Keek Inc.

Financial Statements

For the Year ended February 29, 2012 and the period ended February 28, 2011

(with comparatives for March 5, 2010 to February 28, 2011)

Collins Barrow
Chartered Accountants

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Keek Inc.

We have audited the accompanying financial statements of Keek Inc. which comprise the statements of financial position as at February 29, 2012 and February 28, 2011 and the statements of operations and comprehensive income, changes in equity and cash flows for the year ended February 29, 2012 and for the period ended February 28, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Keek Inc. as at February 29, 2012 and February 28, 2011 and its financial performance and its cash flows for the year ended February 29, 2012 and for the period ended February 28, 2011 in accordance with International Financial Reporting Standards.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
September 4, 2012
Toronto, Ontario

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Keek Inc.
(A Development Stage Company)
Statement of Financial Position
As at February 29, 2012 and February 28, 2011

	2012	2011 (Note 5)
Assets		
Current		
Cash	**$ 1,841,247**	$ 174,411
Sundry receivable	**70,494**	4,898
Prepaid expenses	**69,474**	47,025
	1,981,215	226,334
Prepaid expenses	**44,475**	-
Property and equipment (Note 7)	**362,349**	43,440
Intangible assets (Note 6)	**57,271**	12,345
	$ 2,445,310	$ 282,119
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 14)	**$ 107,270**	$ 320,478
	107,270	320,478
Convertible debentures (Note 9)	**45,750**	91,071
Note payable (Note 8)	**-**	35,000
	153,020	446,549
Shareholder's Equity		
Capital stock (Note 10)	**4,627,476**	510,500
Equity component of convertible debentures (Note 9)	**4,866**	9,650
Shares to be issued (Note 11)	**1,737,500**	50,000
Contributed surplus (Note 13)	**613,172**	18,952
Warrant reserve (Note 10)	**224,486**	-
Deficit	**(4,915,210)**	(753,532)
	2,292,290	(164,430)
	$ 2,445,310	$ 282,119

Commitments (Note 16)

Subsequent Events (Note 20)

Approved by the Board **"Isaac Raichyk"**
Director **(Signed)**

See accompanying notes

Keek Inc.
(A Development Stage Company)
Statement of Operations and Comprehensive Income
Year Ended February 29, 2012 and Period Ended February 28, 2011
(with comparatives for March 5, 2010 to February 28, 2011)

	2012	2011 (Note 5)
Expenses		
Advertising and promotion	**$ 219,192**	$ 47,226
Amortization	**117,429**	9,505
Commissions	**-**	8,733
Computers	**43,930**	2,048
Development costs (Note 12)	**767,066**	299,495
Foreign exchange loss (gain)	**526**	(1,058)
Insurance	**7,912**	3,375
Other (Note 19)	**12,036**	39,055
Management fees (Note 14)	**327,615**	230,000
Miscellaneous	**94,172**	9,329
Rent	**87,554**	42,023
Salaries and benefits	**2,390,076**	18,952
Telephone and internet	**106,147**	32,575
	4,173,655	741,258
Finance costs		
Interest Income	**(18,945)**	-
Interest and bank charges	**2,145**	1,174
Interest on long-term debt	**4,823**	11,100
	(11,977)	12,274
Comprehensive loss	**$ (4,161,678)**	$ (753,532)

Loss per share		
Basic	**$ (0.12)**	$ (0.03)
Diluted	**$ (0.04)**	$ (0.02)

Weighted average number of common shares outstanding		
Basic	**35,000,000**	29,667,590
Diluted	**93,751,230**	43,799,723

See accompanying notes

Keek Inc.
(A Development Stage Company)
Statement of Changes in Equity
Year Ended February 29, 2012 and February 28, 2011
(with comparatives for March 5, 2010 to February 28, 2011)

