



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AS AT JUNE 30, 2008 AND RESULTS OF
OPERATIONS FOR THE THREE AND SIX MONTH PERIODS ENDED
JUNE 30, 2008**

August 29, 2008

The following discussion and analysis of operating results and financial position is supplementary to, and should be read in conjunction with the unaudited financial statements for the period ended June 30, 2008 of Newlook Industries Corp. ("Newlook" or "the Company"). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Newlook considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

COMPANY OVERVIEW

Newlook Industries Corp. ("Newlook") is a telecommunications company with two primary investments; Wireless Age Communications, Inc. ("Wireless Age") and Onlinetel Corp. ("Onlinetel"). Newlook is a public company listed trading on the TSX Venture Exchange under the symbol "NLI". Newlook's head office is located in Toronto, Ontario and has five corporate staff and approximately 91 operating staff.

Wireless Age Communications, Inc.

In June 2007 Newlook acquired a controlling interest in Wireless Age Communications, Inc. (OTCBB: WLSA).

Wireless Age is a telecommunication service and distribution company, with operations focused on the provision of wireless products and services to wholesalers, distributors, retailers and end-users. Wireless Age operates nine retail cellular and telecommunications stores and distributes various cellular and land mobile radio products. This acquisition allows Newlook to expand its existing portfolio of telecommunication products and services. Going forward, Newlook anticipates further acquisitions to enhance its position in the telecommunication services industry.

Onlinetel Corp.

Newlook has a 100% ownership interest in Onlinetel Corp., a next-generation telecommunications software and services company, which harnesses the power of proprietary soft-switch technology to deliver state of the art Voice over Internet Protocol (VoIP) communication services to individuals, businesses and carriers. Utilizing soft switch technology, Onlinetel converts analog voice conversations to digital I.P. packets and routes voice calls, phone-to-phone, over the Internet from any wireless or landline connection. Newlook has agreed to dispose of Onlinetel operations and accordingly its operating results are recorded as discontinued operations in the results of operations.

Onlinetel entered into an Option Agreement on June 28, 2007 with 1597541 Ontario Inc. (operating as "Worldline") pursuant to which it granted an option to Worldline to acquire its remaining operations, fixed assets and intellectual property for aggregate consideration of \$1. Worldline agreed to provide up to \$750,000 of telecommunications services without payment as consideration for the option. The option vests or is exercisable upon \$1,500,000 of positive cashflow (as defined) accruing to Onlinetel over the five year period ending June 27, 2012. Worldline is a privately-held, Ontario-based telecommunications company. The operations of Onlinetel are characterized as discontinued within these financial statements.

SELECTED ANNUAL INFORMATION

Summarized selected consolidated financial information with respect to the Company for the three and six month periods ended June 30, 2008 and 2007 is as follows:

	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2007
Total revenues	\$ 10,563,836	\$ 20,231,224	\$ -	\$ -
Earnings (loss) from continuing operations	(135,614)	(117,438)	287,073	68,604
Income (loss) from discontinued operations	231,121	267,069	228,536	243,416
Income (loss)	<u>\$ 95,505</u>	<u>\$ 149,631</u>	<u>515,609</u>	<u>311,480</u>
Earnings (loss) per share from continuing operations – basic and diluted	(0.005)	(0.004)	0.01	0.002
Earnings/(loss) per share from discontinued operations - basic	0.00	0.011	0.01	0.009
Earnings/(loss) per share from discontinued operations – diluted	0.00	0.01	0.01	0.009
Earnings/(loss) per share – basic	0.004	0.006	0.02	0.011
Earnings/(loss) per share – diluted	0.003	0.005	0.02	0.011
Total assets		12,055,406		7,891,503
Total liabilities		14,313,022		9,143,219
Non-controlling interest		1,064,491		187,946
Shareholders' deficit		(3,322,109)		(1,439,662)
Cash dividends declared		-		-

RESULTS OF OPERATIONS

For The Three Month Period Ended June 30, 2008 Compared to 2007

Continuing Operations

The acquisition of a controlling interest in Wireless Age occurred on June 29, 2007, and accordingly Newlook began to consolidate the operating results and assets and liabilities into its consolidated financial statements effective July 1, 2007.

