keek

(Formerly Primary Petroleum Corporation)

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended November 30, 2014 and 2013

(Expressed in Canadian Dollars)

(Unaudited)

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Keek Inc. (formerly Primary Petroleum Corporation) have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Keek Inc.

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

	November 30, 2014	February 28, 2014 (Audited)
Assets		
Current assets		
Cash and cash equivalents	**$ 6,523,648**	$ 454,476
Accounts receivable	**124,092**	-
Other receivables	**710,014**	687,448
Prepaid expenses	**181,722**	684,878
Assets of discontinued operations (Note 13)	**426,975**	-
	7,966,451	1,826,802
Prepaid expenses	**73,323**	73,323
Investment tax credits receivable	**337,500**	787,500
Intangible assets (Note 5)	**40,699**	43,046
Property and equipment (Note 6)	**2,761,416**	4,249,838
	$ 11,179,389	$ 6,980,509
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 1,246,956**	$ 3,535,780
Current portion of finance lease obligations (Note 8)	**198,782**	1,211,380
Secured notes (Note 11)	**4,896,442**	-
Liabilities of discontinued operations (Note 13)	**278,431**	-
Convertible debentures (Note 12)	**-**	5,266,560
	6,620,611	10,013,720
Finance lease obligations (Note 8)	**-**	14,627
	6,620,611	10,028,347
Shareholders' Equity (Deficiency)		
Share capital (Note 9)	**45,150,064**	27,101,907
Contributed surplus	**16,476,810**	13,010,977
Warrants reserve (Note 9)	**345,511**	137,635
Equity component of convertible debentures (Note 12)	**-**	137,074
Deficit	**(57,413,607)**	(43,435,431)
	4,558,778	(3,047,838)
	$ 11,179,389	$ 6,980,509

Nature of Operations and Going Concern (Note 1)
Related Party Transactions (Note 14)
Commitments (Note 15)
Subsequent Events (Note 17)

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

Keek Inc.

(Formerly Primary Petroleum Corporation)
Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three and Nine Months Ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2014	2013	**2014**	2013
Revenue				
Advertising revenue	**$ 105,852**	$ -	**$ 129,843**	$ -
Expenses				
Salaries and benefits (Note 10)	**1,734,589**	1,021,172	**4,835,797**	4,035,212
Advertising and marketing (Note 10)	**1,640,700**	1,525,864	**3,029,792**	8,604,615
Consulting fees	**436,341**	82,500	**1,604,582**	462,262
Internet and communications	**516,981**	646,000	**1,466,126**	1,744,389
Office and general	**299,754**	26,226	**831,031**	120,889
Occupancy costs	**200,806**	176,716	**567,469**	294,065
Professional fees	**23,782**	229,302	**197,161**	448,291
Translation and software licensing	**29,883**	26,168	**129,124**	86,138
Foreign exchange (gain) loss	**(41,765)**	14,712	**70,744**	51,811
Loss on disposal of long-lived assets	**-**	-	**-**	27,025
Amortization (Notes 5 & 6)	**534,806**	522,248	**1,595,484**	1,457,324
	5,375,877	4,270,908	**14,327,310**	17,332,021
Other expenses (income)				
Interest and accretion expense	**49,943**	72,876	**91,515**	111,273
Interest income	**(787)**	(661)	**(45,651)**	(20,955)
Gain on settlement of debts (Note 7)	**-**	-	**(289,367)**	-
	49,156	72,215	**(243,503)**	90,318
Net loss from continuing operations	**$ (5,319,181)**	$ (4,343,123)	**$(13,953,964)**	$(17,422,339)
Net loss from discontinued operations (Note 13)	**(44,320)**	-	**(24,212)**	-
Net loss for the period	**$ (5,363,501)**	$ (4,343,123)	**$(13,978,176)**	$(17,422,339)
Exchange differences on translating foreign operations	**3,382**	-	**(22,621)**	-
Comprehensive loss for the period	**$ (5,360,119)**	$ (4,343,123)	**$(14,000,797)**	$(17,422,339)
Net loss per share from continuing operations*				
Basic and diluted	**$ (0.46)**	$ (3.72)	**$ (1.28)**	$ (14.93)
Net loss per share from discontinued operations*				
Basic and diluted	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Net loss per share*				
Basic and diluted	**$ (0.47)**	$ (3.72)	**$ (1.28)**	$ (14.93)
Weighted average number of common shares outstanding*				
Basic and diluted	**11,455,270**	1,166,666	**10,884,960**	1,166,666

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

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

Keek Inc.
(Formerly Primary Petroleum Corporation)
Condensed Consolidated Interim Statements of Changes in Equity
For the Nine Months Ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