	Capital stock Number	Amount	Contributed surplus	Warrant reserve	Shares to be issued	Equity component of convertible debentures	Deficit	Total
Balance, March 5, 2010								
Net loss for the period	$ -	$ -	$ -	$ -	$ -	$ -	$ (753,532)	$ (753,532)
Issuance of preference shares (Note 10)	20,100,000	510,150	-	-	-	-	-	510,150
Issuance of common shares (Note 10)	35,000,000	350	-	-	-	-	-	350
Issuance of convertible promissory note (Note 11)	-	-	18,952	-	50,000	-	-	68,952
Issuance of convertible debentures (Note 9)	-	-	-	-	-	9,650	-	9,650
Balance, February 28, 2011 (Note 5)	**55,100,000**	**510,500**	**18,952**	**-**	**50,000**	**9,650**	**(753,532)**	**(164,430)**
Net loss for the period	-	-	-	-	-	-	(4,161,678)	(4,161,678)
Issuance of preference shares (Note 10)	34,550,000	4,715,000	-	-	-	-	-	4,715,000
Issuance of warrants (Note 10)	-	-	-	167,780	-	-	-	167,780
Stock-based compensation (Note 13)	-	-	594,220	-	-	-	-	594,220
Share issuance costs (Note 10)	-	(660,656)	-	56,706	-	-	-	(603,950)
Funds received for shares to be issued (Note 11)	-	-	-	-	1,687,500	-	-	1,687,500
Conversion of convertible debenture (Note 9)	250,000	52,762	-	-	-	(4,784)	-	47,978
Options exercised (Note 10)	9,870,000	9,870	-	-	-	-	-	9,870
Balance, February 29, 2012	**99,770,000**	**$ 4,627,476**	**$ 613,172**	**$ 224,486**	**$ 1,737,500**	**$ 4,866**	**$ (4,915,210)**	**$ 2,292,290**

See accompanying notes

Keek Inc.
(A Development Stage Company)
Statement of Cash Flows
Year Ended February 29, 2012 and February 28, 2011
(with comparatives for March 5, 2010 to February 28, 2011)

	2012	2011 (Note 5)
Cash provided by (used in)		
Operations		
Net loss	**$ (4,161,678)**	$ (753,532)
Items not affecting cash		
Amortization	**117,429**	9,505
Accretion on convertible debentures (Note 9)	**2,657**	2,151
Stock based compensation (Note 13)	**594,220**	18,952
Warrants issued for services	**167,780**	-
	(3,279,592)	(722,924)
Net changes in non-cash working capital		
Sundry receivable	**(65,596)**	(4,898)
Prepaid expenses	**(66,924)**	(47,025)
Accounts payable and accrued liabilities	**(213,208)**	320,478
	(3,625,320)	(454,369)
Investing		
Purchase of property and equipment	**(433,235)**	(52,945)
Purchase of intangible assets	**(48,029)**	(12,345)
	(481,264)	(65,290)
Financing		
Advances from shareholder	**94,376**	38,000
Repayments to shareholder	**(94,376)**	(38,000)
Issuance of notes payable	**-**	50,000
Repayment of notes payable	**(35,000)**	(15,000)
Issuance of convertible debentures	**-**	148,570
Issuance of common shares	**-**	350
Issuance of preference shares	**4,715,000**	510,150
Amounts received for shares to be issued	**1,687,500**	-
Share issue costs	**(603,950)**	-
Proceeds from exercise of stock options	**9,870**	-
	5,773,420	694,070
Net change in cash	**1,666,836**	174,411
Cash, beginning of year	**174,411**	-
Cash, end of year	**$ 1,841,247**	$ 174,411

Supplemental Disclosure		
Cash paid for interest	**$ 8,422**	$ 2,693

1. NATURE OF OPERATIONS

Keek Inc. ("Keek" or the "Company"), was incorporated under the laws of Ontario on March 5, 2010. The Company's principal activity is the development of an online social media website which allows users to upload and share personal videos of themselves. The address of the Company's registered office is 1 Eglinton Avenue East, Suite 500, Toronto, Ontario, M4P 3A1.

The Company is in the development stage and has not been able to demonstrate that the social media website will be able to ultimately obtain profitability.

