keek

(Formerly Primary Petroleum Corporation)

Consolidated Financial Statements

For the Years Ended February 29, 2016, and February 28, 2015

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Keek Inc.

We have audited the accompanying consolidated financial statements of Keek Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at February 29, 2016 and February 28, 2015 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Keek Inc. and its subsidiaries as at February 29, 2016 and February 28, 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of material uncertainties that may cast significant doubt about Keek Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
June 28, 2016
Toronto, Ontario

Keek Inc.

(Formerly Primary Petroleum Corporation)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	February 29, 2016	February 28, 2015
Assets		
Current assets		
Cash	**$ 102,659**	$ 1,754,838
Accounts receivable	**81,752**	160,804
Other receivables	**8,270**	891,854
Prepaid expenses	**92,775**	128,858
Investment tax credits receivable	**-**	337,500
	285,456	3,273,854
Prepaid expenses	**51,747**	51,747
Intangible assets	**17,462**	38,376
Property and equipment (Note 5)	**156,735**	1,847,057
	$ 511,400	$ 5,211,034
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	**$ 3,651,374**	$ 1,789,163
Secured notes (Note 9)	**100,000**	5,176,594
Finance lease obligations	**-**	4,781
	3,751,374	6,970,538
Convertible debentures (Note 10)	**3,392,210**	-
	7,143,584	6,970,538
Shareholders' Deficiency		
Share capital (Note 7)	**48,854,663**	45,150,064
Contributed surplus	**18,991,624**	16,998,992
Warrants reserve (Note 7)	**548,098**	290,950
Deficit	**(75,026,569)**	(64,199,510)
	(6,632,184)	(1,759,504)
	$ 511,400	$ 5,211,034

Nature of Operations and Going Concern (Note 1)
Related Party Transactions (Note 12)
Commitments (Note 15)
Subsequent Events (Note 18)

Approved on Behalf of the Board

(Signed) "Mark Itwaru" (Signed) "Ahmed Khan"

Mark Itwaru, Director **Ahmed Khan, Director**

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

Keek Inc.

(Formerly Primary Petroleum Corporation)
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended February 29, 2016, and February 28, 2015
(Expressed in Canadian Dollars)

	February 29, 2016	February 28, 2015
Revenue	**$ 192,357**	$ 192,576
Expenses		
Salaries and benefits (Note 8)	**3,924,556**	6,434,774
Amortization	**1,576,914**	2,133,663
Consulting fees (Note 12)	**1,495,984**	2,464,888
Internet and communications	**1,424,010**	2,034,885
Occupancy costs	**502,096**	598,284
Office and general	**454,420**	1,054,858
Advertising and marketing (Note 8)	**440,357**	4,944,981
Professional fees	**391,749**	318,050
Translation and software licensing	**47,383**	140,325
Foreign exchange loss	**26,608**	110,498
Write down of long-lived assets (Note 5)	**-**	440,620
(Gain) loss on disposal of long-lived assets	**(85,984)**	59,342
	10,198,093	20,735,168
Other expenses (income)		
Interest and accretion expense	**826,119**	322,265
Interest income	**(4,796)**	(48,727)
Gain on settlement of debts (Note 6)	**-**	(289,367)
	821,323	(15,829)
Net loss from continuing operations	**$(10,827,059)**	$(20,526,763)
Net loss from discontinued operations	**-**	(237,316)
Net loss for the year	**$(10,827,059)**	$(20,764,079)
Other comprehensive loss		
Exchange differences on translating foreign operations	**-**	(168,423)
Comprehensive loss for the year	**$(10,827,059)**	$(20,932,502)
Net loss per share from continuing operations*		
Basic and diluted	**$ (0.64)**	$ (1.86)
Net loss per share from discontinued operations*		
Basic and diluted	**$ N/A**	$ (0.02)
Net loss per share*		
Basic and diluted	**$ (0.64)**	$ (1.88)
Weighted average number of common shares outstanding*		
Basic and diluted	**16,876,538**	11,025,971

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)

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

Keek Inc.
(Formerly Primary Petroleum Corporation)
Consolidated Statements of Changes in Equity
For the Years Ended February 29, 2016, and February 28, 2015
(Expressed in Canadian Dollars)

	Common shares Number*	Common shares Amount	Preference shares Number*	Preference shares Amount	Contributed surplus	Warrants reserve	Equity component of convertible debentures	Deficit	Total
Balance at February 28, 2014	**1,166,666**	**$ 350**	**3,214,475**	**$ 27,101,557**	**$ 13,010,977**	**$ 137,635**	**$ 137,074**	**$ (43,435,431)**	**$ (3,047,838)**
Net loss for the year	-	-	-	-	-	-	-	(20,764,079)	(20,764,079)
Share-based payments (Note 8)	-	-	-	-	2,685,784	-	-	-	2,685,784
Issuance of preference shares for settlement of debt (Note 7)	-	-	12,327	110,945	-	-	-	-	110,945
Issuance of shares on conversion of convertible debentures (Note 7)	-	-	907,078	2,721,234	-	-	(84,746)	-	2,636,488
Amendment of convertible debentures (Note 10)	-	-	-	-	-	-	(43,931)	-	(43,931)
Issuance of shares under anti-dilution rights (Note 7)	-	-	1,114,800	-	-	-	-	-	-
Conversion of preference shares to common shares (Note 7)	5,248,680	29,933,736	(5,248,680)	(29,933,736)	-	-	-	-	-
Issuance of shares to effect the reverse acquisition transaction (Note 4)	5,013,590	15,040,770	-	-	48,299	-	-	-	15,089,069
Fair value difference on reverse acquisition transaction (Note 4)	-	-	-	-	1,372,531	-	-	-	1,372,531
Issuance of warrants (Note 7)	-	-	-	-	-	290,950	-	-	290,950
Reallocation of expired warrants	-	-	-	-	137,635	(137,635)	-	-	-
Repurchase of convertible debentures (Note 10)	-	-	-	-	8,397	-	(8,397)	-	-
Exercise of options (Note 7)	26,334	175,208	-	-	(96,208)	-	-	-	79,000
Adjustment due to share consolidation	(54)	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	(168,423)	-	-	-	(168,423)
Balance at February 28, 2015	**11,455,216**	**$ 45,150,064**	**-**	**$ -**	**$ 16,998,992**	**$ 290,950**	**$ -**	**$ (64,199,510)**	**$ (1,759,504)**
Balance at February 28, 2015	**11,455,216**	**$ 45,150,064**	**-**	**$ -**	**$ 16,998,992**	**$ 290,950**	**$ -**	**$ (64,199,510)**	**$ (1,759,504)**
Net loss for the year	-	-	-	-	-	-	-	(10,827,059)	(10,827,059)
Share-based payments (Note 8)	-	-	-	-	1,757,279	-	-	-	1,757,279
Issuance of units (Note 7)	6,750,000	851,902	-	-	-	548,098	-	-	1,400,000
Issuance of shares under anti-dilution rights (Note 7)	250,000	-	-	-	-	-	-	-	-
Issuance of shares for settlement of debt and trade payables (Notes 7 and 9)	6,035,060	2,722,100	-	-	-	-	-	-	2,722,100
Reallocation of cancelled warrants	-	-	-	-	290,950	(290,950)	-	-	-
Exercise of options	75,000	130,597	-	-	(55,597)	-	-	-	75,000
Balance at February 29, 2016	**24,565,276**	**$ 48,854,663**	**-**	**$ -**	**$ 18,991,624**	**$ 548,098**	**$ -**	**$ (75,026,569)**	**$ (6,632,184)**

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)

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

Keek Inc.