The operating results of Onlinetel have been segregated as discontinued operations in the consolidated statement of operating results and the assets and liabilities of Onlinetel have been classified as assets and liabilities of discontinued operations in the consolidated balance sheet.

Consolidated continuing operations revenues for the three month period ended June 30, 2008 were \$10,563,836 compared to \$nil during the three month period ended June 30, 2007 (Wireless Age only having been consolidated effective July 1, 2007). Revenues from the sale of products and services totaled \$9,296,554 in the current period and revenues from commission and residual revenue totaled \$1,267,252.

Operations of the Company are aggregated into two operating segments; 1) retail, and 2) commercial. The retail segment consists of the operating results of nine cellular retail stores in Western Canada (four in Saskatchewan and five in Manitoba). The commercial segment consists of distribution businesses that sell professional grade land mobile radios and ancillary electronic accessories.

Sales of the retail segment were \$5,331,810 during the three month period ended June 30, 2008, compared to \$nil during the three month period ended June 30, 2007 and sales of the commercial segment were \$5,232,026 during the three month period ended June 30, 2008 compared to \$nil during the three month period ended June 30, 2007.

Sales of the retail segment during the three month period ended June 30, 2008 can be broken down into the following subcategories:

	<u>June 30, 2008</u>
Cellular hardware, radios and accessories	\$ 4,065,481
Commission and residual revenue	1,266,329
	<u>\$ 5,331,810</u>

Retail segment revenue growth is a direct result of the sales of new and improved handsets and accessories constantly entering the market place. The segment's success relies on its ability to successfully sell existing clientele on new handset features and also on increasing penetration rates in the mobile telephone industry.

Sales of the commercial segment during the three month period ended June 30, 2008 can be broken down into the following subcategories:

	<u>June 30, 2008</u>
Prepaid cards, 2 way radios & accessories	\$ 5,232,026
Commission revenue	<u>-</u>
	<u>\$ 5,232,026</u>

The growth in revenues within the commercial segment is led by the distribution of prepaid cards. Prepaid cellular airtime is becoming a fast growing choice for the youth and senior cellular market.

Consolidated continuing operations margin from products and services for the three month period ended June 30, 2008 was \$2,618,674 compared to \$nil during the comparative period. Margin stated as a percentage of sales was 24.7%. Margin on product and services sales (excluding the effects of commission and residual revenue) was 14.5%. Approximately 48% of the Company's margin on products and services is earned from commissions and residuals.

Selling and administrative expenses from continuing operations were \$2,136,865 during the three month period ended June 30, 2008 compared to \$31,181 during the comparative period in the prior year.

Selling and administrative expenses during the three month periods ended June 30, 2008 and 2007, included:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
General and administrative costs	\$ 613,004	\$ 31,181
Professional and consulting fees	164,329	-
Rent and occupancy costs	139,084	-
Wage and benefit costs	<u>1,220,466</u>	<u>-</u>
	<u>\$ 2,136,863</u>	<u>\$ 31,181</u>

Comparisons for the two periods are relatively difficult due to only consolidating the operating results of Wireless Age since July 1, 2007, i.e. the comparative period ended June 30, 2007 does not include expenses incurred by Wireless Age.

