

KEEK INC.

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited-Prepared by Management)

August 31, 2013

KEEK Inc.
Unaudited Pro Forma Consolidated Balance Sheet
As at August 31, 2013

	KEEK Inc.	Primary Petroleum Corporation	Total	Adjustments		Ref	Consolidated Pro Forma August 31 2013	
					Debit			Credit
Assets								
Current								
Cash and cash equivalents	902,219	15,067,125	15,969,344	2,620,000	-	2(d)	18,693,094	
				103,750		2(j)		
HST Receivable	290,403	-	290,403	-	-	-	290,403	
Shareholder loan receivable	36,936	-	36,936	-	-	-	36,936	
Other receivable	538,410	999,267	1,537,677	-	-	-	1,537,677	
Prepaid expenses	191,958	127,104	319,062	-	-	-	319,062	
	1,959,926	16,193,496	18,153,422	2,723,750	-	-	20,877,172	
Prepaid expense	73,323	-	73,323	-	-	-	73,323	
Exploration and evaluation assets	-	6,513,876	6,513,876	-	-	-	6,513,876	
Capital assets	5,785,386	54,001	5,839,387	-	-	-	5,839,387	
Intangible assets	47,473	-	47,473	-	-	-	47,473	
Investment tax credits	1,468,246	-	1,468,246	-	-	-	1,468,246	
	9,334,354	22,761,373	32,095,727	2,723,750	-	-	34,819,477	
Liabilities								
Current								
Accounts payable and accrued liabilities	3,097,243	112,513	3,209,756	-	150,000	2(f)	3,359,756	
Convertible debenture	-	-	-	2,620,000	2,620,000	2(d)	-	
Current portion of finance lease obligations	1,829,239	-	1,829,239	-	-	-	1,829,239	
	4,926,482	112,513	5,038,995	2,620,000	2,770,000	-	5,188,995	
Decommissioning provision	-	182,551	182,551	-	-	-	182,551	
Finance lease obligations	434,030	-	434,030	-	-	-	434,030	
	5,360,512	295,064	5,655,576	2,620,000	2,770,000	-	5,805,576	
Shareholders' Equity								
Share capital	27,638,619	42,659,818	70,298,437	42,763,568	-	2(b)	45,279,389	
				-	15,020,770	2(e)		
				200,000		2(e)		
					2,620,000	2(d)		
					200,000	2(e)		
					103,750	2(i)		
Contributed surplus	9,230,640	10,490,773	19,721,413	10,490,773	-	2(b)	16,156,068	
					6,925,428	2(b)		
Translation adjustment reserves	-	228,470	228,470	228,470	-	2(b)	-	
Warrant reserve	137,635	-	137,635	-	-	-	137,635	
Deficit	(33,033,052)	(30,912,752)	(63,945,804)	-	30,912,752	2(b)	(32,559,191)	
					200,000	2(e)		
				150,000		2(f)		
				-	623,861	2(b)		
				200,000		2(e)		
	3,973,842	22,466,309	26,440,151	54,032,811	56,606,561	-	29,013,901	
	9,334,354	22,761,373	32,095,727	56,652,811	59,376,561	-	34,819,477	

See accompanying notes to unaudited pro forma consolidated financial statements.

KEEK Inc.
Unaudited Pro Forma Consolidated Statement of Operations and other comprehensive income (loss)