	Common shares		Preference shares					Equity component of		
	Number*	**Amount**	**Number***	**Amount**	**Contributed surplus**	**Warrants reserve**	**Shares to be issued**	**convertible debentures**	**Deficit**	**Total**
Balance at February 28, 2013 (Audited)	**1,166,666**	**$ 350**	**2,931,933**	**$ 22,791,489**	**$ 6,356,438**	**$1,452,813**	**$ 100,000**	**$ -**	**$ (19,953,833)**	**$10,747,257**
Net loss for the period	-	-	-	-	-	-	-	-	(17,422,339)	(17,422,339)
Share-based payments (Note 10)	-	-	-	-	3,696,011	-	-	-	-	3,696,011
Preference shares issued for funds received in prior year	-	-	16,666	100,000	-	-	(100,000)	-	-	-
Shares issued for services (Note 9)	-	-	6,666	200,000	-	-	-	-	-	200,000
Transfer of expired warrants (Note 9)	-	-	-	642,198	-	(642,198)	-	-	-	-
Exercise of warrants	-	-	107,908	2,945,430	-	(672,980)	-	-	-	2,272,450
Convertible debentures issued (Note 12)	-	-	-	-	-	-	-	26,712	-	26,712
Exercise of options	-	-	150,400	959,152	(267,652)	-	-	-	-	691,500
Balance at November 30, 2013	**1,166,666**	**$ 350**	**3,213,573**	**$ 27,638,269**	**$ 9,784,797**	**$ 137,635**	**$ -**	**$ 26,712**	**$ (37,376,172)**	**$ 211,591**
Balance at February 28, 2014 (Audited)	**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 period	-	-	-	-	-	-	-	-	(13,978,176)	(13,978,176)
Share-based payments (Note 10)	-	-	-	-	2,083,141	-	-	-	-	2,083,141
Issuance of shares for settlement of debt (Note 9)	-	-	12,327	110,945	-	-	-	-	-	110,945
Conversion of convertible debentures (Note 12)	-	-	907,078	2,721,234	-	-	-	(128,677)	-	2,592,557
Issuance of shares under anti-dilution rights (Note 9)	-	-	1,114,800	-	-	-	-	-	-	-
Conversion of preference shares to common shares (Note 9)	5,248,680	29,933,736	(5,248,680)	(29,933,736)	-	-	-	-	-	-
Issuance of shares to effect the reverse acquisition (Note 4)	5,013,590	15,040,770	-	-	570,580	-	-	-	-	15,611,350
Fair value difference on reverse acquisition (Note 4)	-	-	-	-	850,250	-	-	-	-	850,250
Transfer of expired warrants (Note 9)	-	-	-	-	72,294	(72,294)	-	-	-	-
Exercise of options	26,334	175,208	-	-	(96,208)	-	-	-	-	79,000
Repurchase of convertible debentures (Note 12)	-	-	-	-	8,397	-	-	(8,397)	-	-
Issuance of warrants (Note 9)	-	-	-	-	-	280,170	-	-	-	280,170
Translation adjustment	-	-	-	-	(22,621)	-	-	-	-	(22,621)
Balance at November 30, 2014	**11,455,270**	**$ 45,150,064**	**-**	**$ -**	**$ 16,476,810**	**$ 345,511**	**$ -**	**$ -**	**$ (57,413,607)**	**$ 4,558,778**

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

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

Keek Inc.
(Formerly Primary Petroleum Corporation)
Condensed Consolidated Interim Statements of Cash Flows
For the Nine Months Ended November 30, 2014 and 2013
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended November 30, 2014	2013
Cash flows used in operating activities		
Net loss for the period from continuing operations	**$ (13,953,964)**	$ (17,422,339)
Items not affecting cash:		
Share-based payments (Note 10)	**2,083,141**	3,696,011
Amortization	**1,595,484**	1,457,324
Issuance of preference shares for debt (Note 9)	**110,945**	-
Accretion on convertible debentures (Note 12)	**12,040**	23,759
Accretion on secured notes (Note 11)	**11,612**	-
Loss on disposal of long-lived assets	**-**	27,025
Issuance of preference shares for services	**-**	200,000
	(10,140,742)	(12,018,220)
Changes in non-cash working capital items		
Accounts receivable	**(124,092)**	-
Other receivables	**(22,566)**	(232,656)
Prepaid expenses	**503,156**	19,066
Investment tax credits receivable	**450,000**	(1,410,000)
Accounts payable and accrued liabilities	**(2,288,824)**	2,915,889
	(1,482,326)	1,292,299
Net cash used in continuing operating activities	**(11,623,068)**	(10,725,921)
Net cash provided from discontinued operations (Note 13)	**918,136**	-
Net cash used in operating activities	**(10,704,932)**	(10,725,921)
Cash flows from financing activities		
Cash acquired on reverse acquisition	**12,812,044**	-
Proceeds from options exercised	**79,000**	691,500
Repayment of finance lease obligations	**(1,027,225)**	(1,322,563)
Repurchase of convertible debentures	**(150,000)**	-
Issuance of secured notes	**5,165,000**	-
Proceeds from warrants exercised	**-**	2,272,450
Issuance of convertible debentures	**-**	1,950,000
Convertible debentures to be issued	**-**	645,000
Net cash generated from financing activities	**16,878,819**	4,236,387
Cash flows used in investing activities		
Purchase of intangible assets	**(4,420)**	-
Purchase of property and equipment	**(100,295)**	(2,057,279)
Net cash used in investing activities	**(104,715)**	(2,057,279)
Net increase (decrease) in cash and cash equivalents	**6,069,172**	(8,546,813)
Cash and cash equivalents, beginning of period	**454,476**	9,114,820
Cash and cash equivalents, end of period	**$ 6,523,648**	$ 568,007
Supplemental cash flow information		
Finance expenses paid	**$ 39,708**	$ 74,558
Purchase of property and equipment under finance lease	**$ -**	$ 1,051,709

