30, 2018	85,095,784	\$ 18,366,934

The following table presents changes in warrant capital:

	Number of warrants	Amount
Balance, December 31, 2017	3,525,000	\$ 305,902
Warrants exercised (a)	(1,481,000)	(76,160)
Balance, June 30, 2018	2,044,000	\$ 229,742

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(Note 6 - continued)

(a) *Warrant exercise*

In January 2018, 1,481,000 Series J purchase warrants previously issued under a private placement to the Chair of the Board and Chief Executive Officer of the Company, were exercised for 1,481,000 Common Shares at an exercise price of \$0.15 per share, for gross proceeds of \$222,150.

7. Related party disclosures

Equity transaction:

In January 2018, 1,481,000 Series J purchase warrants, previously issued in connection with a private placement to the Chair of the Board and Chief Executive Officer of the Company, were exercised for 1,481,000 Common Shares at an exercise price of \$0.15 per share, resulting in proceeds of \$222,150.

Consulting services:

To provide for ongoing support and development of certain software initially licensed then purchased from Yeoman & Company Paralegal Professional Corporation (øYCPø), in December 2014 the Company entered into a consulting agreement with YCP (øConsulting Agreementø). The Consulting Agreement has a term of twenty years and provides for an annual fee of \$265,000 plus 15% of consideration received by the Company from end customers (the øYCP Feesø) for use of the Software. For the three and six months ended June 30, 2018, the Company paid YCP Fees of \$66,253 and \$204,694 (three and six months ended June 30, 2017 - \$97,759 and \$214,379) to YCP, which were included in direct operating expense and technology expense. Two of the principals of YCP are the sons of the Chair of the Board and Chief Executive Officer of the Company.

Software licensing:

YCP relicenses and/or utilizes the Company's software in order to provide certain services to YCP's end customers. Included in revenue for the three and six months ended June 30, 2018 are software licence fees of \$nil and \$3,900 (three and six months ended June 30, 2017 ø \$9,188 and \$18,375).

Real property rental:

One of the premises occupied by the Company is rented on an annual basis from a related company owned, in part, by a director of the Company. For the three and six months ended June 30, 2018, the Company paid rent to the related company of \$3,000 and \$6,000, (three and six months ended June 30, 2017 - \$3,000 and \$6,000), which is included in general and administration expense.

Consolidated entity:

As required under the *Law Society Act* (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Chair of the Board and Chief Executive Officer of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the Company controls the entity through contractual arrangements, which also provide that all economic benefit or loss resulting from the entity will be received or incurred by the Company. In September 2017, MTAG Paralegal Professional Corporation commenced the delivery of paralegal services.

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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8. Non-monetary transactions

The Company licenses real property related data from a third party for use in one of the Company's applications. Compensation to the licensor for this data is made by the Company through a combination of cash payments, access to one of the Company's applications and the provision of custom development services. The data licensing expense is recognized evenly over the period of access to the data, and the revenue related to the provision of services by the Company is recognized as those services are delivered. As the timing of access to the data and delivery of services by the Company may not align, the related revenue and expense may not match in a reporting period. For the three and six months ended June 30, 2018, visual and data services revenue of \$147,907 and \$295,814 (three and six months ended June 30, 2017 ó nil) and direct operating expense of \$97,000 and \$194,000 (three and six months ended June 30, 2017 ó nil) related to this transaction, were recognized.

9. 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		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Restated - Note 3a)		(Restated - Note 3a)	
Visual and data services	\$ 2,078,219	\$ 2,229,564	\$ 4,181,562	\$ 3,978,023
Consulting services	244,866	194,679	533,461	420,539
Total	\$ 2,323,085	\$ 2,424,243	\$ 4,715,023	\$ 4,398,562

Significant customers:

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

For the three months ended June 30, 2018, the Company had one significant customer; representing 50% of total revenue. For the three months ended June 30, 2017, the Company had one significant customer; representing 50% of total revenue.

For the six months ended June 30, 2018, the Company had one significant customer; representing 50% of total revenue. For the six months ended June 30, 2017, the Company had two significant customers; one represented 51% and the other represented 11% of total revenue.

At June 30, 2018, three customers each accounted for more than 10% of trade accounts receivable. These customers accounted for approximately 58% of trade accounts receivable at that time, of which 98% was collected subsequent to June 30, 2018.

At December 31, 2017, one customer accounted for more than 10% of trade accounts receivable. This customer accounted for approximately 50% of trade accounts receivable at December 31, 2017, of which 100% was collected subsequent to December 31, 2017.