	KEEK Inc. Three months ended August 31, 2013	Primary Petroleum Corporation Three months ended August 31, 2013	Total	Adjustments		Ref	Pro Forma Consolidated
				Debit	Credit		
Revenue							
Interest	5,737	30,225	35,962	-	-		35,962
	-	-	-	-	-		-
	5,737	30,225	35,962	-	-		35,962
Expenses							
Advertising and marketing	4,228,547	-	4,228,547	-	-		4,228,547
Operating	-	5,292	5,292	-	-		5,292
Selling, general and administrative	-	212,665	212,665	-	-		212,665
Consulting fees	60,000	-	60,000	-	-		60,000
Project investigation	-	40,609	40,609	-	40,609	2c	-
Interest expense	3,036	1,147	4,183	-	-		4,183
Professional fees	149,803	-	149,803	-	-		149,803
Interest on long-term debt	22,070	-	22,070	-	-		22,070
Salaries and management fees	959,800	-	959,800	-	-		959,800
Computers	47,956	-	47,956	-	-		47,956
Share-based compensation	-	132,390	132,390	-	-		132,390
Amortization of capital assets & depletion	506,781	435,021	941,802	-	-		941,802
Foreign exchange(loss/gain)	19,576	(130,456)	(110,880)	-	-		(110,880)
Loss on sale	-	107,253	107,253	-	107,253	2c	-
Insurance	8,856	-	8,856	-	-		8,856
Office & general	66,091	-	66,091	-	-		66,091
Occupancy Costs	55,834	-	55,834	-	-		55,834
Other/sundry	-	-	-	-	-		-
Write-down of exploration and evaluation costs	-	-	-	-	-		-
Internet & communications	556,991	-	556,991	-	-		556,991
	6,685,341	803,921	7,489,262	-	147,862		7,341,400
Income (loss) before income taxes	(6,679,604)	(773,696)	(7,453,300)	-	(147,862)		(7,305,438)
Income taxes							
Current	-	-	-	-	-		-
Deferred	-	-	-	-	-		-
Translation adjustment	-	127,214	127,214	-	-		127,214
	-	127,214	127,214	-	-		127,214
Net earnings (loss) and other comprehensive income (loss)	\$ (6,679,604)	\$ (646,482)	\$ (7,326,086)	\$ -	\$ (147,862)		\$ (7,178,224)

See accompanying notes to unaudited pro forma consolidated financial statements.

KEEK Inc.**Unaudited Pro Forma Consolidated Statement of Operations and other comprehensive income (loss)
For the Years Ended**

	KEEK Inc. for the year ended February 28, 2013	Primary Petroleum Corporation for the year ended May 31, 2013	Total	Adjustments		Ref	Pro Forma Consolidated
				Debit	Credit		
Revenue							
Interest	\$ 38,014	\$ 150,291	\$ 188,305	-	-		\$ 188,305
	-	-	-	-	-		-
	\$ 38,014	\$ 150,291	\$ 188,305	\$ -	\$ -		\$ 188,305
Expenses							
Advertising and marketing	5,321,489	-	5,321,489				5,321,489
Operating	-	10,904	10,904				10,904
Selling, general and administrative	-	1,261,291	1,261,291				1,261,291
Consulting and professional fees	989,541	-	989,541				989,541
Project investigation	-	701,179	701,179		701,179	2c	-
Interest expense	21,137	7,302	28,439				28,439
Salaries and management fees	6,848,563	-	6,848,563				6,848,563
Share-based compensation	-	1,475,780	1,475,780				1,475,780
Amortization of intangibles	-	-	-	-	-		-
Amortization of capital assets & depletion	498,634	1,836,614	2,335,248	-	-		2,335,248
Foreign exchangeloss(gain)	16,387	97,310	113,697				113,697
Sundry	-	(13,052)	(13,052)				(13,052)
Insurance	12,103	-	12,103				12,103
Miscellaneous	133,453	-	133,453				133,453
Occupancy Costs	209,253	-	209,253				209,253
Internet & communications	969,366	-	969,366				969,366
Transaction costs				150,000		2(f)	150,000
Transaction fee				200,000		2(e)	200,000
Listing Expenses							-
Computers	36,730	-	36,730				36,730
	15,056,656	5,377,328	20,433,984	350,000	701,179		20,082,805
Income (loss) before income taxes	\$ (15,018,642)	\$ (5,227,037)	\$ (20,245,679)	\$ (350,000)	\$ (701,179)		\$ (19,894,500)
Income taxes							
Current	-	(945,000)	(945,000)	-	-		(945,000)
Deferred	-	-	-	-	-		-
Net income(loss)	(15,018,642)	(4,282,037)	(19,300,679)	(350,000)	(701,179)		(18,949,500)
Translation adjustment	-	48,513	48,513				48,513
Net earnings (loss) and other comprehensive income (loss)	\$ (15,018,642)	\$ (4,233,524)	\$ (19,252,166)	\$ (350,000)	\$ (701,179)		\$ (18,900,987)

See accompanying notes to unaudited pro forma consolidated financial statements.