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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 1 Eglinton Avenue East, Suite 416, Toronto, Canada, M4P 3A1.

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 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).

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 condensed consolidated interim 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.

The condensed consolidated interim financial statements for the three and nine month periods ended November 30, 2014 include the financial results of Keek for the three and nine month periods ended November 30, 2014 and Primary and its wholly-owned subsidiaries from March 5, 2014, the date of the reverse acquistion. The comparative condensed interim financial statements for the three and nine month periods ended November 30, 2013 are those of Keek, prior to the reverse acquisition.

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

While these condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities 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 nine months ended November 30, 2014, the Company incurred a net loss of $13,978,176 (November 30, 2013 - $17,422,339) and, as of that date, the Company had accumulated a deficit of $57,413,607 (February 28, 2014 - $43,435,431) and negative cash flows from continuing operations of $11,623,068 (November 30, 2013 - $10,725,921). These factors create material uncertainties that cast significant doubt upon the Company’s ability to continue as a going concern.

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

The Company has not yet realized profitable operations and has relied on nonoperational 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 condensed consolidated interim 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 would be material.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), using International Accounting Standard ("IAS") 34, "*Interim Financial Reporting*".

Other than as described in note 3, these condensed consolidated interim financial statements follow the same basis of presentation, accounting policies and methods of computation as were followed in the preparation of Keek's annual financial statements for the year ended February 28, 2014. Accordingly, these condensed consolidated interim financial statements should be read in conjuction with Keek's audited financial statements for the year ended February 28, 2014.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on January 29, 2015.

Basis of Presentation

These condensed consolidated interim financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiaries, except for Primary Petroleum Company USA, Inc., Primary Petroleum Company LLC, and AP Petroleum Company LLC, who's functional currency is the United States dollar.

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities which have been measured at fair value.

Principles of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries, Keek Inc. and Primary Petroleum Canada Corporation ("PPCC"), and it's wholly-subsidiary, Primary Petroleum Company USA, Inc. ("PPC-USA") (a United States company), and it's wholly-owned subsidiaries, Primary Petroleum Company LLC ("PPCLLC") (a United States company), and AP Petroleum Company LLC ("APLLC") (a United States company). The accounting policies of the subsidiaries align with the policies adopted by the Company. All intercompany transactions, balances, revenues and expenses have been eliminated.

2. BASIS OF PREPARATION (Continued)

Critical Accounting Estimates and Judgments

The preparation of these condensed consolidated interim 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 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 estimates and underlying assumptions are the same as those disclosed in the notes to Keek's February 28, 2014 audited financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are outlined in the annual financial statements of Keek Inc. as at and for the year ended February 28, 2014, and have been applied consistently to all periods presented in these financial statements. Additional significant accounting policies applied consistently in the period include:

Revenue Recognition

The Company generates revenue 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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Translation (Continued)

In preparing the 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.

If the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the accumulated foreign currency translation gains or losses related to the foreign operation are immediately recognized in net income (loss).

Adoption of New or Amended Accounting Standards

On March 1, 2014, the Company adopted the following new standards, amendments to standards and interpretations which are effective for periods beginning on or after March 1, 2014:

IAS 32, *Financial Instruments - Presentation* ("IAS 32") was amended by the IASB in December 2011. The amendments to IAS 32 clarify the meaning of when an entity has a current legally enforceable right to set-off financial assets and financial liabilities, and, clarify when a settlement mechanism provides for net settlement. The adoption of the amendments to IAS 32 did not have a material impact on the Company's financial statements.

IAS 36, *Impairment of Assets* ("IAS 36") was amended in May 2013 to change the disclosure required when an impairment loss is recognized or reversed. The amendments require the disclosure of the recoverable amount of an asset or cash generating unit at the time an impairment loss has been recognized or reversed and detailed disclosure of how the associated fair value less costs of disposal has been determined. The amendments are effective for annual periods beginning on or after March 1, 2014 with earlier adoption permitted. The adoption of the amendments to IAS 36 did not have a material impact on the Company's financial statements.