Professional and consulting fees were \$164,329 during the three month period ended June 30, 2008 compared to \$Nil during the three month ended June 30, 2007. Professional and consulting fees include expenses for accounting and legal, directors' fees and other consultants. General and administrative expenses totaled \$613,006 for the three month period ended June 30, 2008 compared to \$31,181 for the comparable period ended June 30, 2007. Rent and occupancy costs were \$139,084 during the period ended June 30, 2008 compared to \$nil in the comparative period in the prior year. Rent and occupancy costs include rent for nine retail locations and three office facilities. Wages and benefits have increased to \$1,220,466 for the period ended June 30, 2008 from \$Nil for the three month period ended June 30, 2007. Wages and benefits represent the salaried and commission costs associated with approximately 102 full time and part time employees.

Amortization of capital and intangible assets totaled \$194,533 (of which \$121,825 was amortization of intangible assets and amortization of capital assets was \$72,708) during the period ended June 30, 2008 and amortization of capital assets during the year ended June 30, 2007 totaled \$4,616.

The Company incurred interest expense from continuing operations during quarter ended June 30, 2008 of \$49,359 and recorded \$Nil expense during the comparative period ended June 30, 2007. Interest is associated with a \$1,500,000 term loan, revolving \$1,000,000 working capital facility and obligations under capital leases.

Foreign exchange gains, arising from translation of US dollar denominated assets and liabilities into Canadian dollars, totaled \$89,561 during the three month period ended June 30, 2008.

As the Company holds an approximately 55% ownership interest in Wireless Age, the Company recorded a non-controlling interest deduction to income of \$289,084 representing the portion of earnings attributable to others.

The loss from continuing operations was \$135,614 (\$0.005 per share) during the current quarter compared to earnings of \$287,073 (\$0.0124 per share) during the three month period ended June 30, 2007. Management expects the continuing operations to be profitable going forward.

Discontinued Operations

Discontinued operations consists of the operating results of the Company's wholly owned subsidiary Onlinetel Corp. and certain discontinued operations items within its majority owned subsidiary Wireless Age.

Income from discontinued operations during the period ended June 30, 2008 was \$231,121 compared to earnings of \$228,536 during the year ended June 30, 2007.

Earnings from discontinued operations in the current quarter arises from the Onlinetel operations becoming comparatively more profitable as costs are transferred to Wordline under the option agreement.

Revenues of discontinued operations were \$292,797 for the three months ended June 30, 2008 and \$498,310 for the three months ended June 30, 2007. Costs and expenses of discontinued operations for the three months ended June 30, 2008 were \$60,858 and \$306,975 for the three months ended June 30, 2007.

For The Six Month Period Ended June 30, 2008 Compared to 2007

Continuing Operations

The acquisition of a controlling interest in Wireless Age occurred on June 29, 2007, and accordingly Newlook began to consolidate the operating results and assets and liabilities into its consolidated financial statements effective July 1, 2007.

The operating results of Onlinetel have been segregated as discontinued operations in the consolidated statement of operating results and the assets and liabilities of Onlinetel have been classified as assets and liabilities of discontinued operations in the consolidated balance sheet.

Consolidated continuing operations revenues for the six month period ended June 30, 2008 were \$20,231,224 compared to \$nil during the six month period ended June 30, 2007 (Wireless Age only having been consolidated effective July 1, 2007). Revenues from the sale of products and services totaled \$17,900,222 in the current period and revenues from commission and residual revenue totaled \$2,331,002.

Operations of the Company are aggregated into two operating segments; 1) retail, and 2) commercial. The retail segment consists of the operating results of nine cellular retail stores in Western Canada (four in Saskatchewan and five in Manitoba). The commercial segment consists of distribution businesses that sell professional grade land mobile radios and ancillary electronic accessories.

Sales of the retail segment were \$10,515,727 during the six month period ended June 30, 2008, compared to \$nil during the six month period ended June 30, 2007 and sales of the commercial segment were \$9,715,497 during the six month period ended June 30, 2008 compared to \$nil during the six month period ended June 30, 2007.