These financial statements have been prepared in accordance with accounting principles under IAS 1, Presentation of Financial Statements, applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations. Management has been able to raise sufficient funds to finance its operations and has raised capital in the amount of approximately $5,653,500 subsequent to year end through a private placement and signed an agreement with a third party investment bank for purposes of raising up to US$15,000,000 in a private placement (Note 20).

These financial statements do not include any adjustments to the amounts or classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These are the Company's first annual financial statements prepared in accordance with IFRS, as further described in Note 5.

The financial statements for the year ended February 29, 2012 (including comparatives) were approved and authorized for issue by the board of directors on September 4, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are presented in Canadian dollars which is also the functional currency of the Company.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through profit and loss and as available-for-sale.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Development Costs

The Company incurs costs associated with the design and development of the 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 as the Company is unable to determine if the expenditures will result in the flow of future economic benefits to the Company.

Property and Equipment

Property and equipment are recorded at cost and are amortized over their estimated useful lives 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

Intangible Assets

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 Long-lived Assets

Long-lived assets which include property and equipment and Intangible assets are reviewed for impairment annually or at any time if 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 group of CGUs represents the lowest level within the entity at which the long-lived assets are monitored for internal management purposes, which is not higher than an operating segment. The Corporation evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of Long-lived Assets (Cont'd)

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 to sell or its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset or CGU unit 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 operations and comprehensive income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying value of long-lived assets allocated to the units and then to reduce the carrying amounts of other assets of the unit on a pro rata basis.

Compound Financial Instruments

Convertible debentures contain both a liability component and an equity component, represented by the conversion feature. The Company has allocated the total proceeds received between the debt and equity components of the convertible debentures using the residual method. The fair value of the equity component of the convertible debentures was valued as the proceeds less the fair value of the debt component. The fair value of the debt component is accreted to its face value through accretion expense charges which is included in interest on long-term debt over the term of the instrument.

Stock-Based Compensation and Stock-Based Payments

The Company has a stock option plan for directors, employees and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model (see note 13). 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.

For equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in equity, directly, at 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, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

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 re-valued once the terms have been finalized. Stock-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 related contributed surplus is transferred to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of Estimates

The preparation of these financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. Actual results may differ from those estimates. The most significant estimate made by the Company is the valuation of share-based payments given the degree of subjectivity of many of the assumptions used in the Black-Scholes valuation method (Notes 10 and 13).

The most critical judgement used by management in the preparation of these financial statements relates to the application of employee-like services as defined under IFRS 2, Share-based payment. The Company has determined that many of the consultants who receive share-based payments were performing employee-like services and accordingly these share-based payments have been accounted for as if the consultants were employees of the Company.

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 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 earnings 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.

Share Capital

Common and preference shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Financial Instruments

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value, with any resultant gain or loss recognized in the statement of operations.

Financial instruments classified as being available-for-sale are measured at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, except for impairment losses and, in the case of monetary items such as securities denominated in foreign currency, which are recorded in foreign exchange gains and losses. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

Financial assets classified as loans and receivables are measured at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

Financial liabilities classified as other financial liabilities are measured at amortized cost using the effective interest rate method.

Transaction costs associated with FVTPL financial assets and financial liabilities are expensed as incurred, while transaction costs associated with all other financial assets and financial liabilities are included in the initial carrying amount of the asset.

The Company has made the following classifications:

Cash	-	FVTPL
Accounts payable and accrued liabilities	-	Other financial liabilities
Convertible debentures	-	Other financial liabilities
Note payable	-	Other financial liabilities

The financial instrument disclosures can be found in Note 18.

Statement of Cash Flows

Interest and dividends are included in operating cash flows in the statements of cash flows.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following standards have been issued but are not yet effective:

IFRS 9 - Financial Instruments

IFRS 9 replaces the current standard, IAS 39 Financial Instruments: Recognition and Measurement. The new standard replaces the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard is effective for annual periods beginning on or after January 1, 2015.