(Formerly Primary Petroleum Corporation)
Consolidated Statements of Cash Flows
For the Years Ended February 29, 2016, and February 28, 2015
(Expressed in Canadian Dollars)

	February 29, 2016	February 28, 2015
Cash flows used in operating activities		
Net loss for the period from continuing operations	**$ (10,827,059)**	$ (20,526,763)
Items not affecting cash:		
Share-based payments (Note 8)	**1,757,279**	2,685,784
Amortization	**1,576,914**	2,133,663
Issuance of common shares for accrued interest (Note 7)	**242,303**	-
Accretion on secured notes (Note 9)	**238,406**	82,544
Accrued interest on secured notes	**268,210**	-
Accrued interest on convertible debentures	**58,704**	-
Write down of long-lived assets (Note 5)	**-**	440,620
Accretion on convertible debentures	**-**	12,040
Gain on settlement of debts	**-**	(289,367)
Gain on disposal of long-lived assets	**(85,983)**	59,342
	(6,771,226)	(15,402,137)
Changes in non-cash working capital items		
Accounts receivable	**79,052**	(160,804)
Other receivables	**883,584**	(204,405)
Prepaid expenses	**36,083**	577,596
Investment tax credits receivable	**337,500**	450,000
Accounts payable and accrued liabilities	**2,092,302**	(1,241,571)
	3,428,521	(579,184)
Net cash used in continuing operating activities	**(3,342,705)**	(15,981,321)
Net cash provided from discontinued operations	**-**	603,039
Net cash used in operating activities	**(3,342,705)**	(15,378,282)
Cash flows generated from financing activities		
Issuance of common shares	**1,400,000**	-
Repayment of finance lease obligations	**(4,781)**	(1,221,226)
Cash acquired on reverse acquisition transaction	**-**	12,812,044
Proceeds from options exercised	**75,000**	79,000
Repurchase of convertible debentures	**-**	(150,000)
Proceeds from issuance of secured notes	**-**	5,385,000
Issuance of secured short term loan (Note 12(g))	**(400,000)**	-
Repayment of secured short term loan (Note 12(g))	**400,000**	-
Net cash generated from financing activities	**1,470,219**	16,904,818
Cash flows generated from (used in) investing activities		
Proceeds from disposal of property and equipment	**245,069**	5,500
Purchase of intangible assets	**-**	(4,420)
Purchase of property and equipment	**(24,762)**	(227,254)
Net cash generated from (used in) investing activities	**220,307**	(226,174)
Net increase (decrease) in cash	**(1,652,179)**	1,300,362
Cash, beginning of year	**1,754,838**	454,476
Cash, end of year	**$ 102,659**	$ 1,754,838
Supplemental cash flow information		
Cash paid for interest	**$ 13,012**	$ 39,708
Issuance of shares for settlement of debt and trade payables	**$ 2,722,100**	$ 110,945

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Keek Inc. (formerly Primary Petroleum Corporation) (the "Company"), was incorporated under the provisions of the Business Corporations Act in the Province of British Columbia on May 20, 2004 and on January 10, 2008, was continued under the laws of the Province of Alberta. The Company is a publicly traded company listed on the TSX Venture Exchange (“TSX-V”) under the symbol "KEK". The Company's principal activity is the development of an online social media app which allows users to upload and share personal videos of themselves. The Company's head office is 184 Front Street East, Suite 701, Toronto, Canada, M5A 4N3.

On March 5, 2014, Primary Petroleum Corporation ("Primary") completed a reverse acquisition with Keek Inc. (“Keek”), a private company incorporated under the laws of the Province of Ontario, which was effected pursuant to an amalgamation agreement entered into between Keek, Primary, and Primary's wholly-owned subsidiary, 2400964 Ontario Limited (“Primary Subco”), formed solely for the purpose of facilitating the amalgamation. Pursuant to the amalgamation agreement, Primary acquired all of the issued and outstanding common and preference shares of Keek by way of amalgamation between Primary Subco and Keek (the “Amalgamation”). The Amalgamation was structured as a three-cornered amalgamation, resulting in the amalgamated company becoming a wholly-owned subsidiary of Primary, and former shareholders of Keek receiving common shares of Primary on a one-for-one basis (the "Transaction") (Note 4). Also, pursuant to the Transaction, substantially all outstanding options and warrants to acquire preference shares in Keek were exchanged for options and warrants with similar terms to acquire common shares in Primary.

Although the Transaction resulted in Keek becoming a wholly-owned subsidiary of Primary, the Transaction constitutes a reverse acquisition of Primary by Keek in-as-much as the former shareholders of Keek received 56.25%, on a non-diluted basis, of the issued and outstanding common shares of the resulting corporation. For accounting purposes, Keek is considered the acquirer and Primary the acquiree. Accordingly, these consolidated financial statements are a continuation of the financial statements of Keek and references to the “Company” will mean the consolidated entity subsequent to the date of the transaction and to Keek prior to that date.

Following the closing of the Transaction, Primary filed articles of amendment to change its name to Keek Inc.

On January 28, 2015, the Company executed a share purchase agreement with Mooncor Oil & Gas Corp. ("Mooncor"), a related party by nature of a common director, for the sale of 100% of the common shares of Primary Petroleum Company USA, Inc. (“PPC-USA”) (a United States company), resulting in the disposition of PPC-USA and its wholly-owned subsidiaries Primary Petroleum Company LLC (“PPCLLC”) (a United States company) and AP Petroleum Company LLC (“APLLC”) (a United States company), for Nil consideration. Mooncor assumed all the obligations of PPC-USA and its subsidiaries, including reclamation obligations. The sale resulted in the disposition of all discontinued operations.

These consolidated financial statements for the year ended February 29, 2016, include the financial results of Keek, Primary, and Primary Petroleum Canada Corporation ("PPCC") (a wholly-owned subsidiary of Primary). The comparative balances for the year ended February 28, 2015, include Keek for the year ended February 28, 2015, and Primary and its wholly-owned subsidiary PPCC from March 5, 2014, the date of the reverse acquisition, to February 28, 2015, and PPC-USA, and its wholly-owned subsidiaries PPCLLC and APLLC, from March 5, 2014, the date of the reverse acquisition, to January 28, 2015, the date of disposition of PPC-USA.

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

Going Concern

While these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the Company will continue in operation for the foreseeable future and that the realization of assets and discharge of liabilities and commitments will occur in the normal course of business, there are material uncertainties related to adverse conditions and events that cast significant doubt on the Company's ability to continue as a going concern.

During the year ended February 29, 2016, the Company incurred a net loss of $10,827,059 (February 28, 2015 - $20,764,079) and, as of that date, the Company had accumulated a deficit of $75,026,569 (February 28, 2015 - $64,199,510) and negative cash flows from operations of $3,342,705 (February 28, 2015 - $15,981,321). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These factors create material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

The Company has not yet realized profitable operations and has mainly relied on non-operational sources of financing to fund operations. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on June 27, 2016.

Basis of Presentation

These consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiaries. The functional currency of the Company's former subsidiaries PPC-USA, PPCLLC, and APLLC was the United States dollar.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities which have been measured at their fair values.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Keek and PPCC, and its former subsidiary PPC-USA, to January 28, 2015, and its wholly-owned subsidiaries PPCLLC and APLLC. The accounting policies of the subsidiaries align with the policies adopted by the Company. Subsidiaries include all entities controlled by the Company. Control exists when the Company has power over the investee, or is exposed, or has rights, to variable returns and the power to affect its returns. All intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Estimates and Judgments

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The key sources of estimation uncertainty at the statement of financial position date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of share-based compensation and warrants

The Company determines the fair value of options and warrants granted using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the risk free interest rate, expected share volatility, expected dividend yield and expected life. Changes in these assumptions can materially affect the fair value estimate.

Useful lives of property and equipment and intangible assets

The useful lives of property, equipment and intangible assets have been determined by Management to reflect their usage and economic life.

Impairment of property and equipment and intangible assets

Property and equipment and intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined as the higher of the fair value of the property and equipment less costs of disposal or the value-in-use calculations. Where the recoverable amount is determined to be less than the carrying amount, an impairment loss may arise.

Provisions

Accounting for provisions including assessments of possible legal contingencies and onerous contracts requires judgement whether or not a present obligation is probable. The nature and type of risks for these provisions differ and judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. Onerous contract provisions are recognized where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Estimates and Judgments (Continued)

Critical accounting estimates (Continued)

Valuation of compound financial instruments

When a financial instrument contains a liability component and an equity component, in order to determine the appropriate allocation between the liability component and equity component of the financial instrument, Management must determine the fair value of a similar liability that does not contain an equity component. Determining this fair value requires Management to make assumptions with respect to the expected future amount and timing of cash outflows and an appropriate discount rate to calculate present value.

When a financial instrument contains an embedded derivative conversion liability component (represented by a conversion feature), in order to determine the appropriate allocation between the liability component and derivative liability component of the financial instrument, Management must determine the fair value of a conversion feature, which requires the use of highly subjective assumptions.