Sales of the retail segment during the six month period ended June 30, 2008 can be broken down into the following subcategories:

	<u>June 30, 2008</u>
Cellular hardware, radios and accessories	\$ 8,199,645
Commission and residual revenue	2,316,082
	<u>\$ 10,515,727</u>

Retail segment revenue growth is a direct result of the sales of new and improved handsets and accessories constantly entering the market place. The segment's success relies on its ability to successfully sell existing clientele on new handset features and also on increasing penetration rates in the mobile telephone industry.

Sales of the commercial segment during the six month period ended June 30, 2008 can be broken down into the following subcategories:

	<u>June 30, 2008</u>
Prepaid cards, 2 way radios & accessories	\$ 9,700,576
Commission revenue	14,921
	<u>\$ 9,715,497</u>

The growth in revenues within the commercial segment is led by the distribution of prepaid cards. Prepaid cellular airtime is becoming a fast growing choice for the youth and senior cellular market.

Consolidated continuing operations margin from products and services for the six month period ended June 30, 2008 was \$4,934,337 compared to \$nil during the comparative period. Margin stated as a percentage of sales was 24.0%. Margin on product and services sales (excluding the effects of commission and residual revenue) was 14.5%. Approximately 47% of the Company's margin on products and services is earned from commissions and residuals.

Selling and administrative expenses from continuing operations were \$3,968,355 during the six month period ended June 30, 2008 compared to \$237,822 during the comparative period in the prior year.

Selling and administrative expenses during the six month periods ended June 30, 2008 and 2007, included:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
General and administrative costs	\$ 898,758	\$ 220,464
Professional and consulting fees	333,730	17,358
Rent and occupancy costs	344,172	-
Wage and benefit costs	2,391,695	-
	<u>\$ 3,968,355</u>	<u>\$ 237,822</u>

Comparisons for the two periods are relatively difficult due to only consolidating the operating results of Wireless Age since July 1, 2007, i.e. the comparative period ended June 30, 2007 does not include expenses incurred by Wireless Age.

Professional and consulting fees were \$333,730 during the six month period ended June 30, 2008 compared to \$17,358 during the six month ended June 30, 2007. Professional and consulting fees include expenses for accounting and legal, directors' fees and other consultants. General and administrative expenses totaled \$898,758 for the six month period ended June 30, 2008 compared to \$220,464 for the comparable period ended June 30, 2007. Rent and occupancy costs were \$344,172 during the period ended June 30, 2008 compared to \$nil in the comparative period in the prior year. Rent and occupancy costs include rent for nine retail locations and six office facilities. Wages and benefits have increased to \$2,391,695 for the period ended June 30, 2008 from \$nil for the six month period ended June 30, 2007. Wages and benefits represent the salaried and commission costs associated with approximately 102 full time and part time employees.

The Company recorded stock based compensation of \$nil during the six month period ended June 30, 2008 and \$7,753 during the comparative period ended June 30, 2007 (representing the fair value of options granted in 2007). The Company granted options to certain officers and directors in order to retain key individuals.

Amortization of capital and intangible assets totaled \$352,108 (of which \$227,961 was amortization of intangible assets and amortization of capital assets was \$124,147) during the period ended June 30, 2008 and amortization of capital assets during the period ended June 30, 2007 totaled \$9,231.

The Company incurred interest expense from continuing operations during six month period ended June 30, 2008 of \$167,526 and recorded \$Nil expense during the comparative period

ended June 30, 2007. Interest is associated with a \$1,500,000 term loan, revolving \$1,000,000 working capital facility and obligations under capital leases.

Foreign exchange gains, arising from translation of US dollar denominated assets and liabilities into CAD dollars, totaled \$189,599 during the six month period ended June 30, 2008.

As the Company holds an approximately 55% ownership interest in Wireless Age, the Company recorded a non-controlling interest deduction to income of \$579,375 representing the portion of earnings attributable to others.

The loss from continuing operations was \$117,438 (\$0.0044 per share) during the period compared to earnings of \$68,064 (\$0.0023 per share) during the six month period ended June 30, 2007. Management expects the continuing operations to be profitable going forward.