IFRS 10 – Consolidated Financial Statements

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation—Special Purpose Entities and is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

4. RECENT ACCOUNTING PRONOUNCEMENT (Cont'd)

IFRS 11 - Joint Arrangements

IFRS 11 establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted

IFRS 12 – Disclosure of Involvement with Other Entities

IFRS 12 requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 13 – Fair Value Measurement

IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IAS 28 – Investments in Associates and Joint Ventures

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

The Company is currently evaluating the impact of the above standards on its financial performance, position and financial statement disclosures.

5. TRANSITION TO IFRS

For all periods up to and including the period ended February 28, 2011, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company transitioned from GAAP to IFRS effective March 5, 2010. Accordingly, the Company has prepared financial statements which comply with IFRS applicable for periods beginning on or after March 5, 2010 as described in Note 2. As the Company was incorporated on March 5, 2010, there were no assets, liabilities and equity on that date, hence an opening balance sheet has not been presented at the transition date. The principal adjustments made by the Company in restating its previously published GAAP financial statements for the period ended February 28, 2011 are described in the reconciliations below.

5. TRANSITION TO IFRS (Cont'd)

In preparing these financial statements, the Company did not apply any exemptions that were available under IFRS 1 to the conversion of GAAP to IFRS. Under IFRS 1, the Company cannot utilize hindsight to create or revise estimates. The estimates previously made by the Company under GAAP were not revised for IFRS except where necessary to reflect differences in accounting policies.

Reconciliation of equity as of February 28, 2011

	GAAP	Effect to Transition to IFRS	IFRS
Equity			
Capital Stock	$ 510,500	$ -	$ 510,500
Equity component of convertible debentures	9,650	-	9,650
Shares to be issued	50,000	-	50,000
Contributed surplus[(a)]	346,223	(327,271)	18,952
Deficit[(a)]	(1,080,803)	327,271	(753,532)
	$ 282,119	$ -	$ 282,119

Reconciliation of net loss and comprehensive loss for the period ended February 28, 2011

	GAAP	Effect to Transition to IFRS	IFRS
Advertising and promotion	$ 47,226	$ -	$ 47,226
Amortization	9,505	-	9,505
Commissions	8,733	-	8,733
Computers	2,048	-	2,048
Development costs[(a)]	645,718	(346,223)	299,495
Foreign exchange gain	(1,058)	-	(1,058)
Insurance	3,375	-	3,375
Interest and bank charges	1,174	-	1,174
Interest on long term debt	11,100	-	11,100
Management fees	230,000	-	230,000
Miscellaneous	9,329	-	9,329
Other	39,055	-	39,055
Rent	42,023	-	42,023
Telephone and Internet	32,575	-	32,575
Salaries and benefits	-	18,952	18,952
	$ 1,080,803	$ (327,271)	$ 753,532

5. TRANSITION TO IFRS (Cont'd)

Notes to the reconciliation of equity, net and comprehensive income loss at February 28, 2011

(a) For options awarded that vest in stages, IFRS 2, Share-based payment, requires that each share-based payment award granted to employees, directors or consultants be accounted for using the graded vesting method. The Company under GAAP had historically used the straight-line method to account for share-based payments. Additionally, under IFRS 2, many of the services provided by consultants of the Company were considered to be similar to those that would be provided by employees. Under IFRS the share-based payments issued to such consultants were accounted for as if they were employees. Under GAAP, these services did not qualify as services provided by employees as there was not an employee/employer relationship by law. As such, as these options were considered to be to non-employees and given that these share-based payments in a number of cases were subject to non-market performance conditions, certain options were remeasured at February 28, 2011 under GAAP. As a result of the differences outlined above, the stock based compensation expense for the period ended February 28, 2011 has decreased by $327,271. Additionally, share-based payments in the amount of $18,952 has been reclassified to salaries and benefits in the statement of operations and comprehensive income.