Critical judgments in applying accounting policies

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

Deferred tax assets and liabilities

Management is required to apply judgment in determining whether it is probable that deferred income tax assets will be realized. At February 29, 2016, and February 28, 2015, 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 Statements of Financial Position. In addition, the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments 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 consolidated financial statements.

Provisions for impairment of accounts receivable and other receivables

The policy for provisions for impairment of accounts receivable and other receivables of the Company is based on the evaluation of collectability and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including the current creditworthiness and the past collection history.

Management is required to use judgment in assessing the collectability of accounts receivable and other receivables. Factors considered in making these judgments include but are not limited to age of the receivable, payment history and financial condition of the debtor. If the financial conditions of the debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances may be required.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Estimates and Judgments (Continued)

Critical judgments in applying accounting policies (Continued)

Settlement of debt for shares

Management is required to apply judgment in determining the share price used in accounting for settlements of debts for shares. Factors considered in making these judgments include but are not limited to the date of the settlement agreement, the date of regulatory acceptance of the settlement agreement, the relative fair market values of the shares during these periods, and the fair market value of the debt.

Compound financial instruments

Management is required to apply judgment in determining the classification of the components of compound financial instruments between liability, embedded derivative liabilities, and equity components. Factors considered in making these judgments include but are not limited to the terms and conditions of conversion features or incentive equity instruments granted in conjunction with the financial instrument.

Impairment of non-financial assets

Management exercises judgment 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 judgment in regularly assessing whether any previously recorded impairment losses should be reversed.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Revenue Recognition

The Company generates revenue primarily through the serving of advertising units on its social media platform. Sales are completed through one of the following channels: Direct Sales; Ad Networks; and Programmatic.

The Company recognizes advertising revenue by reference to the stage of completion when all of the following conditions are met:

i) The amount of revenue can be measured reliably;

ii) It is probable that the economic benefits associated with the transaction will flow to the Company;

iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably.

Stage of completion is measured by reference to the number of advertising unit impressions delivered to the end of a reporting period, which is divided by the total number of impressions ordered as part of an advertising campaign.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Translation

The functional currencies of the Company's foreign operations represent the currency of the primary economic environment in which they operate. Transactions in foreign currencies are translated to the appropriate functional currency at foreign exchange rates that approximate those on the date of transaction. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the appropriate functional currency at foreign exchange rates at the statement of financial position date. These foreign exchange differences arising on translation are recognized in net income (loss). Non-monetary assets that are measured in a foreign currency at historical cost are translated using the exchange rate at the date of the transaction.

In preparing the consolidated financial statements, the financial statements of each entity are translated into Canadian dollars, the Company's presentation currency. The assets and liabilities of foreign operations are translated into Canadian dollars using foreign exchange rates at the statement of financial position date. Revenues and expenses of foreign operations are translated into Canadian dollars using foreign exchange rates that approximate those on the date of the underlying transaction. These foreign exchange translation differences are recognized in other comprehensive income (loss), which is included in contributed surplus.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. At initial recognition, the Company classifies its financial instruments, depending on the purpose for which the instruments were acquired, as follows:

(i) *Financial assets and liabilities at fair value through profit or loss*: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Cash and cash equivalents are designated as fair value through profit or loss. Financial instruments in this category are recognized initially and subsequently at fair value. Gains and losses arising from changes in fair value are presented in the statement of loss in the period in which they arise. Transaction costs are expensed in the statement of loss.

(ii) *Available-for-sale investments*: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the statement of loss and are included in other gains and losses.

(iii) *Loans and receivables*: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables includes accounts receivable and other receivables. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Transaction costs are included in the initial amount of the asset. Subsequently, loans and receivables are measured at amortized cost using the effective interest method, which generally corresponds to cost, less a provision for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

(iv) *Other financial liabilities*: Other financial liabilities are financial liabilities that are not classified as financial liabilities at fair value through profit or loss. Other financial liabilities include accounts payable and accrued liabilities, finance lease obligations, secured notes, and convertible debentures. Other financial liabilities are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Transaction costs are included in the initial amount of the liability. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash outflows (including all transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of Financial Assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss on the financial asset which is carried at amortized cost. The loss is determined as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the financial asset's original effective interest rate. The carrying value of the asset is reduced by this amount indirectly through the use of an allowance account. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. When equipment includes significant components with different useful lives, those components are accounted for as separate items of equipment and amortized separately.

Amortization is provided so as to write-off the cost less residual value of each item of equipment over its expected useful life at the following annual rates:

Computers	2 years	Straight line
Furniture and fixtures	2 years	Straight line
Leasehold improvements	70 months	Straight line
Servers	3 years	Straight line
Software	2 years	Straight line
Telephone	2 years	Straight line

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. The balance of intangible assets represents the domain name "keek.com", additional domain names and trademarks and patents. All intangible assets are considered to have a finite life and are measured at acquisition cost. These assets are amortized on a straight line basis over their estimated useful lives at the following rates:

Domain names	7 years	Straight line
Trademarks and patents	10 years	Straight line

Impairment of Non-Financial Long-lived Assets

Long-lived assets which include property and equipment and intangible assets are reviewed for impairment annually or at any time an indicator of impairment exists. Long-lived assets are allocated to each cash generating unit ("CGU"), or group of CGUs, that are expected to benefit from the assets. A CGU represents the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Impairment of long-lived assets is tested by comparing each CGU's carrying amount, to the recoverable amount of the CGU. If the carrying amount of the CGU exceeds its recoverable amount, the recoverable amount of the CGU's long-lived asset is compared with its carrying amount to measure the amount of any impairment loss. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Fair value less costs of disposal is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU. Any impairment loss is expensed in the Statement of Comprehensive Loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying value of long-lived assets allocated to the units to their fair value.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been recorded had no impairment losses been recognized for the asset in prior years.

Research and Development Costs

The Company incurs costs associated with the design and development of its online social media website. Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized if the Company can demonstrate each of the following criteria: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) its intention to complete the intangible asset and use or sell it; (iii) its ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development; otherwise, they are expensed as incurred. To date, no product development costs have been capitalized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Tax Credits

The Company applies for investment tax credits in relation to SR&ED expenditures incurred. An estimate of the refundable investment tax credits is recorded in the period the expenditures are incurred provided there is reasonable assurance that the investment tax credits will be realized. The expenditures incurred are reduced by the amount of the estimated investment tax credits.

The Company claims SR&ED deductions and related investment tax credits for tax purposes based on management's interpretation of the applicable legislation in the Income Tax Act of Canada. These claims are subject to audit by the Canada Revenue Agency and any adjustments that results could affect investment tax credits recorded in the consolidated financial statements. In the opinion of management, the treatment of research and development for income tax purposes is appropriate. During the year ended February 29, 2016, the Company recognized $318,414 (2015 - $51,946) of investment tax credits relating to fiscal year ended February 28, 2014 (2015 - fiscal years ended 2013 and 2012), which have been presented as a reduction of salaries and benefits expense. As at February 29, 2016, there were no investment tax credits receivable (February 28, 2015 - $337,500).

Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are apportioned between interest expense and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognized as an operating expense in the statements of loss and comprehensive loss on a straight-line basis over the term of the lease.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Additionally, the Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

Compound Financial Instruments

Secured notes and convertible debentures contain both a liability component and an equity component (represented by the incentive warrants and conversion features respectively). The secured notes are separated into their liability and equity components on the consolidated statement of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability based upon non-convertible debt issued by comparable issuers without incentive warrants and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for non-convertible debt with similar terms at the time of issue. The fair value of the liability component is accreted to the original face value of the debt over the respective terms of the debt instrument and charged to operations as interest and accretion expense based on the effective interest method. The value of the equity component (the warrants or conversion feature as applicable) is accounted for at the time of issue as the difference between the face value of the liability component and the fair value of the liability component.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compound Financial Instruments (Continued)

Convertible debentures may contain both a liability component and an embedded derivative conversion liability component (represented by the conversion feature). Convertible debentures are separated into their liability and derivative liability components, when measurable, on the consolidated statement of financial position. The derivative conversion liability component is initially measured at the fair value of the conversion feature. The value of the host liability component is accounted for at the time of issue as the residual amount after deducting the value of the derivative conversion liability component from the the face value of the instrument. The fair value of the host liability component is accreted to the original face value of the debt over the respective terms of the debt instrument and charged to operations as interest and accretion expense based on the effective interest method.