Discontinued Operations

Discontinued operations consists of the operating results of the Company's wholly owned subsidiary Onlinetel Corp. and certain discontinued operations items within its majority owned subsidiary Wireless Age.

Income from discontinued operations during the six month period ended June 30, 2008 was \$267,069 compared to earnings of \$243,416 during the period ended June 30, 2007.

Earnings from discontinued operations in the current quarter arise from the Onlinetel operations becoming comparatively more profitable as costs are transferred to Wordline under the option agreement.

Revenues of discontinued operations were \$574,044 for the six months ended June 30, 2008 and \$959,680 for the six months ended June 30, 2007. Costs and expenses of discontinued operations for the six months ended June 30, 2008 were \$306,975 and \$996,264 for the six months ended June 30, 2007.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter Fiscal Yr.	Q2 2008	Q1 2008	Transition fiscal year Dec. 31, 2007	Q4 2007	Q3 2007	Q2 ¹ 2007	Q1 ¹ 2007	Q4 ¹ 2006
Revenue	10,563,836	9,667,388	10,920,721	8,648,785	-	461,370	840,337	498,930
Income (loss) before unusual items	(135,614)	18,176	175,012	(391,978)	(32,544)	(359,787)	17,540	(601,092)
Net income (loss)	95,507	54,124	175,012	(42,065)	515,609	(204,129)	17,540	(601,092)
EPS before unusual items	(0.0052)	0.0007	0.001	(0.014)	(0.001)	(0.013)	0.0006	(0.021)
Earnings per share	0.0037	0.0021	0.001	(0.010)	0.018	(0.0007)	0.0006	(0.021)

¹ Not restated for reclassification of Onlinetel discontinued operations later in the year.

LIQUIDITY

Assets increased from \$10,686,224 at December 31, 2007 to \$12,055,406 at June 30, 2008.

Current assets at June 30, 2008 were \$7,640,639 up from \$6,712,720 at December 31, 2007. Current assets at December 31, 2007 consisted of accounts receivable of \$3,912,048, inventory of \$2,417,355, prepaid expenses of \$151,211, cash of \$185,724 and assets of discontinued operations of \$46,382. Current assets at June 30, 2008 consist of cash of \$1,004,340, accounts receivable of \$3,730,043, \$2,216,454 in inventory, \$473,070 in operating prepaid expenses, due from related party balances of \$138,669 and assets of discontinued operations of \$78,063. Accounts receivable and inventory balances have been reduced primarily due to normal seasonal business fluctuations. Prepaid expense balances are higher than at year end due to normal business fluctuations and the amounts paid by Grandvue Inc.(a wholly owned subsidiary of Newlook) for various leasing opportunities. Amounts due from related parties are for services provided by management (including charges for shared space) to related entities that were outstanding at June 30, 2008. Cash balances are higher primarily due to profitable operations.

Long term assets at December 31, 2007 included property and equipment of \$869,733, intangible assets of \$1,862,757 and assets of discontinued operations of \$1,240,974. Property and equipment consists of leaseholds, office equipment, a rental radio pool and various assets under capital leases. Intangible assets primarily represent future residual payment streams from the Company's cellular carriers. Discontinued operations assets consist primarily of telecommunications equipment used in the Onlinetel operations. Long term assets at June 30, 2008 were property and equipment of \$964,194, intangible assets of \$1,987,342 and assets of discontinued operations of \$1,170,543. Capital assets and intangible assets have increased since year end due to the additional of rental radios, the acquisition of intangible assets acquired from Callmore Communications and an increase associated with the Wireless Age's acquisition of 1,029,100 shares of its own common stock (which is treated as an increase in the Company's ownership of Wireless Age assigned to intangible assets). Goodwill increased to \$292,688 as the result of the acquisition of Forest City Communications in the second quarter of 2008. The Company acquired distribution rights, valued at \$100,000, of certain two way radio products. Discontinued assets have declined due to normal amortization.