1,700,000	0.15	0.02
958,333	0.25	0.02
4,070,000	0.45	0.16
3,960,000	0.65	0.22
400,000	0.75	0.03
400,000	0.75	0.03
<u>11,488,333</u>		0.48

	Q3 2013	Year 2013	May 31 2013	Aug 31 2014	proforma		
Interest	113,519	150,291	36,772	30,225	66,997		
Operating	(1,087)	10,904	11,991	5,292	17,283		
SGA	1,182,800	1,261,291	78,491	212,665	291,156		
Proj	468,479	701,179	232,700	40,609	273,309		
Interest	6,368	7,302	934	1,147	2,081		
share comp	1,268,882	1,475,780	206,898	132,390	339,288		
Amort	1,392,021	1,836,614	444,593	435,021	879,614		
Foreign	97,702	97,310	(392)	(130,456)	(130,848)		
sundry/other	(11,010)	(13,052)	(2,042)	-	(2,042)		
Loss on sale/write-down of assets	-	-	-	107,253	107,253		
write-down	-	-	-	-	-	1,777,094	973,173
income tax recovery	-	(945,000)	(945,000)	-	(945,000)		
-							
-	4,404,155	4,432,328	973,173	803,921	1,777,094		
	(4,290,636)	(4,282,037)		(773,696)			
translation adj	280,719	(48,513)	(329,232)				
	4,571,355	4,233,524					

KEEK INC.

NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – prepared by management)

August 31, 2013

1. BASIS OF PRESENTATION

The unaudited pro-forma consolidated financial statements of Primary Petroleum Corporation (“Primary” or the “Company”) have been prepared by management in accordance with International Financial Reporting Standards for inclusion in the Filing Statement of the Company dated January 29, 2014. In the opinion of management, the pro-forma consolidated financial statements include all adjustments necessary for fair presentation of the transactions as described below.

The unaudited pro-forma consolidated financial statements of the Company have been compiled from the following financial information:

- Audited financial statements of Primary Petroleum Corporation for the year ended May 31, 2013;
- Unaudited interim financial statements of Primary Petroleum Corporation for the three months ended August 31, 2013;
- Audited financial statements of KEEK Inc. (“KEEK”) for the year ended February 28, 2013;
- Unaudited interim financial information of KEEK for the three months ended August 31, 2013;

The unaudited pro-forma consolidated balance sheet has been prepared as if the transactions described in Note 2 had occurred on August 31, 2013. The unaudited pro-forma consolidated income statements have been prepared as if the transactions described in Note 2 had occurred on March 1, 2012.

The unaudited pro-forma consolidated financial statements are not intended to reflect the financial position or performance of the Company which would have actually resulted had the proposed transactions described in Note 2 and other pro-forma adjustments occurred as assumed. Further, these unaudited proforma consolidated financial statements are not necessarily indicative of the financial position or performance that may be attained in the future. The unaudited pro-forma consolidated financial statements should be read in conjunction with the financial information referred to above.

KEEK INC.

NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – prepared by management)

August 31, 2013

2. PRO-FORMA ASSUMPTIONS

- (a) Following the completion and approval of the Amalgamation Agreement (2(b)), the Company will change its name to KEEK Inc.
- (b) The Completion of the Amalgamation Agreement (the “Agreement”) between the Company and KEEK which by way of a “Three Cornered Amalgamation” such that each issued and outstanding KEEK common share will be converted into one Primary common share, each KEEK option shall have the right to receive an option in the Company on the same terms as the KEEK option, each KEEK warrant shall have the right to receive a warrant in the Company on the same terms as the KEEK warrant. The result of the Agreement will result in the reverse takeover of Primary by KEEK (the “Reverse Takeover”). After the Reverse Takeover transaction, the shareholders of KEEK will control the Company and for accounting purposes KEEK will be deemed the acquirer. The transaction constitutes a reverse takeover of Primary but does not meet the definition of a business combination under IFRS 3; accordingly, the Reverse Takeover transaction for accounting purposes will be accounted for in accordance with IFRS 2. The assets and liabilities of Primary will be included in the consolidated balance sheet at fair value, which approximate their pre-combination carrying values. Share capital, contributed surplus, accumulated other comprehensive loss and the deficit of Primary will be eliminated.