Accounting Standards and Amendments Issued but Not Yet Applied

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, with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards and Amendments Issued but Not Yet Applied (Continued)

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 March 1, 2018, with earlier adoption permitted. The Company does not expect IFRS 9 to have a material impact on the financial statements.

4. REVERSE ACQUISITION

As discussed in Note 1, on March 5, 2014, Primary Petroleum Corporation ("Primary") completed a reverse acquisition with Keek Inc. ("Keek"), 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 an amalgamation of Keek with Primary Subco (the "Amalgamation"). The Amalgamation was structured as a three-cornered amalgamation, resulting in the amalgamated Company becoming a wholly-owned subsidiary of Primary, and the former shareholders of Keek received one common share of Primary for each Keek common share and preference share held prior to the Amalgamation (the "Transaction"). 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 own a substantial majority of the issued and outstanding common shares of the resulting corporation. 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:

(Expressed in Canadian Dollars)

4. REVERSE ACQUISITION (Continued)

Net assets acquired		
Cash and cash equivalents	$	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 12, 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)		570,580
Contributed surplus (iv)		850,250
	$	**16,461,600**

(i) Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9).

(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, 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 - $17.10; risk-free interest rate of 1.41%; expected volatility – 152% (based on historical volatility); expected life of 5 years; expected dividend yield – 0%; and forfeiture rate -13.3%.

(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.

5. INTANGIBLE ASSETS

For the Nine Months Ended November 30, 2014

		February 28, 2014		Additions		**November 30, 2014**
Cost						
Domain names	$	57,856	$	-	**$**	**57,856**
Trademarks & patents		5,878		4,420		**10,298**
Total cost		63,734		4,420		**68,154**
Accumulated amortization						
Domain names		(19,318)		(6,199)		**(25,517)**
Trademarks & patents		(1,370)		(568)		**(1,938)**
Total accumulated amortization		(20,688)		(6,767)		**(27,455)**
Carrying value						
Domain names		38,538		(6,199)		**32,339**
Trademarks & patents		4,508		3,852		**8,360**
Total carrying value	$	43,046	$	(2,347)	**$**	**40,699**

(Expressed in Canadian Dollars)

5. INTANGIBLE ASSETS (Continued)

For the Year Ended February 28, 2014

	February 28, 2013	Additions	**February 28, 2014**
Cost			
Domain names	$ 57,856	$ -	**$ 57,856**
Trademarks & patents	5,878	-	**5,878**
Total cost	63,734	-	**63,734**
Accumulated amortization			
Domain names	(11,053)	(8,265)	**(19,318)**
Trademarks & patents	(782)	(588)	**(1,370)**
Total accumulated amortization	(11,835)	(8,853)	**(20,688)**
Carrying value			
Domain names	46,803	(8,265)	**38,538**
Trademarks & patents	5,096	(588)	**4,508**
Total carrying value	$ 51,899	$ (8,853)	**$ 43,046**

6. PROPERTY AND EQUIPMENT

For the Nine Months Ended November 30, 2014

	February 28, 2014	Additions	Disposals	**November 30, 2014**
Cost				
Computers	$ 274,475	$ 62,824	$ -	**$ 337,299**
Furniture and fixtures	104,776	16,479	-	**121,255**
Leasehold improvements	516,140	-	-	**516,140**
Servers	5,728,723	19,462	-	**5,748,185**
Software	67,171	1,530	-	**68,701**
Telephones	16,502	-	-	**16,502**
Total cost	$ 6,707,787	$ 100,295	$ -	**$ 6,808,082**
Accumulated amortization				
Computers	$ (184,753)	$ (57,947)	$ -	**$ (242,700)**
Furniture and fixtures	(1,029)	(42,865)	-	**(43,894)**
Leasehold improvements	(25,164)	(37,766)	-	**(62,930)**
Servers	(2,188,005)	(1,435,114)	-	**(3,623,119)**
Software	(49,117)	(11,589)	-	**(60,706)**
Telephones	(9,884)	(3,436)	-	**(13,320)**
Total accumulated amortization	$ (2,457,952)	$ (1,588,717)	$ -	**$ (4,046,669)**
Carrying value				
Computers	$ 89,722	$ 4,877	$ -	**$ 94,599**
Furniture and fixtures	103,750	(26,386)	-	**77,364**
Leasehold improvements	490,976	(37,766)	-	**453,210**
Servers	3,540,718	(1,415,652)	-	**2,125,066**
Software	18,054	(10,059)	-	**7,995**
Telephones	6,618	(3,436)	-	**3,182**
Total carrying value	$ 4,249,838	$ (1,488,422)	$ -	**$ 2,761,416**

(Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT (Continued)