6. INTANGIBLE ASSETS

	February 28, 2011	Additions	**February 29, 2012**
Domain names	$ 12,345	43,317	**$ 55,662**
Trademarks & patents	-	4,712	**4,712**
Total cost	12,345	48,029	**60,374**
Domain names	-	(2,868)	**(2,868)**
Trademarks & patents	-	(235)	**(235)**
Total accumulated amortization	-	(3,103)	**(3,103)**
Domain names	12,345	40,449	**52,794**
Trademarks & patents	-	4,477	**4,477**
Total carrying value	$ 12,345	$ 44,926	**$ 57,271**

	March 5, 2010	Additions	February 28, 2011
Domain names	$ -	$ 12,345	$ 12,345
Total carrying value	$ -	$ 12,345	$ 12,345

7. PROPERTY AND EQUIPMENT

	February 28, 2011	Additions	**February 29, 2012**
Computers	$ 19,553	106,937	**$ 126,490**
Furniture and fixtures	33,392	70,218	**103,610**
Leasehold improvements	-	11,139	**11,139**
Servers	-	206,165	**206,165**
Software	-	32,487	**32,487**
Telephone	-	6,289	**6,289**
Total cost	52,945	433,235	**486,180**
Computers	(5,443)	(31,342)	**(36,785)**
Furniture and fixtures	(4,063)	(30,727)	**(34,790)**
Leasehold improvements	-	(1,344)	**(1,344)**
Servers	-	(39,821)	**(39,821)**
Software	-	(9,859)	**(9,859)**
Telephone	-	(1,233)	**(1,233)**
Total accumulated amortization	(9,506)	(114,326)	**(123,832)**
Computers	14,110	75,595	**89,705**
Furniture and fixtures	29,330	39,491	**68,821**
Leasehold improvements	-	9,795	**9,795**
Servers	-	166,344	**166,344**
Software	-	22,628	**22,628**
Telephone	-	5,056	**5,056**
Total carrying value	$ 43,440	$ 318,909	**$ 362,349**

	March 5, 2010	Additions	February 28, 2011
Computers	$ -	$ 19,553	$ 19,553
Furniture and fixtures	-	33,392	33,392
Total cost	-	52,945	52,945
Computers	-	(5,443)	(5,443)
Furniture and fixtures	-	(4,062)	(4,062)
Total accumulated amortization	-	(9,505)	(9,505)
Computers	-	14,110	14,110
Furniture and fixtures	-	29,330	29,330
Total carrying value	$ -	$ 43,440	$ 43,440

8. NOTE PAYABLE

During the period ended February 28, 2011, the Company issued a note payable for $50,000. The note payable was unsecured, bears interest at 8% per annum calculated quarterly, matured on March 31, 2013, and was redeemable into preference shares of the Company at the option of the Company at any time. During the year ended February 29, 2012, the Company repaid $35,000 (2011 - $15,000) of the principal balance.

9. CONVERTIBLE DEBENTURES

	2012	2011
Opening balance	**$ 91,071**	$ -
Issuance of convertible debentures	**-**	98,570
Accretion expense	**2,657**	2,151
Equity Portion of convertible debt	**4,784**	(9,650)
Conversion of debt	**(52,762)**	-
Balance at year end	**$ 45,750**	$ 91,071

The Company issued convertible debentures in the amount of $108,220, which was allocated between debt and equity. The fair value of the debt was determined by discounting the future interest and principal payments using a discount rate of 12% and the residual amount of $9,650 was allocated to equity. The initial terms of the convertible debentures were as follows:

Maturity:	March 31, 2013
Interest:	8% per annum, compounded and payable quarterly within 30 days
Security:	A general security agreement over all of the assets of the Company
Redemption option:	The Company has the option to redeem all or part of the convertible debenture with all accrued interest before the maturity date without penalty into preference shares.
Conversion option:	The holder has the option of converting outstanding principal into preference shares of the Company at the rate of $0.20 per share.

During the year ended February 29, 2012 the Company recorded interest accretion of $2,657 (2011 - $2,151).

During the year ended February 29, 2012 convertible debentures with a face value of $50,000 were converted into preference shares.

Effective February 29, 2012, the terms of the convertible debentures were modified whereby the conversion rate was reduced to $0.10 per share and the convertible debentures no longer bear interest. The modification of these financial instruments was not treated as an extinguishment of the convertible debentures as the terms were not changed substantially.