Share-Based Payments

The Company has a stock option plan for directors, officers, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. For employees and those performing employee like services the fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model (Note 8). For non-employees, the fair value of each tranche is measured based on the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case, the Company measures their value based on the fair value of the equity instruments granted. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest with the offset credited to contributed surplus. The number of awards expected to vest is reviewed quarterly with any impact being recognized immediately.

When stock options are issued with certain terms that are not finalized they are measured at the year-end date using the Black-Scholes option pricing model using management's best estimate of fair value and are revalued once the terms have been finalized. Share-based compensation is adjusted based on the value once terms are finalized.

Consideration received upon the exercise of stock options is credited to share capital and the fair value attributed to these options is transferred from contributed surplus to share capital.

Share Capital

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from the proceeds in share capital in the period the transaction occurs.

Warrants

Proceeds from unit placements are allocated between common shares and warrants issued on a pro rata basis of their respective fair value within the unit, using the Black-Scholes options pricing model to determine the fair value of warrants issued.

Modification of Warrants

The Company may subsequently modify the original terms of warrants granted in relation to a financing arrangement. When modifications exist, the Company will maintain the original fair value of the warrant.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and is reviewed at the end of each reporting period.

Loss per Share

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated similar to basic loss per share except that the weighted average number of shares outstanding are increased to include additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the period. The number of additional shares is calculated by assuming that convertible debentures were converted and outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common shares at the average market price during the year. When a net loss is incurred, basic and diluted loss per share are the same because the conversion of convertible debentures and the exercise of options and warrants are anti-dilutive.

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when they are available for immediate sale, management is committed to a plan to sell, it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn, an active program to locate a buyer has been initiated, the asset or disposal group is being marketed at a reasonable price in relation to its fair value and a sale is expected to be completed within twelve months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount immediately prior to be classified as held for sale in accordance with the Company's accounting policy and fair value less costs of disposal.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned, or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statements of comprehensive loss (including the comparative period) as a single line which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognized on the re-measurement to the fair value less costs of disposal or on the disposal of the asset/disposal groups constituting discontinued operations.

Adoption of New or Amended Accounting Standards

The Company did not adopt any new standards, amendments to standards, or interpretations during the year ended February 29, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards and Amendments Issued but Not Yet Applied

The following pronouncements have been issued by the IASB or IFRIC. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the summary below. The following have not yet been adopted and are being evaluated to determine the resulting impact to the Company.

IFRS 9, *Financial Instruments* (“IFRS 9”) was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, *Financial Instruments – Recognition and Measurement* (“IAS 39”) for debt instruments. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). Where such equity instruments are measured at fair value through other comprehensive income (loss), dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income (loss) indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company does not expect IFRS 9 to have a material impact on the financial statements.

IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”), was issued in May 2014, replacing IAS 11, *Construction Contracts*, IAS 18, *Revenue Recognition*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, *Consolidated Financial Statements* and IFRS 11, *Joint Arrangements*.

In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs.

The standard’s requirements will also apply to the recognition and measurement of gains and losses on the sale of some nonfinancial assets that are not an output of the entity’s ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company does not expect IFRS 15 to have a material impact on the financial statements.

IFRS 16, *Leases* ("IFRS 16"), was issued in January 2016. IFRS 16 requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, although early adoption is permitted, provided the new revenue standard, IFRS 15, has been applied or is applied at the same time as IFRS 16. The Company is still evaluating the impact of IFRS 16 on the financial statements, the impact could be material.

(Expressed in Canadian Dollars)

4. REVERSE ACQUISITION

As discussed in Note 1, Primary completed a reverse acquisition with Keek on March 5, 2014. For accounting purposes, Keek is considered the accounting acquirer and Primary the accounting acquiree. The reverse acquisition has been accounted for in accordance with the guidance provided in IFRS 3, "*Business Combinations*". As Primary did not meet the definition of a business under the guidance from IFRS 3, the reverse acquistion does not constitute a business combination and accordingly, the reverse acquisition has been accounted for in accordance with guidance provided in IFRS 2, "*Share-Based Payment*". The transaction has been accounted for at the fair value of the net assets acquired that has been allocated to the equity of Keek, comprising common shares, stock options and contributed surplus. As the Primary stock options to purchase common shares granted prior to the reverse acquisition remain exercisable after the completion of the reverse acquisition, the fair value of the stock options at the date of the reverse acquisition are also included as part of the consideration transferred.

The fair value of the consideration is determined based on the fair value of the net assets of Primary acquired on March 5, 2014, which was computed as $16,461,600, as follows:

Net assets acquired		
Cash	$	12,812,044
Other receivables and prepaids		1,251,662
Exploration and evaluation assets		150,000
Property and equipment		22,992
Promissory notes receivable (Note 10, due from Keek, eliminated on consolidation)		2,640,779
Accounts payable and accrued liabilities		(265,386)
Decommissioning provision		(150,491)
	$	**16,461,600**
Allocation of net assets acquired (i)		
Fair value of 5,013,590 common shares issued at $3.00 per share (ii)		15,040,770
Fair value of 296,000 options issued, recorded in contributed surplus (iii)		48,299
Contributed surplus (iv)		1,372,531
	$	**16,461,600**

(i) Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7).

(ii) The fair value of the common shares was estimated to be $15,040,770 based on 5,013,590 common shares at a fair value of $3.00 per share. The fair value of $3.00 per share was determined based on the fair value of shares issued by Keek in its most recent financings and private placements in proximity to the date of the reverse acquisition.

(iii) The fair value of the stock options have been estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions; share price - $3.00; exercise price - $16.69; risk-free interest rate of 1.41%; expected volatility – 100% (based on comparable companies in the industry); expected life of 1.15 years; and expected dividend yield – 0%.

(iv) The difference between the fair value of the net assets acquired and the fair value of the common shares and stock options issued is recognized in contributed surplus.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

For the Year Ended February 29, 2016

	February 28, 2015	Additions (amortization)	Disposals and write-downs	**February 29, 2016**
Cost				
Computers	$ 352,142	$ 10,639	$ -	**$ 362,781**
Furniture and fixtures	34,067	-	(9,050)	**25,017**
Servers	5,842,713	14,123	(996,571)	**4,860,265**
Software	68,701	-	-	**68,701**
Telephones	16,502	-	-	**16,502**
Total cost	$ 6,314,125	$ 24,762	$ (1,005,621)	**$ 5,333,266**
Accumulated amortization				
Computers	$ (265,149)	$ (63,369)	$ -	**$ (328,518)**
Furniture and fixtures	(7,485)	(16,233)	2,640	**(21,078)**
Servers	(4,116,321)	(1,481,470)	856,035	**(4,741,756)**
Software	(63,780)	(4,921)	-	**(68,701)**
Telephones	(14,336)	(2,145)	-	**(16,481)**
Total accumulated amortization	$ (4,467,071)	$ (1,568,138)	$ 858,675	**$ (5,176,534)**
Carrying value				
Computers	$ 86,993	$ (52,730)	$ -	**$ 34,263**
Furniture and fixtures	26,585	(16,233)	(6,410)	**3,942**
Servers	1,726,392	(1,467,347)	(140,536)	**118,509**
Software	4,921	(4,921)	-	**-**
Telephones	2,166	(2,145)	-	**21**
Total carrying value	$ 1,847,057	$ (1,543,376)	$ (146,946)	**$ 156,735**

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT (Continued)