For the Year Ended February 28, 2014

	February 28, 2013	Additions	Disposals	**February 28, 2014**
Cost				
Computers	$ 182,148	$ 92,327	$ -	**$ 274,475**
Furniture and fixtures	118,847	118,613	(132,681)	**104,776**
Leasehold improvements	11,139	516,140	(11,139)	**516,140**
Servers	4,241,120	1,487,603	-	**5,728,723**
Software	50,353	16,818	-	**67,171**
Telephones	8,672	7,830	-	**16,502**
Total cost	$ 4,612,279	$ 2,239,331	$ (143,820)	**$ 6,707,787**
Accumulated amortization				
Computers	$ (110,117)	$ (74,636)	$ -	**$ (184,753)**
Furniture and fixtures	(91,410)	(17,121)	107,502	**(1,029)**
Leasehold improvements	(3,253)	(25,960)	4,049	**(25,164)**
Servers	(374,183)	(1,813,822)	-	**(2,188,005)**
Software	(29,738)	(19,379)	-	**(49,117)**
Telephones	(5,032)	(4,852)	-	**(9,884)**
Total accumulated amortization	$ (613,733)	$ (1,955,770)	$ 111,551	**$ (2,457,952)**
Carrying value				
Computers	$ 72,031	$ 17,691	$ -	**$ 89,722**
Furniture and fixtures	27,437	101,492	(25,179)	**103,750**
Leasehold improvements	7,886	490,180	(7,090)	**490,976**
Servers	3,866,937	(326,219)	-	**3,540,718**
Software	20,615	(2,561)	-	**18,054**
Telephones	3,640	2,978	-	**6,618**
Total carrying value	$ 3,998,546	$ 283,561	$ (32,269)	**$ 4,249,838**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	November 30, 2014	February 28, 2014 (Audited)
Trade payables	**$ 1,023,259**	$ 2,757,379
Accrued liabilities	**195,367**	636,388
Accrued interest (Notes 11 & 12)	**28,330**	142,013
	$ 1,246,956	$ 3,535,780

During the nine months ended November 30, 2014, the Company settled trade payables with a fair value of $926,099 for cash payments totalling $636,732 with no further obligations on the part of the Company, resulting in a gain on settlement of debt of $289,367 (November 30, 2013 - $Nil).

(Expressed in Canadian Dollars)

8. FINANCE LEASE OBLIGATIONS

The Company has finance lease obligations until June 2015. The lease obligations are repayable in blended monthly installments of principal including imputed interest at a weighted average rate of 2.49% per annum (February 28, 2014 - 3.99%). The minimum payments under the finance lease obligations are as follows:

	Total lease payments	Interest	Present value of minimum lease payments November 30, 2014	Present value of minimum lease payments February 28, 2014 (Audited)
Less than one year	$ 199,604	$ 822	$ 198,782	$ 1,211,380
Between one and five years	-	-	-	14,627
More than five years	-	-	-	-
	$ 199,604	**$ 822**	**$ 198,782**	**$ 1,226,007**

Included in property and equipment are servers under finance leases with a cost of $3,994,541 (February 28, 2014 - $3,994,541). Accumulated amortization for items under finance leases is $2,635,899 (February 28, 2014 - $1,512,658).

9. SHARE CAPITAL

Authorized		**November 30, 2014**	February 28, 2014 (Audited)
Unlimited	Preference shares, no stated dividend, non-participating, non-voting		
Unlimited	Common shares		
Issued			
	Preference shares	**$ -**	$ 27,101,557
	Common shares	**45,150,064**	350
		$ 45,150,064	$ 27,101,907

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 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 (Note 12) 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 $101,234). These preference shares were then immediately converted to common shares on a one-for-one basis on closing of the reverse acquisition transaction.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

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.

During the nine months ended November 30, 2014, 26,334 options with a fair value of $175,208 were exercised into common shares of the Company at a price of $3.00 per share.

Warrants

On November 6, 2014, the Company issued 100,000 non-transferable warrants with an ascribed value of $162,732 to Pinetree Capital Ltd. (TSX: PNP) ("Pinetree"), a significant shareholder of the Company, as part of the $3,000,000 aggregate principal secured notes (see note 11). The warrants are exercisable at $3.00 and expire on November 6, 2017.

On November 24, 2014, the Company issued 72,166 non-transferable warrants with an ascribed value of $117,438, including 9,000 warrants to certain directors and officers of the Company, as part of the $2,165,000 aggregate principal secured notes (see note 11). The warrants are exercisable at $3.00 and expire on November 24, 2017.