Current liabilities increased from \$10,898,782 at December 31, 2007 to \$11,957,448 at June 30, 2008. Current liabilities at December 31, 2007 consisted of accounts payable and accrued liabilities of \$7,713,894, due to related party amounts of \$196,088, current portion of deferred revenue and deposits of \$204,463, a note payable of \$100,000, current portion of obligations under capital leases of \$28,635 and liabilities of discontinued operations of \$2,655,702. Liabilities of discontinued operations include \$1,541,321 owed to related parties which has no specific repayment terms. Current liabilities at June 30, represented \$9,379,866 of accounts payable, loan facilities of \$997,890, taxes payable of \$218,402 and current portion of deferred revenue and customer deposits of \$214,666. Also, a \$348,604 note payable pertaining to the acquisition of Forest City Communications and G.L Enns Electronics. Current obligations under capital lease were \$15,306, and liabilities of discontinued operations of \$782,714. The loan facility is a debt facility with TCE Capital Corporation and was negotiated during the previous fiscal year. At December 31, 2007 the working capital portion of the facility was undrawn. Discontinued liabilities are down substantially primarily due to repayment to loans to Eiger Technology, Inc. a shareholder of the Company.

Long term liabilities consisted of liabilities of discontinued operations of \$750,000, \$78,234 of deferred revenue, and long term portion of obligations under capital leases of \$27,342. In addition \$1,500,000 consists of a term loan facility with TCE Capital Corporation. Liabilities of discontinued operations represent deferred revenue of \$750,000 (associated with the option granted to Worldline to acquire the remaining Onlinetel operating assets).

Non-controlling interest (the portion of Wireless Age not owned by the Company) increased from \$485,084 at December 31, 2007 to \$1,064,491 at June 30, 2008 due to the earnings of Wireless Age attributable to others.

The shareholders' deficiency increased from \$3,078,663 at December 31, 2007 to \$3,322,107 at June 30, 2008. Partially the result of a net increase in share capital associated with 1,018,432 common shares issued by the Company during the six month period ended June 30, 2008 reduced by 2,203,994 share of the Company's stock acquired by Wireless Age, the Company's majority owned subsidiary. Shares of the Company held by a subsidiary are reflected as a reduction of the outstanding capital stock of the Company. At June 30, 2008, Wireless Age held 4,225,307 Newlook common shares. Shareholders equity also improved due to the earnings in the quarter. Offsetting the increases described above was a decrease in other comprehensive income associated with foreign exchange translation losses associated with the translation of Wireless Age's US dollar denominated financial position to Canadian dollars.

The Company's working capital deficit increased from \$4,186,062 at December 31, 2007 to \$4,316,807 at March 31, 2008. Management believes that the deficit will continue to improve through profitable operations.

The Company's consolidated financial statements for the period ended June 30, 2008 have been prepared on a going concern basis, in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and contingencies in the normal course of operations.

There is doubt about the Company's ability to continue as a going concern as the Company has a working capital deficit of \$4,316,807, an accumulated deficit of \$7,874,969 and a shareholders' deficiency of \$3,322,107 as at June 30, 2008. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise additional capital, to increase sales and sustain profitable operations. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company believes with the acquisition of an interest in Wireless Age the Company's financial position will improve and will provide sufficient cash flow for it to continue as a going concern in its present form, however, there can be no assurances that the Company will achieve such results. Accordingly, the consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern.

CAPITAL RESOURCES

With the acquisition of controlling interest in Wireless Age and the steps to liquidate Onlinetel operations over time, the Company intends to raise additional debt and equity financing to improve its financial position and make acquisitions. The Company plans to leverage its expertise in the wireless communications market place and expand its operations substantially.

On December 13, 2007, the Company entered into a series of agreements to amend the terms of its loan facility with TCE Capital Corporation.