For the Year Ended February 28, 2015

	February 28, 2014	Additions (amortization)	Disposals and write-downs	**February 28, 2015**
Cost				
Computers	$ 274,475	$ 77,667	$ -	**$ 352,142**
Furniture and fixtures	104,776	34,067	(104,776)	**34,067**
Leasehold improvements	516,140	-	(516,140)	**-**
Servers	5,728,723	113,990	-	**5,842,713**
Software	67,171	1,530	-	**68,701**
Telephones	16,502	-	-	**16,502**
Total cost	$ 6,707,787	$ 227,254	$ (620,916)	**$ 6,314,125**
Accumulated amortization				
Computers	$ (184,753)	$ (80,396)	$ -	**$ (265,149)**
Furniture and fixtures	(1,029)	(46,391)	39,935	**(7,485)**
Leasehold improvements	(25,164)	(50,355)	75,519	**-**
Servers	(2,188,005)	(1,928,316)	-	**(4,116,321)**
Software	(49,117)	(14,663)	-	**(63,780)**
Telephones	(9,884)	(4,452)	-	**(14,336)**
Total accumulated amortization	$ (2,457,952)	$ (2,124,573)	$ 115,454	**$ (4,467,071)**
Carrying value				
Computers	$ 89,722	$ (2,729)	$ -	**$ 86,993**
Furniture and fixtures	103,750	(12,324)	(64,841)	**26,585**
Leasehold improvements	490,976	(50,355)	(440,621)	**-**
Servers	3,540,718	(1,814,326)	-	**1,726,392**
Software	18,054	(13,133)	-	**4,921**
Telephones	6,618	(4,452)	-	**2,166**
Total carrying value	$ 4,249,838	$ (1,897,319)	$ (505,462)	**$ 1,847,057**

The write-down of leasehold improvements of $440,621 in 2015 relates to an operating premises of the Company which is now occupied by a sub-tenant. The carrying value of leasehold improvements were written off as there is no future economic benefit to these costs as their cost is not being recovered through rental payments from the sub-tenant.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities is comprised significantly of the following:

	February 29, 2016	February 28, 2015
Trade payables	**$ 2,906,383**	$ 1,238,595
Accrued liabilities	**744,991**	550,568
	$ 3,651,374	$ 1,789,163

During the year ended February 29, 2016, the Company settled trade payables with a fair value of $174,797 through the issuance of 615,265 common shares at a weighed average price of $0.28 per share, resulting in no gain or loss on settlement of trade payables. See note 7.

During the year ended February 28, 2015, the Company settled trade payables with a fair value of $1,032,535 for cash payments totalling $632,223 and the issuance of 12,327 shares at a value of $9.00 per share (reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)) for additional consideration of $110,945, resulting in a gain on settlement of debt of $289,367.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized	
Unlimited	Preference shares, no stated dividend, non-participating, non-voting
Unlimited	Common shares, no par value

The Company filed articles of amendment effective January 15, 2015 consolidating the common shares of Keek Inc., on the basis of one (1) common share for every thirty (30) common shares. The share consolidation has been applied retrospectively for all periods presented.

On July 9, 2015, the Company completed a non-brokered private placement of 1,000,000 units at a price of $0.25 per unit for aggregate gross proceeds of $250,000. The units were purchased by Hurorosh Partners Inc. ("Hurorosh"), a company controlled by Ron Hulse, a former director of Keek. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitled the holder to purchase one additional common share at a price of $0.40 per share for a period of 3 years from the closing date. The common share purchase warrants have have an ascribed value of $98,528. In addition, should Keek issue shares at a price that is less than $0.25 for a period of 12 months from the subscription date, Hurorosh will receive an additional number of shares at no cost, calculated to be the difference in the total number of shares Hurorosh would have received had they originally subscribed at the lower price.

On August 14, 2015, the Company completed a non-brokered private placement of 4,084,000 units, including 2,000,000 units purchased by Personas.com Corporation ("Personas"), a significant shareholder of the Company, and 750,000 units purchased by Hurorosh, at a price of $0.20 per unit for aggregate gross proceeds of $816,800. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitled the holder to purchase one additional common share at a price of $0.25 per share for a period of 3 years from the closing date. The common share purchase warrants have an ascribed value of $288,223. In addition, pursuant to price protection provisions granted to Hurorosh in connection with the private placement of 1,000,000 units (see above), Keek issued an additional 250,000 common shares to Hurorosh for no consideration and amended the number and exercise price of the warrants originally issued to Hurorosh.

On August 14, 2015, the Company issued 300,000 common shares to Mooncor, a related party by nature of a common director, to settle debt of $60,000 at a price of $0.20 per share.

On September 1, 2015, 75,000 options were exercised into common shares of the Company by certain former directors at a price of $1.00 per share for gross proceeds of $75,000. The initial fair value assigned to these options of $55,597 was reallocated from contributed surplus to share capital.

On September 3, 2015, the Company completed a non-brokered private placement of 1,666,000 units, including 1,000,000 units purchased by Personas, at a price of $0.20 per unit for aggregate gross proceeds of $333,200. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitled the holder to purchase one additional common share at a price of $0.25 per share for a period of 3 years from the closing date. The common share purchase warrants have an ascribed value of $161,347.

On November 16, 2015, the Company issued 17,546 common shares to settle trade payables of $12,282 at a price of $0.70 per share.

On November 27, 2015, the Company issued 5,419,795 common shares to settle $2,305,000 principal amount secured notes and accrued interest of $242,303 at a price of $0.47 per share (Note 9).

On November 27, 2015, the Company issued 127,659 common shares to settle trade payables of $60,000 at a price of $0.47 per share.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

On February 9, 2016, the Company issued 170,060 common shares to settle trade payables of $42,515 at a price of $0.25 per share.

On March 5, 2014, 5,248,680 preference shares with a stated capital value of $29,933,736 were converted to common shares on a one-for-one basis on closing of the reverse acquisition transaction (Note 4).

During the period from October 25, 2013 to January 27, 2014, Keek issued $2,620,000 (aggregate principal amount) of 12%-17% secured convertible debentures maturing on periods between April 25, 2014 and January 27, 2015. On March 5, 2014, the convertible debentures were converted into 907,078 preference shares of the Company at an ascribed value of $3.00 per share (including accrued interest on the convertible notes of $98,197). These preference shares were then immediately converted to common shares on a one-for-one basis on closing of the reverse acquisition transaction.

Pursuant to certain anti-dilution rights held by certain preference shareholders relating to the issuance of 123,866 preferred shares prior to February 28, 2014, Keek issued an additional 1,114,800 preference shares at no consideration on closing of the reverse acquisition transaction. These preference shares were then immediately converted to common shares on a one-for-one basis on closing of the reverse acquisition transaction.

On March 5, 2014, 12,327 preference shares were issued to settle debt of $110,945 at a price of $9.00 per share. These preference shares were then immediately converted to common shares on a one-for-one basis on closing of the reverse acquisition transaction.

On March 5, 2014, all remaining preference shares were converted into common shares on a one-for-one basis on closing of the reverse acquisition transaction.

During the year ended February 28, 2015, 26,334 options were exercised into common shares of the Company at a price of $3.00 per share for gross proceeds of $79,000. The initial fair value assigned to these options of $96,208 was removed from contributed surplus and recorded to share capital.

Warrants

During the year ended February 29, 2016, the fair value of warrants of $548,098 issued upon the non-brokered private placement financing was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	February 29, 2016
Risk free interest rate (%)	**0.43**
Expected volatility (%)*	**100**
Expected life (in years)	**3.00**
Expected dividends	**Nil**
Weighted average share price	**$0.40**

*Based on comparable companies in the industry

On November 27, 2015, the Company cancelled 180,498 non-transferable warrants with an ascribed value of $290,950, originally granted in connection with the issuance of secured notes (see note 9). The warrants were exercisable at $3.00 and expired on dates ranging from November 2017 to February 2018.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

Warrants (Continued)

A summary of the status of the Company's warrants is presented below:

	Year Ended February 29, 2016		Year Ended February 28, 2015	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants*	Weighted Average Exercise Price*
Beginning balance	**180,498**	**$ 3.00**	8,723	$ 30.00
Granted	**7,000,000**	**$ 0.25**	180,498	$ 3.00
Expired/Cancelled	**(180,498)**	**$ 3.00**	(8,723)	$ 30.00
Ending balance	**7,000,000**	**$ 0.25**	180,498	$ 3.00

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)

The Company had the following warrants outstanding at February 29, 2016:

Number of Warrants	**Exercise Price**	**Expiry Date**	Ascribed Value
1,250,000	$0.25	July 9, 2018	$ 98,528
4,084,000	$0.25	August 14, 2018	288,223
1,666,000	$0.25	September 3, 2018	161,347
7,000,000			**$ 548,098**

On August 14, 2015, pursuant to certain price protection provisions granted to Hurorosh in connection with the private placement of 1,000,000 units on July 9, 2015 (note 7), Keek issued an additional 250,000 warrants to Hurorosh for no consideration and amended the exercise price of the warrants originally issued to Hurorosh from $0.40 to $0.25.