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

	November 30, 2014		February 28, 2014	
	Number of Warrants*	**Weighted Average Exercise Price***	Number of Warrants*	Weighted Average Exercise Price*
Beginning balance	**8,723**	**$30.00**	169,098	$26.40
Granted	**172,166**	**$3.00**	-	$ -
Expired/Cancelled	**(4,068)**	**$30.00**	(52,467)	$28.80
Exercised	**-**	**$ -**	(107,908)	$21.60
Ending balance	**176,821**	**$4.50**	8,723	$30.00

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

The Company had the following warrants outstanding at November 30, 2014:

Number of Warrants*	**Exercise Price***	**Expiry Date**
4,655	$30.00	December 20, 2014
100,000	$3.00	November 6, 2017
72,166	$3.00	November 24, 2017
176,821		

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

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 allows for an aggregate of 2,271,639 options to be authorized by the Board of Directors for issuance. 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.

The following summarizes the stock option activities under the plan:

	Nine Months Ended November 30, 2014		Year Ended February 28, 2014	
	Number of Options*	**Weighted Average Exercise Price***	Number of Options*	Weighted Average Exercise Price*
Beginning balance	**715,666**	**$18.30**	1,059,167	$24.00
Granted	**1,095,833**	**$4.80**	339,400	$10.50
Expired/Cancelled	**(523,501)**	**$17.10**	(86,667)	$30.00
Exercised	**(26,334)**	**$3.00**	(167,067)	$4.80
Issued to effect the reverse acquisition	**296,000**	**$16.80**	(429,167)	$28.20
Ending balance	**1,557,664**	**$9.30**	715,666	$18.30
Exercisable	**506,514**	**$18.30**	269,500	$22.20

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

The Company had the following options outstanding at November 30, 2014:

Exercise Price*	**Options Outstanding***	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price***	**Options Exercisable***	**Weighted Average Exercise Price (Exercisable)***
$3.00	131,666	3.81 years	$3.00	33,000	$3.00
$3.00	834,000	4.60 years	$4.80	86,833	$4.80
$5.10	228,500	4.66 years	$5.10	23,183	$5.10
$6.00	26,833	1.39 years	$6.00	26,833	$6.00
$8.70	17,500	0.52 years	$8.70	17,500	$8.70
$14.40	60,833	2.29 years	$14.40	60,833	$14.40
$15.00	6,666	3.07 years	$15.00	6,666	$15.00
$19.80	49,500	1.44 years	$19.80	49,500	$19.80
$30.00	202,166	3.17 years	$30.00	202,166	$30.00
	1,557,664	**4.04 years**	**$9.30**	**506,514**	**$18.30**

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

Maximum Share Dilution

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

	November 30, 2014*	February 28, 2014*
Common shares outstanding	**11,455,270**	1,166,666
Stock options outstanding to purchase common shares	**1,557,664**	715,666
Warrants outstanding to purchase common shares	**176,821**	8,723
Preference shares convertible to common shares	**-**	3,214,475
Fully diluted common shares outstanding	**13,189,755**	5,105,530

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

Due to the net loss in the three and nine months ending November 30, 2014 and 2013, the diluted weighted average number of shares used to calculate the diluted net loss per share is the same as the basic weighted average number of shares as the inclusion of dilutive shares would be anti-dilutive.

10. 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 nine months ended November 30, 2014, was $2,083,141 (November 30, 2013 - $3,696,011) with a corresponding charge to contributed surplus (three months ended November 30, 2014 and 2013 - $1,025,952 and $554,157 respectively). 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 nine months ended November 30, 2014, share-based compensation related to directors, officers, employees and service consultants in the amount of $1,490,201 (November 30, 2013 - $1,630,237) is included in salaries and benefits. Share-based compensation expense related to share-based payments granted to preferred partner consultants for the nine months ended November 30, 2014, in the amount of $592,940 (November 30, 2013 - $2,065,774) is included in advertising and marketing.

For the three months ended November 30, 2014, share-based compensation related to directors, officers, employees and service consultants in the amount of $493,013 (November 30, 2013 - recovery of $3,094) is included in salaries and benefits. Share-based compensation expense related to share-based payments granted to preferred partner consultants for the three months ended November 30, 2014, in the amount of $532,939 (November 30, 2013 - $557,251) 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 calculated using the price history of common shares over a volatility window being the greater of 250 trading days or the maximum available trading history at the time of grant. The share price used in the determination of fair value of the share-based compensation was based on the most recent market price of common shares.

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS (Continued)

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

	November 30, 2014	November 30, 2013
Risk free interest rate (%)	**1.67**	1.32
Expected volatility (%)	**107**	100
Expected life (in years)	**5.00**	4.25
Expected dividends	**Nil**	Nil
Weighted average share price*	**$4.80**	$30.00

*Reflects the January 15, 2015 one-for-thirty common share consolidation (Note 9)

11. 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.

On November 6, 2014, the Company issued $3,000,000 aggregate principal amount Notes to Pinetree. In consideration for the Notes, the Company issued 100,000 non-transferable common share purchase warrants. See note 9.

On November 24, 2014, the Company issued $2,165,000 aggregate principal amount Notes, including $270,000 to certain directors and officers of the Company. In consideration for the Notes, the Company issued 72,166 non-transferable common share purchase warrants, including 9,000 warrants to certain directors and officers of the Company. See note 9.