10. CAPITAL STOCK

			2012	2011
Authorized				
unlimited	preference shares, no stated dividend, non-participating, non-voting			
unlimited	common shares			
Issued				
	Preference shares		**$ 4,627,126**	$ 510,150
	Common shares		**350**	350
			$ 4,627,476	$ 510,500

Upon the event that the Company completes a public offering of any class of shares, the preference shares are automatically converted to common shares on a one-for-one basis.

During 2012, the Company issued 34,550,000 preference shares of the Company at prices between $0.001 and $0.50 for aggregate gross proceeds of $4,715,000. The Company paid cash commissions and referral fees totaling $603,950 and issued 1,072,000 brokers warrants (the "Broker Warrants").

Warrant Reserve

The Broker Warrants are exercisable into one preference share in the Company at a price of $0.10 per preference share and expire after two years. A value of $56,706 was attributed to the Broker Warrants and has been included in the warrant reserve based on the Black-Scholes option pricing model.

Additionally during 2012, the Company issued 2,000,000 warrants to consultants for professional services. These warrants are exercisable into one preference share in the Company at a price of $0.20 per preference share and expire after two years. A value of $167,780 was attributed to these warrants and has been included in the warrant reserve based on the Black-Scholes option pricing model.

The expected volatility of the warrants is based on comparable companies in the industry. The share price used in the determination of fair value of the warrants was based on the most recent issuance of preferred shares. The warrants were not measured at the fair value of the services received as this amount could not be measured reliably.

The fair value of warrants was calculated using the following weighted average assumptions:

	2012
Risk free interest rate (%)	1.79
Expected volatility (%)	100
Expected life (in years)	1
Expected dividends	Nil
Weighted average share price	$ 0.07

10. CAPITAL STOCK (Cont'd)

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

	2012	
	Number of Warrants	Weighted Average Exercise Price
Beginning balance	-	$ NIL
Granted	3,072,000	$0.17
Ending balance	3,072,000	$0.17

Stock Option Plan

The Company has a stock option plan (the "Plan") which provides for the issuance of stock options to employees, consultants and executives which may expire as much as 10 years from the date of grant. The Plan allows for an unlimited number of options to be authorized at any exercise price determined by the Board of Directors as long as the Company remains a non-public company. The Board of Directors also determines the right to determine the vesting periods to the stock options granted.

Upon the Company becoming a public company listed on a recognized stock exchange, the Plan will comply with the applicable rules, regulations and policies of the recognized stock exchange.

The following summarizes the stock option activities under the plan:

	2012		2011	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Beginning balance	**24,760,000**	**$ 0.01**	-	$ -
Granted	**9,900,000**	**$ 0.41**	24,760,000	$ 0.01
Expired/Cancelled	**(10,000,000)**	**$ 0.00**	-	$ -
Exercised[(a)]	**(9,870,000)**	**$ 0.00**	-	$ -
Forfeited	**(750,000)**	**$ 0.20**	-	$ -
Ending balance	**14,040,000**	**$ 0.33**	24,760,000	$ 0.01
Exercisable	**6,455,000**	**$ 0.17**	125,000	$ 0.20

(a) During the year ended February 29, 2012, 9,870,000 options were exercised into preference shares at an exercise price of $0.001 per share.

10. CAPITAL STOCK (Cont'd)

Stock Option Plan (Cont'd)

The Company had the following stock options outstanding at February 29, 2012:

Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$0.10	4,250,000	2.5 years	0.10	3,750,000	0.10
$0.20	6,490,000	3.0 years	0.20	2,205,000	0.20
$0.50	900,000	4.0 years	0.50	500,000	0.50
$1.00	2,400,000	2.1 years	1.00	-	NIL
	14,040,000	2.6 years	**$ 0.33**	6,455,000	**$ 0.17**

11. SHARES TO BE ISSUED

As at February 29, 2012, consideration of $1,737,500 has been received pertaining to share subscriptions settled after year end.