Stock Option Plan

The Company has a stock option plan (the "Plan") which provides for the issuance of stock options to directors, officers, employees, consultants, and preferred partners with exercise prices not less than the discounted market price on the date of grant. The Plan restricts the maximum number of stock options authorized by the Board of Directors for issuance at any one time to 20% of the issued and outstanding common shares of the Company, being 4,913,055 as at February 29, 2016. Options granted under the Stock Option Plan to persons who do not perform investor relations activities for the Company vest over a thirty month period as to 10% vesting immediately; 10% vest in six months from grant date and 20% every six months thereafter, unless the Board of Directors determines otherwise, in which case options may have a longer or shorter vesting period, or no vesting period at all. Options granted to consultants performing investor relations activities vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

Stock Option Plan (Continued)

The following summarizes the stock option activities under the Plan:

	Year Ended February 29, 2016		Year Ended February 28, 2015	
	Number of Options	**Weighted Average Exercise Price**	Number of Options*	Weighted Average Exercise Price*
Beginning balance	**2,074,711**	**$ 4.54**	715,667	$ 18.33
Granted	**2,814,000**	**$ 1.12**	1,812,074	$ 3.34
Expired/Cancelled	**(1,427,887)**	**$ 5.23**	(722,698)	$ 20.21
Exercised	**(75,000)**	**$ 1.00**	(26,332)	$ 3.00
Issued to effect the reverse acquisition	**-**	**$ -**	296,000	$ 16.69
Ending balance	**3,385,824**	**$ 1.49**	2,074,711	$ 4.54
Exercisable	**3,158,192**	**$ 1.38**	679,981	$ 6.02

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)

The Company had the following options outstanding at February 29, 2016:

Exercise Price*	**Options Outstanding***	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price***	**Options Exercisable***	**Weighted Average Exercise Price (Exercisable)***
$1.00	263,000	3.91 years	$1.00	244,166	$1.00
$1.12	2,790,000	4.51 years	$1.12	2,698,000	$1.12
$3.00	61,664	2.90 years	$3.00	49,331	$3.00
$4.80	144,998	3.13 years	$4.80	86,999	$4.80
$5.10	116,166	3.41 years	$5.10	69,700	$5.10
$6.00	3,332	1.46 years	$6.00	3,332	$6.00
$15.00	3,332	1.84 years	$15.00	3,332	$15.00
$30.00	3,332	3.45 years	$30.00	3,332	$30.00
	3,385,824	**4.33 years**	**$1.49**	**3,158,192**	**$1.38**

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)

Maximum Share Dilution

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options, warrants, and convertible debentures were exercised or converted into common shares.

	February 29, 2016	February 28, 2015*
Common shares outstanding	**24,565,276**	11,455,216
Stock options outstanding to purchase common shares	**3,385,824**	2,074,711
Warrants outstanding to purchase common shares	**7,000,000**	180,498
Convertible debentures convertible to common shares**	**3,450,914**	-
Fully diluted common shares outstanding	**38,402,014**	13,710,425

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)
**Based on a conversion price of $1.00 (see also Note 18(f))

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS

The total compensation expense relating to share-based payments granted to directors, officers, employees, service consultants and preferred partner consultants for the year ended February 29, 2016, was $1,757,279 (February 28, 2015 - $2,685,784) with a corresponding charge to contributed surplus. In the absence of a reliable measurement of the fair value of the services received from service consultants and preferred partner consultants, the services have been measured at the fair value of the options issued.

For the year ended February 29, 2016, share-based compensation expense related to directors, officers, employees and service consultants in the amount of $1,893,530 (February 28, 2015 - $1,780,402) is included in salaries and benefits. Share-based compensation recovery related to share-based payments granted to preferred partner consultants for the year ended February 29, 2016, in the amount of $136,251 (February 28, 2015 - expense of $905,382) is included in advertising and marketing.

The fair value of the stock options was determined using the Black-Scholes option pricing model. The expected volatility is based on comparable companies in the industry. The share price used in the determination of fair value of the share-based compensation relating to options granted after March 5, 2014 (the date of the reverse acquisition transaction) was based on the most recent market price of common shares. Prior to the reverse acquisition transaction, the share price used was based on the most recent issuance of preference shares.

The weighted average fair value of options granted during the year ended February 29, 2016, was $0.81 per option (year ended February 28, 2015 - $2.12).

The fair value of stock options was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	February 29, 2016	February 28, 2015
Risk free interest rate (%)	**0.42**	1.28
Expected volatility (%)	**100**	100
Expected life (in years)	**5.00**	5.00
Expected dividends	**Nil**	Nil
Forfeiture rate (%)	**Nil**	Nil
Weighted average share price*	**$1.10**	$3.14

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 7)

9. SECURED NOTES

The secured notes (the "Notes") bear interest at a rate of 12% per annum on the principal amount outstanding and are repayable twelve months from the date issued. The Notes are secured by a General Security Agreement over all present and future assets and intangibles of the Company.

Between November 2014 and February 2015 the Company issued $5,415,000 aggregate principal amount Notes, including $3,000,000 aggregate principal amount Notes to Pinetree Capital Ltd. (TSX: PNP) ("Pinetree"), a former significant shareholder of the Company, and $270,000 to certain former directors and officers of the Company. In consideration for the Notes, the Company issued 180,498 non-transferable common share purchase warrants exercisable at $3.00, including 100,000 to Pinetree and 9,000 to certain former directors and officers of the Company.

On November 27, 2015, $2,305,000 aggregate principal amount Notes plus accrued interest of $242,303 were converted into 5,419,795 common shares of the Company at a price of $0.47 per share.

(Expressed in Canadian Dollars)

9. SECURED NOTES (Continued)

The Pinetree Notes were acquired by Riavera Corp. (a parent company to Personas) ("Riavera") in November 2015 and amended on December 2, 2015, with the Company, to become convertible debentures (see note 10).

On November 24, 2015, $100,000 principal amount Notes matured. These Notes were not amended or converted and remain outstanding as at February 29, 2016, with interest continuing to be accrued.

The share purchase warrants originally granted in relation to the Notes were cancelled upon conversion or amendment of the Notes, as applicable.

For accounting purposes, the Notes were initially separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the Notes assuming a 18.6% effective interest rate (19.1% effective interest rate after considering transaction costs), which was the estimated rate for the Notes without the warrants attachment. The fair value of the equity component (the warrants) was determined at the time of issue as the difference between the face value of the Notes and the fair value of the liability component.

The following table summarize the changes in the Company's Notes:

	Year Ended February 29, 2016	Year Ended February 28, 2015
Opening liability balance	$ 5,176,594	$ -
Issuance of secured notes	-	5,415,000
Transaction costs	-	(30,000)
Equity component of secured notes	-	(290,950)
Accretion of discount on secured notes	238,406	82,544
Conversion of secured notes to common shares	(2,305,000)	-
Amendment of secured notes	(3,010,000)	-
Ending liability balance	$ 100,000	$ 5,176,594

During the year ended February 29, 2016, the Company expensed a total of $494,172 (February 28, 2015 - $185,697) in interest related to the Notes and recorded interest accretion of $238,406 (February 28, 2015 - $82,544).

10. CONVERTIBLE DEBENTURES

Fiscal Year 2016

On December 2, 2015, the Company amended the terms of $3,010,000 aggregate principal Notes and accrued interest of $382,210 (the unpaid accrued interest on the Notes were added to the principal amount once amended), including $3,000,000 aggregate principal Notes and accrued interest of $379,790 held by Riavera (see Note 9), as follows: (1) extend the maturity date of the Notes to March 1, 2017; and (2) reduce the interest rate from 12% per annum to 7% per annum. In consideration for amending the existing terms of the Notes, the Company agreed to make the Notes (both principal and accrued interest) convertible into common shares of the Company at the option of the holder at any time prior to maturity. The conversion ratio is one (1) common share of Keek for every dollar of principal or interest converted. The amending terms also carry an automatic conversion feature which provides for an automatic conversion of the Notes should Keek conduct bona fide financing prior to the maturity date pursuant to which it receives aggregate gross proceeds of not less than $1,000,000, whether by way of a private placement or an amalgamation, arrangement, merger, consolidation, reverse takeover, reorganization or other business combination or other similar transaction. The conversion price in the event of an automatic conversion would be equal to the subscription price or deemed price per share of the related financing. The automatic conversion feature was triggered subsequent to the year ended February 29, 2016, see note 18.