The amendments create a new loan facility totaling \$2,500,000. The amended facility included; 1) a new \$1,500,000 18% per annum, 3 year term loan and 2) the existing \$1,500,000 loan facility was reduced to \$1,000,000. The effective annual interest rate on latter portion of the new facility is reduced from approximately 24.6% to approximately 17.9%. The term loan is interest only and may be retired 18 months into the term subject to a \$75,000 prepayment penalty.

OFF-BALANCE SHEET ARRANGEMENTS

Newlook had no off-balance sheet arrangements as at December 31, 2007, other than an Option Agreement with 1597541 Ontario Inc. (operating as Wordline) pursuant to which the Company might receive aggregate consideration of \$1,500,000 prior to June 27, 2012.

TRANSACTIONS WITH RELATED PARTIES

During the current quarter the company fully repaid amounts due to Gamecorp Ltd. at March 31, 2008 Newlook and subsidiaries owed Gamecorp \$939,512 and on June 30, 2008, Gamecorp owed Newlook \$134,513.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The critical accounting policies followed by the Company are as follows:

Inventory

Telecommunications equipment and accessories inventory is recorded at the lower of cost and net realizable value with cost being determined by the first-in, first-out method. The Company analyzes inventory levels annually and writes down inventory that has become obsolete, inventory that has a cost basis in excess of its expected net realizable value and inventory in excess of expected requirements, to cost of goods sold. Expired inventory is disposed of and the related costs are written off. If actual market conditions are less favorable than that estimated by us, additional write-downs of existing inventory may be required in future periods.

Inventory currently represents approximately 30% of total current assets and is subject to risk of inexact estimates by management.

Revenue Recognition

The Company recognizes revenue from the sale of telecommunications equipment and accessories when the products are delivered and accepted by the customer. Activation commission fees earned from the telephone companies are recognized at the time of activation by the customer. Residual commission fees are recognized at the time they are earned and reasonable assurance of collection exists. The Company receives co-op advertising revenue from the telephone companies based on the requirement to spend a minimum of 60% of the available co-op advertising allotment. Any amount received under this program is deducted from advertising expense.

Revenue from long-term contracts for developing and building telecommunications systems is recognized using the percentage of completion method where revenue is recorded as costs are incurred, based on actual costs incurred to date on a contract, relative to the estimated total costs to complete the contract. Unbilled revenue represents revenue earned in excess of amounts billed on uncompleted contracts. Deferred revenue represents the extent that billings to clients are in excess of revenue recognized to date. The results reported under the percentage of completion method are based on management's estimates of total costs to complete the various contracts. Should total actual costs be materially higher or lower than these estimates, adjustment to future results would be necessary.

Management believes that revenue recognition is substantially objectively measured and other than collectibility which is covered elsewhere, there are no elements of estimates in them. However, in our long term contracts, which at current levels are generally not material, there are estimates of completion on how much is earned and therefore are subject to risks of inexact estimates by management.

Warranty Sales and Costs

The Company, through its Wireless Age business, sells extended warranty plans for certain telecommunications equipment. It recognizes revenue on a straight line basis over the period in which the Company is obligated to service the equipment. The Company also defers certain costs associated with the sale of the extended warranty plan and matches such costs against revenue as it is recognized.

Intangible Assets

Residual premiums are amounts paid for future residual revenue of retail cellular and telecommunications subscriber business recorded at cost less accumulated amortization. Amortization is provided for on a straight-line basis over five years. Agency fees are amortized over the term of the related agreement (ten years) on a straight line basis.

These assets must be reviewed annually (or more frequently under prescribed conditions) for impairment in accordance with this statement. If the carrying amount of the reporting unit's goodwill or indefinite-lived intangible assets exceeds the implied fair value, an impairment loss is recognized for an amount equal to that excess. Intangible assets that do not have indefinite lives are amortized over their useful lives.