For accounting purposes, the Notes 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 Notes assuming a 18.6% effective interest rate, 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:

	Nine months ended November 30, 2014	**Year ended February 28, 2014 (Audited)**
Opening liability balance	$ -	$ -
Issuance of secured notes	5,165,000	-
Equity component of secured notes	(280,170)	-
Accretion of discount on secured notes	11,612	-
Ending liability balance	$ 4,896,442	$ -

During the nine months ended November 30, 2014, the Company accrued a total of $28,330 (November 30, 2013 - $Nil) in interest related to the Notes and recorded interest accretion of $11,612 (November 30, 2013 - $Nil).

(Expressed in Canadian Dollars)

12. CONVERTIBLE DEBENTURES

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 Transaction. See note 9.

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. The debentures were issued at par, resulting in gross proceeds of $2,600,000 to the Company. Upon completion of the Transaction, the 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.

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 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 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 note matured prior to any conversion election being triggered.

For accounting purposes, 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 debentures assuming a 18.6% effective interest rate, which was the estimated rate for the 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 Debentures and the fair value of the liability component.

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

	Nine months ended November 30, 2014	Year ended February 28, 2014 (Audited)
Opening liability balance	**$ 5,266,560**	$ -
Conversion of convertible debentures	**(2,538,291)**	-
Amendment of convertible debentures	**(2,590,309)**	-
Repurchase of convertible debentures on maturity	**(150,000)**	-
Issuance of convertible debentures	**-**	5,370,000
Equity component of convertible debentures	**-**	(137,074)
Accretion of discount on convertible debentures	**12,040**	33,634
Ending liability balance	**$ -**	$ 5,266,560

(Expressed in Canadian Dollars)

12. CONVERTIBLE DEBENTURES (Continued)

	Nine months ended November 30, 2014	Year ended February 28, 2014 (Audited)
Opening equity component balance	**$ 137,074**	$ -
Equity component of convertible debentures issued	**-**	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	**$ -**	$ 137,074

During the nine months ended November 30, 2014, the Company accrued a total of $19,127 (November 30, 2013 - $19,652) in interest related to convertible debentures and recorded interest accretion of $12,040 (November 30, 2013 - $23,759).

13. 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 have been discontinued.

The assets and liabilities of discontinued operations presented on the condensed consolidated interim statements of financial position are as follows:

	November 30, 2014
Other receivables	**$ 122,481**
Prepaids and deposits	**142,605**
Property and equipment	**20,582**
Exploration and evaluation assets	**141,307**
Assets of discontinued operations	**$ 426,975**

	November 30, 2014
Accounts payable and accrued liabilities	**$ 130,760**
Decommissioning provision	**147,672**
Liabilities of discontinued operations	**$ 278,432**

(Expressed in Canadian Dollars)

13. DISCONTINUED OPERATIONS (Continued)

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

	Three months ended November 30, 2014	Nine months ended November 30, 2014
Office and general	$ (4,103)	$ (100,335)
Salaries and wages	(26,250)	(90,157)
Professional fees	(4,875)	(34,393)
Occupancy costs	(6,755)	(29,466)
Project evaluation	(2,500)	(8,144)
Accretion, depletion, and depreciation	-	(2,254)
Interest income	163	23,708
Income tax recovery	-	216,829
Net loss from discontinued operations	**$ (44,320)**	**$ (24,212)**

Items from discontinued operations included in the condensed consolidated interim statements of cash flows are as follows:

	November 30, 2014
Net loss from discontinued operations	$ (24,212)
Non-cash items:	
Amortization of assets of discontinued operations	2,254
Changes in working capital:	
Assets of discontinued operations	1,065,730
Liabilities of discontinued operations	(137,445)
Other	
Exchange differences on translating foreign operations	11,809
Cash flows provided from discontinued operations	**$ 918,136**
Cash acquired on reverse acquisition	**$ 12,812,044**

14. 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 not disclosed elsewhere in these condensed consolidated interim financial statements are as follows:

a) On November 24, 2014, the Company issued $270,000 aggregate principal amount Notes to certain directors and officers of the Company (see note 11). The Company accrued $540 of interest on these Notes during the three and nine months ended November 30, 2014 (2013 - $Nil), which is included in accounts payable and accrued liabilities.

b) On November 6, 2014, the Company issued $3,000,000 aggregate principal amount Notes to Pinetree (see note 11). The Company accrued $24,000 of interest on these Notes during the three and nine months ended November 30, 2014 (2013 - $Nil), which is included in accounts payable and accrued liabilities.

c) On July 30, 2014, the Company issued 33,333 options to a director. The options have a contractual life of 5 years, are exercisable at $5.10, and had an aggregate fair value of $126,874 as at the date of grant.