For accounting purposes, in fiscal 2016, the derivative conversion liability (represented by the conversion feature) was deemed to have a Nil value as the conversion price is expected to be at the deemed market price. The value of the liability component is accounted for at the time of issue as the residual amount after deducting the value of the derivative conversion liability component from the face value of the instrument. Therefore, the fair value of the liability component was determined at the time of issue to be recognized as the entire face value of the convertible debenture (host instrument).

Fiscal Year 2015

During the period from October 25, 2013 to January 27, 2014, the Company issued $2,620,000 (aggregate principal amount) of 12%-17% secured convertible debentures maturing on periods between April 25, 2014 and January 27, 2015 (“Maturity Dates”), resulting in gross proceeds of $2,620,000. These debentures were converted to common shares upon completion of the reverse acquisition transaction. See note 7.

During the period from November 19, 2013 to February 3, 2014, the Company received from Primary, 12% secured convertible debentures in the aggregate principal amount of $2,600,000, maturing on April 25, 2014, resulting in gross proceeds of $2,600,000.

The debentures were convertible at the holder's option at any time following the date that the Company issued equity securities pursuant to a financing at a conversion price of the greater of (i) 50% of the issue price per financing security, and (ii) $3.00 per share.

Upon completion of the Transaction, the Primary debentures were amended and restated at similar terms, but without the conversion option and interest terms, and remain as intercompany debt between Primary and Keek without any specific terms of repayment. These eliminate upon consolidation.

(Expressed in Canadian Dollars)

10. CONVERTIBLE DEBENTURES (Continued)

On October 25, 2013, the Company received $150,000 from Oddpot Inc., a corporation controlled by the former CEO and director, in the form of a secured convertible promissory note, (the "Promissory Note"). The Promissory Note bore interest at 8% per annum, payable on maturity, and matured on October 22, 2014, resulting in a repurchase at that date of the principal of $150,000 and interest of $12,000. The Promissory Note was secured by way of a general security agreement over the assets of the Company. Upon the event the Company had closed an arm's length equity offering raising gross proceeds of $10,000,000 or greater, a conversion election was to be triggered at the option of the holder, to be elected within 30 days of the holder being notified of the offering and at a per-share price equal to that of the offering. The Promissory Note matured prior to any conversion election being triggered.

For accounting purposes, in fiscal 2015, the convertible debentures were separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible debentures assuming a 18.6% effective interest rate, which was the estimated rate for the convertible debentures without the conversion feature. The fair value of the equity component (the conversion feature) was determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component.

The following table summarize the changes in the Company's convertible debentures:

	Year ended February 29, 2016	Year ended February 28, 2015
Opening liability balance	**$ -**	$ 5,266,560
Issuance of convertible debentures	**3,392,210**	-
Conversion of convertible debentures	**-**	(2,538,291)
Amendment of convertible debentures	**-**	(2,590,309)
Repurchase of convertible debentures on maturity	**-**	(150,000)
Accretion of discount on convertible debentures	**-**	12,040
Ending liability balance	**$ 3,392,210**	$ -

	Year ended February 29, 2016	Year ended February 28, 2015
Opening equity component balance	$ -	$ 137,074
Conversion of convertible debentures	-	(84,746)
Amendment of convertible debentures	-	(43,931)
Repurchase of convertible debentures on maturity	-	(8,397)
Ending equity component balance	$ -	$ -

During the year ended February 29, 2016, the Company accrued a total of $58,704 (February 28, 2015 - $Nil) in interest related to convertible debentures.

(Expressed in Canadian Dollars)

11. DISCONTINUED OPERATIONS

Prior to the reverse acquisition (Note 4), Primary was engaged in the exploration and development of petroleum and natural gas reserves in the Province of Alberta and the State of Montana. The reverse acquisition transaction of March 5, 2014, constituted a change of business for Primary, and the exploration and development operations were discontinued. The Board of Directors of the Company subsequently approved a plan to dispose of the oil and gas operations.

On January 28, 2015, the Company executed a share purchase agreement with Mooncor, a related party by nature of a common director, for the sale of 100% of the common shares of PPC-USA, resulting in the disposition of PPC-USA and its wholly-owned subsidiaries PPCLLC and APLLC. See note 1. The sale resulted in the disposition of the assets and liabilities classified under discontinued operations.

Net loss from discontinued operations reported in the statements of comprehensive loss is as follows:

		Year ended February 29, 2015
Salaries and wages	$	(170,205)
Office and general		(112,312)
Loss on disposition		(98,132)
Occupancy costs		(59,382)
Project evaluation		(23,613)
Professional fees		(12,484)
Depreciation		(2,254)
Interest income		24,237
Income tax recovery		216,829
Net loss from discontinued operations	$	(237,316)

12. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of business and are measured at the exchange amount which is the amount of consideration established by and agreed to by the related parties. Related party transactions for the year ended February 29, 2016, are as follows:

a) During the year ended February 29, 2016, the Company paid $100,000 (2014 - $Nil) in consulting fees to Riavera in relation to management consulting and technology integration services.

b) During the year ended February 29, 2016, the Company accrued $24,392 of interest (2015 - $8,640) on $270,000 aggregate principal amount Notes issued to certain former directors and officers of the Company. These $270,000 aggregate principal amount Notes and accrued interest of $33,032 were converted to common shares of the Company on November 27, 2015 (see note 9).

c) During the year ended February 29, 2016, the Company accrued $334,508 of interest (2015 - $114,000) on $3,000,000 aggregate principal amount Notes acquired by Riavera in November 2015 (see note 9).

d) On August 14, 2015, the Company entered into a technology platform licence agreement with Personas pursuant to which it has granted Personas a non-exclusive license to use Keek's proprietary software to facilitate commercial transactions and communications on the Keek platforms. Pursuant to the technology agreement, Personas agreed to pay Keek a licensing fee equal to 10% of the gross revenue earned by Personas through the use of Keek's platform. There were no license fees receivable as at February 29, 2016.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

e) On August 31, 2015, the Company issued 1,800,000 options to certain directors and officers. The options have a contractual life of 5 years, are exercisable at $1.12, and vested on the date of grant.

f) On September 7, 2015, the Company issued 300,000 options to Riavera. The options have a contractual life of 5 years, are exercisable at $1.12, and vested on the date of grant.

g) On November 13, 2015, the Company issued a 30-day secured loan in the amount of $400,000 to Riavera. The loan bears interest at 7% and was secured against the $3,000,000 aggregate principal amount Notes acquired by Riavera in November 2015 (see note 9). On December 14, 2015, Riavera repaid the $400,000 principal amount short term loan and $2,411 of interest to the Company.

h) On February 18, 2016, Riavera issued an unsecured promissory note to the Company in the amount of $40,000. The loan bears interest at 5% per annum and matures on March 30, 2016.

i) See note 7 for information relating to shares and warrants issued to Personas and Hurorosh.

j) See note 7 for information relating to shares issued to Mooncor.

k) See note 10 for information relating to the amendment of Notes held by Riavera.

13. KEY MANAGEMENT COMPENSATION

The compensation of the directors and other key management of the Company is included in the summary table below. Key management are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company.