CHANGES IN ACCOUNTING POLICIES

Financial Instruments

On October 1, 2006, the Company adopted three new accounting standards that were issued by the Canadian Institute of Chartered Accountants (“CICA”): Handbook Section 1530, *Comprehensive Income*, Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, and Handbook Section 3865, *Hedges* and related amendments to Handbook Section 3251, *Equity*. The Company adopted the three standards and amendments prospectively.

Comprehensive Income

Section 1530 introduces Comprehensive Income, which consists of net income and other comprehensive income (“OCI”). OCI represents changes in shareholders’ equity during a period arising from transactions and other events with non-owner sources and includes unrealized gains and losses on financial assets classified as available-for-sale, unrealized foreign currency translation gains and losses arising from self-sustaining foreign operations, net of hedging activities, and changes in the fair value of the effective portion of cash flow hedging instruments. The Company did not have transactions or events that would have been recorded in OCI or Accumulated Other Comprehensive Income in these audited consolidated financial statements.

Financial Instruments – Recognition and Measurement

Section 3855, establishes standards for recognizing and measuring financial assets, financial liabilities and non financial derivatives, including the presentation of any resulting gains and losses.

All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables and other liabilities.

Financial assets and financial liabilities classified as held-for-trading are required to be measured at fair value with gains and losses recognized in net income.

Available-for-sale financial assets are required to be measured at fair value with unrealized gains and losses recognized in OCI.

Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held-for-trading) are required to be measured at amortized cost.

The classifications above do not apply to investments where the Company has significant influence that are accounted for using the equity method.

Derivative instruments must be recorded on the balance sheet at fair value. Changes in fair value are required to be recognized in net income.

Impact upon adoption of CICA Handbook Sections 1530, 3855 and 3865

The adoption of these pronouncements did not have a material impact of the financial position or results of operations of the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Earnings and cash flow are subject to volatility stemming mainly from movements in the U.S./Canadian dollar exchange rate and interest rates. Newlook does not hedge its foreign currency exposure. As at June 30, 2008, the Company had no financial instruments.

OTHER MD&A REQUIREMENTS

Disclosure of Outstanding Share Data

As at June 30, 2008, the Company had authorized 100,000,000 class "A" preference shares, non-voting, cumulative dividend, par value of \$1 each, 100,000,000 class "B" preference shares, non-voting, cumulative dividend, par value of \$5 each, and 100,000,000 common shares without par value. The Company had issued 29,558,432 common shares at June 30, 2008, of which 4,225,307 were held by its majority owned subsidiary Wireless Age. If all options outstanding were exercised the number of common shares outstanding would be 33,968,432.

OUTLOOK

The Company recently completed a change in senior management and the acquisition of a controlling interest in Wireless Age. Management is currently negotiating to make other acquisitions. The Company recently acquired Forest City Communications Ltd. which is in the business of sales, rental and service facilities for two-way radios and trunked compact mobile radios.

The Company believes that emerging industries such as technology, energy and healthcare, currently present several attractive acquisition opportunities. The Companies we plan to target have products and services aimed at addressing evolving needs. Management will investigate these types of business opportunities carefully over the near term, in order to be certain that capital generated from the disposal of existing investments are used to generate shareholder wealth.

The Company also intends at a logical point in the future to acquire the non-controlling interest in Wireless Age but will only complete this transaction if management believes it is in the best interests of the company.

The Company plans to obtain additional financing either through additional debt or new equity. These funds will be utilized for new investment.

Factors that could change the outlook for the Company include changes in regulatory restrictions in which the Company plans to make investments, the company's relationship with its carriers deteriorates or general economic and financial market conditions. Some acquisition opportunities have recently been declined due to a perceived declining value in acquisition assets that has caused management to adopt a wait and see approach. Lack of sufficient capital to invest in business opportunities would also have an impact on the performance of Company over the near term.