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS (Continued)

d) On April 23, 2014, the Company issued 246,666 options to certain officers and directors. The options have a contractual life of 5 years, are exercisable at $4.80, and had an aggregate fair value of $884,929 as at the date of grant.

e) On April 16, 2014, the Company issued 211,666 options to certain officers and directors. The options have a contractual life of 5 years, are exercisable at $4.80, and had an aggregate fair value of $759,105 as at the date of grant.

f) During the year ended February 28, 2014, the Company issued a $150,000 secured promissory note to Oddpot Inc., a corporation controlled by the former CEO and director (see note 12). The Company accrued $7,733 of interest on this note during the nine months ended November 30, 2014 (2013 - $1,267). The Company accrued $1,733 of interest on this note during the three months ended November 30, 2014 (2013 - $1,267). The note was repurchased on October 22, 2014, for the principal of $150,000 and accrued interest of $12,000.

15. COMMITMENTS

The Company is committed to a lease of a premises at 1 Eglinton Avenue East, Suite 300, in Toronto, Ontario. The lease commenced on August 15, 2013, and ends on November 30, 2023. 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	$ 269,205	$ 351,761	$ 620,966
Between one and five years	1,115,705	1,407,045	2,522,750
More than five years	1,296,671	1,494,985	2,791,656
	$ 2,681,581	**$ 3,253,791**	**$ 5,935,372**

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

The carrying value of cash and cash equivalents, 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 value of the secured notes approximates their carrying amounts as they bear terms similar to that of comparable instruments.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(a) Fair Values (Continued)

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 November 30, 2014 and February 28, 2014 cash and cash equivalents 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 Statement of Financial Position. The secured notes bear interest at a fixed rate of 12%, 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 November 30, 2014, the Company carried net current assets of CDN$1,289,681 in USD$ (February 28, 2014 - net current liabilities of CDN$1,314,895 in USD$). Accordingly, a 5% change in the US dollar exchange rate as at November 30, 2014 would have resulted in an exchange gain or loss of CDN$64,484 (February 28, 2014 - exchange gain or loss of CDN$65,745).

(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 16(f) to the condensed consolidated interim financial statements. The Company has minimal income from operations and relies on equity funding to support its development and corporate activities. Should the need for further equity funding arise, there is a risk that the Company may not be able to sell new common shares at an acceptable price.

Accounts payable and accrued liabilities, current portion of finance lease obligations, and secured notes are due within the current operating period. As at November 30, 2014, the Company had total cash of $6,523,648 (February 28, 2014 - $454,476) to settle current liabilities of $6,620,611 (February 28, 2014 - $10,013,720) and finance future operations. As a result, the Company is exposed to liquidity risk.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(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 and cash equivalents, accounts receivable, and other receivables. The majority of the Company's cash and cash equivalents are on deposit with a Canadian Tier 1 chartered bank. Other receivables include tenant inducements receivable from the Company's landlord in Toronto. Management believes the risk of non-collection from this creditor is low. 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 November 30, 2014, amounted to a capital surplus of $4,558,778 (February 28, 2014 - capital deficiency of $3,047,838).

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 nine months ended November 30, 2014. 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.

17. SUBSEQUENT EVENTS

The following significant transactions occurred subsequent to the period ended November 30, 2014:

a) On January 28, 2015, the Company executed a Share Purchase Agreement with Mooncor Oil & Gas Corp. ("Mooncor"), an arm's length party, for the sale of 100% of the common shares of PPC-USA, a wholly-owned subsidiary of PPCC, resulting in the disposition of PPC-USA and its wholly-owned subsidiaries PPCLLC and APLLC. Mooncor has assumed the Company's working interest share of the reclamation costs and lease liabilities and have granted a 1% overriding royalty on any future production with respect to the oil and gas property rights in the State of Montana.

b) On January 27, 2015, Keek granted 425,000 options to cetain officers and directors of the Company to purchase common shares of the Company at an exercise price of $1.00 per share expiring five years from the date of grant on January 27, 2020.

c) On December 1, 2014, the Company commenced a sublease, acting as sub-landlord, of its premises at 1 Eglinton Avenue East, Suite 300, in Toronto, Ontario. The sublease has a term of forty-four months commencing on December 1, 2014, and ending on July 30, 2018, with an option to extend the sublease until November 30, 2023, at the option of the subtenant.

17. SUBSEQUENT EVENTS (Continued)

d) On December 1, 2014, the Company commenced a lease for a new operating premises at 1 Eglinton Avenue East, Suites 401 & 416, in Toronto, Ontario. The lease has a term of thirty-seven months commencing on December 1, 2014, and ending on December 30, 2017. The annual lease costs for the term of the lease (including minimum lease payments and estimated taxes, maintenance, and insurance payments) are: 2015 - $20,600, 2016 - $247,808, 2017 - $251,487, and 2018 - $212,127.