	February 29, 2016	February 28, 2015
Short term compensation	**$ 821,746**	$ 640,130
Termination benefits	**126,256**	277,730
Share based compensation	**1,475,545**	1,328,115
Total	**$ 2,423,547**	$ 2,245,975

(Expressed in Canadian Dollars)

14. INCOME TAXES

Current Income Taxes

The major factors that cause variations from the Company's combined federal and provincial statutory Canadian income tax rates of 26.5% (2015 - 26.5%) were the following:

	February 29, 2016	February 28, 2015
Loss before income taxes	**$ 10,827,059**	$ 20,764,077
Combined Federal and Provincial Statutory Rates	**26.5 %**	26.5 %
Expected tax recovery at statutory rates	**(2,869,170)**	(5,502,480)
Increase (decrease) resulting from:		
Share-based payments	**465,679**	711,733
Other non-deductible expenses	**931**	(316,938)
Capital losses incurred on sale transaction with Mooncor	**-**	(2,967,483)
Change in unrecognized portion of deferred taxes	**1,750,007**	11,567,895
Deferred tax assets acquired on reverse acquisition transaction	**-**	(4,620,366)
Difference in tax rate and other differences	**652,553**	1,127,639
Income taxes	**$ -**	$ -

Deferred Income Taxes

Net deferred income tax balances are summarized as follows:

	February 29, 2016	February 28, 2015
Deferred income tax assets (liabilities)		
Property and equipment	**$ 282,988**	$ 129,580
Intangibles	**5,576**	(85)
Non-capital losses	**17,255,043**	15,485,135
Capital losses	**2,967,483**	2,967,483
Share issuance costs and other	**1,297,464**	1,496,671
Convertible debentures / secured notes	**-**	(20,237)
Deferred taxes not recognized	**(21,808,554)**	(20,058,547)
	$ -	$ -

(Expressed in Canadian Dollars)

14. INCOME TAXES (Continued)

Non-capital Losses

The Company has non-capital losses of approximately $66,012,900 available to apply against future taxable income. If unutilized, these losses will expire as follows:

2026	$	1,331,200
2027		349,200
2028		1,564,200
2029		1,557,300
2030		1,880,100
2031		4,634,400
2032		11,215,700
2033		19,723,900
2034		1,854,400
2035		14,424,000
2036		7,478,500
	$	**66,012,900**

Capital Losses

The Company has capital lossed of approximately $23,739,900 available to offset future taxable capital gains. These losses do not expire.

15. COMMITMENTS

The Company is committed to a lease of a premises at 1 Eglinton Avenue East, Suites 300, 401, and 416, in Toronto, Ontario. The lease of Suite 300 commenced on August 15, 2013, and ends on November 30, 2023. The lease of Suites 401 and 416 commenced on December 1, 2014, and ends on December 31, 2017. Future minimum lease payments and estimated taxes, maintenance, and insurance payments over the remaining course of the lease are approximately as follows:

		Minimum lease payments		Taxes, Maintenance, and Insurance (estimated)		Total estimated commitment
Less than one year	$	376,801	$	495,958	$	872,759
Between one and five years		1,243,116		1,515,193		2,758,309
More than five years		839,022		967,343		1,806,365
	$	**2,458,939**	**$**	**2,978,494**	**$**	**5,437,433**

16. LEGAL PROCEEDINGS

In June 2015, Kik Interactive Inc. ("Kik") served the Company with a trademark infringement lawsuit in the United States District Court for the Southern District of New York. Pursuant to a confidential settlement agreement entered into with Kik, the Company has agreed to phase out all use of the Keek trademarks on a worldwide basis. All outstanding litigation and trademark oppositions have been brought to an end.

16. LEGAL PROCEEDINGS (Continued)

The Company, in the course of its normal operations, is subject to claims, lawsuits, and contingencies. Accruals are made in instances where it is probable that liabilities may be incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company has no reason to believe that the ultimate outcome of these matters would have a significant impact on its consolidated financial position.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

The carrying value of cash, accounts receivable, other receivables, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists. The fair values of the secured notes and convertible debentures approximate their carrying amounts as they bear terms similar to that of comparable instruments.

The Company follows a three-tier categorization for its financial instruments as a framework for disclosing fair value based upon inputs used to value the Company's investments. The hierarchy is summarized as:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data
- Level 3 – inputs for assets and liabilities not based upon observable market data

As at February 29, 2016, and February 28, 2015, cash was carried at Level 1 in the fair value hierarchy.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk is primarily related to the Company's interest bearing debts on its consolidated statements of financial position. The secured notes and convertible debentures bear interest at a fixed rate of 12% and 7% respectively, and as such, are not subject to cash flow interest rate risk resulting from market fluctuations thereby minimizing the Company's exposure to cash flow interest rate risk.

(c) Foreign Currency Risk

The Company is subject to foreign exchange rate risk as it enters into transactions denominated in currencies other than the Company's functional currency, which is the Canadian dollar. The maximum exposure to foreign currency risk is equal to amounts held in foreign currencies at the Statement of Financial Position date. As at February 29, 2016, the Company carried net current liabilities of CDN$1,784,288 in USD$ (February 28, 2015 - net current assets of CDN$90,820 in USD$). Accordingly, a 5% change in the US dollar exchange rate as at February 29, 2016 would have resulted in an exchange gain or loss of CDN$89,214 (February 28, 2015 - exchange gain or loss of CDN$4,541).

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in Note 17(f) to the consolidated financial statements. The Company has minimal income from operations and relies on equity and debt funding to support its development and corporate activities. Should the need for further equity or debt funding arise, there is a risk that the Company may not be able to sell new common shares at an acceptable price or debt instruments at an acceptable interest rate level.

Accounts payable and accrued liabilities and secured notes are due within the current operating period. As at February 29, 2016, the Company had total cash of $102,659 (February 28, 2015 - $1,754,838) to settle current liabilities of $3,751,374 (February 28, 2015 - $6,970,538) and finance future operations. As a result, the Company is exposed to significant liquidity risk.

(e) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge their obligations. Financial instruments that potentially expose the Company to this risk consist of cash, accounts receivable, and other receivables. The majority of the Company's cash is on deposit with a Canadian Tier 1 chartered bank. Other receivables include input tax credits related to GST/HST filings. Accounts receivable are in the normal course of business with established entities and no material amount relates to any one specific entity. As a result, the Company's exposure to credit risk is minimal.

(f) Capital Management

The Company considers its capital to be its equity attributable to shareholders, which is comprised of share capital, contributed surplus, warrants reserve, and deficit, which as at February 29, 2016, amounted to a capital deficiency of $6,632,184 (February 28, 2015 - capital deficiency of $1,759,504).

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the research and development of its social media app for the benefit of its shareholders.

There were no changes in the Company's management of its capital during the year ended February 29, 2016. The Company is not subject to any externally imposed capital requirements.

In order to maintain its capital structure, the Company is dependent on equity and/or debt funding and, when necessary, raises capital through the issuance of equity instruments, comprised of common shares, preference shares, warrants, incentive stock options, and the issuance of debt instruments. The Company reviews its capital management methods and requirements on an ongoing basis and makes adjustments accordingly.

18. SUBSEQUENT EVENTS

The following significant transactions occurred subsequent to the year ended February 29, 2016:

a) On March 4, 2016, the Company issued 32,928 common shares to settle trade payables of $8,232 at a price of $0.25 per share.

18. SUBSEQUENT EVENTS (Continued)

b) On March 4, 2016, the Company issued 80,000 common shares to a director in compensation for director fees of $20,000 at a price of $0.25 per share.

c) On March 18, 2016, the Company issued 3,000,000 units at a price of $0.25 per unit, including 520,000 units issued to Riavera, for gross proceeds of $750,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the company, at a price of $0.30 per share for a period of 12 months.

d) On March 22, 2016, the Company issued a short term loan to Personas with a principal amount of $200,000 to facilitate activities under the technology platform license agreement (see note 12). The loan bears interest at 5% per annum and matures on June 30, 2016.

e) On March 25, 2016, the Company issued 3,000,000 units at a price of $0.25 per unit, including 514,000 units issued to certain officers of the Company, for gross proceeds of $750,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the company, at a price of $0.30 per share for a period of 12 months.

f) On March 25, 2016, as a result of the above aggregate financing and pursuant to an automatic conversion feature (see note 10), the remaining $3,3,392,210 principal amount of 7% secured convertible notes due March 1, 2017, ($3,381,000 of which were held by Riavera), as well as all accrued interest, automatically converted according to its terms, into common shares of the Company at a price of $0.25 per share. Principal and interest accrued on the notes to March 24, 2016, equaled $3,459,517 and resulted in the issuance of 13,838,067 common shares (of which, 13,792,333 were issued to Riavera).

g) On April 14, 2016, the Company granted 2,565,000 options pursuant to its stock option plan, including 1,900,000 options to certain officers and directors of the Company, and 405,000 options to Personas. The options are exercisable at $0.30, vest over a 12 month period as to 20% immediately and 20% every 3 months thereafter, and expire 5 years from the date of grant.

h) On April 30, 2016, the Company moved its head office to 184 Front St E., Suite 701, Toronto, Ontario.