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(Note 9 - continued)

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		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Restated - Note 3a)		(Restated - Note 3a)	
Canada	\$ 1,805,060	\$ 1,932,214	\$ 3,690,650	\$ 3,619,087
United States	518,025	492,029	1,024,373	779,475
Total	\$ 2,323,085	\$ 2,424,243	\$ 4,715,023	\$ 4,398,562

Equipment and intangible assets were entirely located in Canada.

10. 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, 2017	5,754,975	\$ 0.27	2.2
Granted	2,000,000	\$ 0.25	
Expired	(1,104,125)	\$ 0.29	
Outstanding June 30, 2018	6,650,850	\$ 0.26	4.6

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	\$0.20 and \$0.30
Common share value at grant date	\$0.17 and \$0.175
Risk free interest rate	1.75%
Expected dividend yield	0%
Expected share volatility	88.01% and 90.20%
Expected life	5 years

During the period, 1,000,000 stock options granted vest upon the attainment of mutually agreed upon milestones and 1,000,000 stock options granted vest 25% upon grant and 25% on each of the three anniversaries of grant thereafter.

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(Note 10 - continued)

The options outstanding at June 30, 2018 have exercise prices ranging from \$0.145 to \$0.335. All options outstanding had a contractual life of 5 years upon grant. Of the 6,650,850 unexercised options as at June 30, 2018, 4,793,350 had vested and were exercisable.

For the three and six months ended June 30, 2018, the Company recorded share-based compensation expense of \$81,111 and \$95,815 (three and six months ended June 30, 2017 - \$51,667 and \$98,665) 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.

Deferred Share Units:

A summary of the DSUs outstanding under the share-based incentive plan is presented below:

	Number of Units		Amount
Outstanding December 31, 2017	2,537,341	\$	656,325
Granted	660,713	\$	92,500
Outstanding June 30, 2018	3,198,054	\$	748,825

For the three and six months ended June 30, 2018, the Company recorded share-based compensation expense of \$92,500 and \$92,500 (three and six months ended June 30, 2017 ó \$82,500 and \$82,500) related to DSUs granted to directors, which is included in general and administration expense.

11. Loss per share

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

For the three and six months ended June 30, 2018, diluted loss per share did not take into account any outstanding warrants, stock options, or deferred share units as their effect would be anti-dilutive for these periods. As at June 30, 2018, there were a total of:

- 2,044,000 warrants outstanding (June 30, 2017 ó 3,525,000);
- 6,650,850 stock options outstanding (June 30, 2017 ó 5,742,475); and
- 3,198,054 deferred share units outstanding (June 30, 2017 ó 2,144,486)

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12. Supplementary cash flow information

	Six months ended	
	June 30, 2018	June 30, 2017 (Restated - Note 3a)
Changes in non-cash operating assets and liabilities:		
Trade and other receivables	\$ (146,450)	\$ (809,350)
Contract assets	140,988	\$ 86,359
Prepaid expenses and other current assets	(100,098)	(67,952)
Accounts payable and accrued liabilities	(98,719)	577,444
Unearned revenue	77,290	(186,381)
	\$ (126,989)	\$ (399,880)

13. 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, 2017.

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

As at	June 30, 2018	December 31, 2017
Current	894,627	\$ 665,538
Past due 1-90 days	49,600	69,252
Past due over 90 days	353	63,340
	\$ 944,580	\$ 798,130

Specific provisions are made against trade receivables for any customer that is known to be in poor financial condition or for any other reason it is considered doubtful that the customer's balance outstanding will be settled in full. Based on historic default rates, the Company believes that no impairment allowance is necessary with respect to trade and other receivables. The Company has recorded no impairment allowance at June 30, 2018 (December 31, 2017- \$45,538).

14. Financial instruments

Fair values versus carrying amounts

Fair values of cash, trade and other receivables, and accounts payable and accrued liabilities and debt financing of vehicles approximate their carrying amounts largely due to the short-term maturities of these instruments.

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15. Subsequent events

(i) Normal Course Issuer Bid

In July 2018, the Company received regulatory approval of the Company's intent to commence a normal course issuer bid under which the Company may purchase for cancellation up to 5,674,609 common shares of its own capital stock. The purchases are to be made through the facilities of TSX-V during the period from July 16, 2018 to July 15, 2019.

In July 2018, the Company purchased 84,000 of its common shares at a price of \$0.18 per common share, which common shares were subsequently cancelled.

(ii) Stock Option Grants

In July 2018, the Company granted 1,000,000 stock options to certain executive officers of the Company, such options having an exercise price of \$0.20 and vesting 25% upon grant and 25% on each of the three anniversaries of grant thereafter.

In July 2018, in accordance with an Executive Employment Agreement, the Company issued 850,000 stock options to the Company's new Chief Operating Officer, such options having an exercise price of \$0.20 and vesting 50% upon grant and 25% on each of the two anniversaries of grant thereafter.