On January 12, 2011, the Company issued convertible promissory notes for $50,000 with a stated interest rate of 5% per annum. The notes are convertible into preference shares at the option of the Company at a fixed rate of $0.10 per share. The holder of these notes does not have the option to convert the promissory notes into preference shares. As it was the Company's intention to ultimately settle these promissory notes through the issuance of equity instruments, the promissory notes were been classified as equity for the period ended February 28, 2011. The notes matured on December 31, 2011 and the Company is yet to issue preference shares. The shares are currently classified as shares to be issued.

12. DEVELOPMENT COSTS

	2012	2011
Consulting fees	**$ 197,419**	$ 158,573
Professional fees (Note 14)	**569,647**	140,922
	$ 767,066	$ 299,495

13. STOCK BASED COMPENSATION

The total compensation expense relating to stock options granted to employees, consultants and executives for the year ended February 29, 2012 was $594,220 (2011 - $18,952) which was included in salaries and benefits, with a corresponding charge to contributed surplus. The Company granted 9,900,000 options during the year ended February 29, 2012 (2011 - 27,760,000). The weighted average fair value of the options granted during the year was $.191 per option (2011 - $0.001).

The fair value of the stock options was determined using the Black-Scholes options pricing model which requires highly subjective assumptions, including future stock volatility and expected time until exercise, which greatly affect the calculated values. The expected volatility is based on comparable companies in the industry. The share price used in the determination of fair value of the was based on the most recent issuance of preference shares.

The fair value of stock options was calculated using the following weighted average assumptions:

	2012	2011
Risk free interest rate (%)	**2.18**	2.34
Expected volatility (%)	**100**	100
Expected life (in years)	**3.56**	4.41
Expected dividends	**Nil**	Nil
Weighted average share price	**$ 0.144**	$ 0.007

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 and agreed to by the related parties.

During the year, the Company incurred management fees of $293,950 (2011 - $230,000), commissions and referral fees of $490,300 (2011 - $nil) and professional fees of $nil (2011 - $8,000) charged by a company owned by the controlling shareholder of the Company. As of February 29, 2012, $19,542 (2011 - $215,000) was included in accounts payable and accrued liabilities.

During the year, the Company purchased property and equipment of $nil (2011 - $41,311) from the corporate shareholder Oddpot Inc, a company controlled by the controlling shareholder of the Company. As of February 29, 2012, $nil (2011 - $nil) was included as payable within the shareholder loan.

During the year, the Company incurred consulting fees of $25,047 (2011 - $60,333) charged by a consultant who is a relative of the the controlling shareholder of the Company.

15. 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.

	Short term compensation	Share based compensation	Total
2012	**$ 1,023,750**	**74,484**	**$ 1,098,234**
2011	$ 238,000	-	$ 238,000

16. COMMITMENTS

Leases

The Company is committed to the following minimum lease payments for their premises expiring on April 2017:

Less than one year	65,542
1 - 5 years	403,095
	$ 468,637

The Company is also committed to pay its proportionate share of operating costs for the premises.

Preference Shares

The Company is committed to issue a total of 300,000 preferred shares at $0.10 each to an external consultant in increments of 100,000 shares upon completion of each specific milestone related to the development of camera technology.

17. INCOME TAXES

Provision for Income Taxes

The major factors that cause variations from the Company's combined federal and provincial statutory Canadian income tax rates of 28.00% (2010 - 30.41%) were the following:

	2012	2011
Loss before income taxes	**$ 4,161,678**	$ 753,532
Expected tax recovery at statutory rates	**(1,165,270)**	(229,149)
Increase (decrease) resulting from:		
Stock-based compensation	**166,365**	5,763
Share issuance costs	**(150,988)**	-
Other non-deductible expenses	**4,903**	3,336
Change in unrecognized portion of deferred taxes	**1,043,549**	176,037
Change in tax rate and other differences	**101,441**	44,013
Income tax	**$ -**	$ -

Deferred Income Taxes

Net deferred income tax balances are summarized as follows:

	2012	2011
Deferred income tax assets (liabilities)		
Property and equipment	**$ 7,115**	$ (2,384)
Intangibles	**(3,939)**	(932)
Non-capital losses	**1,097,045**	183,025
Share issuance costs	**120,790**	-
Convertible debentures	**(1,425)**	(2,772)
Deferred taxes not recognized	**(1,219,586)**	(176,037)
	-	-

Non-capital Losses

The Company has non-capital federal and provincial losses losses of approximately $4,388,000 available to apply against future taxable income. If unutilised, these losses will expire as follows:

2031	732,000
2032	3,656,000
	$ 4,388,000

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

The carrying value of cash, 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 note payable and convertible debentures approximates 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, 2012 and February 28, 2011 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 balance sheet. The note payable and convertible debentures bear interest at fixed rates ranging from 5% to 8%, 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 the Company issued a convertible debenture that was denominated in a currency other than the Company's functional currency, which is the Canadian dollar.

(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 18(f) to the financial statements. The Company has no 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 or preferred shares at an acceptable price.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(d) Liquidity Risk (Cont'd)

Accounts payable and accrued liabilities are due within the current operating period. As at February 29, 2012, the Company had total cash of $1,841,247 (2011 - $174,411) to settle current liabilities of $107,270 (2011 - $320,478).

(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 receivables. The Company's risk is minimal, since the majority of its cash are on deposit with a Canadian chartered bank.

(f) Capital Management

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 website for the benefit of its shareholders.

February 29, 2012, the Company's capital consists of working capital in the amount of $1,873,945 (2011 - working capital deficit of $94,144).

There were no changes in the Company's management of its capital during the year ended February 29, 2012. The Company is not subject to any externally imposed capital requirements.

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

19. OTHER EXPENSES

During the period, the Company incurred revenues of $Nil (2011 - $5,060) and expenditures of $12,036 (2011 - $44,115) related to the sale, development and production of miniature hands-free cameras. The Company has discontinued the sale and production of these cameras.

20. SUBSEQUENT EVENTS

The following significant transactions occurred subsequent to the period ended February 29, 2012:

a) The Company completed a series of private placements for 5,653,500 units at a price of $1 per unit for total cash consideration of $5,653,500. Each unit is comprised of one preference share and one half-warrant allowing the holders of such warrants to acquire preference shares at an exercise price of $1.00 for a period of one year. Additionally, if Keek issues any additional preferred shares at a price less than $1 per share within 18 months from the closing of the offering, then each subscriber under the offering will be granted additional preference shares and warrants such that that subscriber would hold the same number of shares and warrants had it invested at the time the Company issued the new shares at a price less than $1. This protection will expire the earlier of (i) 18 months from the closing of the Offering, or (ii) immediately prior to the Company completing an IPO on the TSX, NASDAQ or NYSE.

b) The Company paid a commission of $95,100 and issued 95,100 broker warrants to acquire 95,100 preference shares at an exercise price of $1.00 per preference share which expire May 17, 2014.

c) The Company issued 200,000 options which are each exercisable into one preference share at an exercise price of $1.00. The options vest 25% semi-annually and expire three years from the vesting dates.

d) The Company issued 250,000 options which are each exercisable into one preference share at an exercise price of $1.00. The options vest immediately and expire 2 years after the vesting date.

e) Convertible debentures with a face value of $52,500 were converted into 525,000 into preference shares.

f) The Company entered into a 24 month lease arrangement to obtain computer hardware in the amount of $812,828.

g) The Company granted options with various vesting periods under its Partnership Program to acquire 950,000 preference shares at a $1.00 per preference share.

h) The Company issued 750,000 warrants to a member of it's advisory committee to acquire 750,000 preference shares at an exercise price of $1.00 per preference share. The warrants expire on May 17, 2013.

i) The Company signed an investment banking & advisory agreement with a third party investment bank for the purpose of raising funds for a private placement of up to US$15,000,000. In the event of a successful private placement, the Company will pay a cash fee of 7% of the gross proceeds raised and issue broker warrants equal to 7% of the number of shares raised.