Net assets of Primary:

Cash	\$ 15,170,875
Amounts receivable	999,267
Prepaid expenses	127,104
Exploration and evaluation assets	6,513,876
Capital assets	54,001
Decommissioning provision	(182,551)
Accounts payable and accrued liabilities	<u>(112,513)</u>
	<u>\$ 22,570,059</u>

Consideration comprised of:

Fair value of common shares [assumed price]	\$ 15,020,770
Fair value of stock options [assumed price]	623,861 ¹
Contributed Surplus	<u>6,925,428²</u>
	<u>\$ 22,570,059</u>

¹Options issued to Primary option holders were valued using the Black-Scholes option pricing model with the following weighted average parameters: Share price – \$0.10; Exercise price – \$0.49; Dividend yield – Nil; expected volatility – 152%; risk-free interest rate – 1.41%; and expected life 5 years.

²The fair value ascribed to Primary is \$15,644,631 however its net book value is \$22,570,059 accordingly \$6,925,428 has been recorded on the Reverse Takeover to contributed surplus as the transaction is considered a capital transaction.

KEEK INC.

NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – prepared by management)

August 31, 2013

2. PRO-FORMA ASSUMPTIONS (continued)

- (c) The following amounts were adjusted from the historical expenses of Primary to adjust for certain costs which will not recur in the new structure of the Company:

	August 31, 2013	February 28, 2013
Project investigation costs	\$ 40,609	\$ 701,179
Loss on sale	<u>107,253</u>	<u>-</u>
	<u>\$ 147,862</u>	<u>\$ 701,179</u>

- (d) Keek issued \$1,200,000 of convertible debenture notes, which bear interest at 17% and \$1,420,000 convertible debenture notes which bear interest at 12%. The notes converted into 26,200,000 preference shares at an ascribed value of \$0.10/share.
- (e) Primary issued 2,000,000 common shares with an ascribed value of \$200,000 as a finder's fee in relation to the transaction with KEEK.
- (f) The estimated transaction costs related to the transaction between Primary and KEEK is \$150,000.
- (g) As a result of anti-dilutive feature related to a \$3,656,000 financing completed by KEEK by the issuance of 3,656,000 preferred shares KEEK is required to issue an additional 32,904,000 preferred shares at no consideration.
- (h) Upon the completion of the RTO KEEK preference shares of 155,538,250 will convert into common shares of KEEK on a 1:1 basis for no additional consideration.
- (i) 1,037,500 Primary options were exercised at \$0.10 per share for gross proceeds of \$103,750.

KEEK INC.**NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – prepared by management)

August 31, 2013

3. CAPITAL STOCK

Common Shares

Capital Stock as at August 31, 2013 in the unaudited pro-forma consolidated statement of financial position is comprised of the following:

	<u>Number of Common Shares</u>	<u>Stated Capital</u>
Opening Balance – KEEK	35,000,000	\$ 350
Conversion of KEEK preference shares to KEEK common shares	155,538,250	30,258,269
Shares issued to effect the Reverse Takeover (Note 2(b))	<u>150,207,705</u>	<u>15,020,770</u>
	<u><u>340,745,955</u></u>	<u><u>\$ 45,279,389</u></u>

KEEK Preference Shares

	<u>Number of Preference Shares</u>	<u>Stated Capital</u>
Opening balance – KEEK	96,434,250	\$ 27,638,269
Issuance of additional preference shares (Note 2(g))	32,904,000	-
Conversion of debenture into preference shares (Note 2 (d))	26,200,000	2,620,000
Conversion of KEEK preference shares to KEEK common shares	<u>(155,538,250)</u>	<u>(30,258,269)</u>
	<u><u>-</u></u>	<u><u>\$ -</u></u>

4. OUTSTANDING STOCK OPTIONS

The weighted average terms of the options outstanding as at August 31, 2013 are as follows:

	Number	Exercise Price	Time to expiry
KEEK – Options	28,475,000	\$0.93	2.3 years
Primary – Options	10,450,833	\$0.49	2.6 years

5. OUTSTANDING WARRANTS

The weighted average term of the warrants outstanding as at August 31, 2013 are as follows:

	Number	Exercise Price	Time to expiry
KEEK – Warrants	261,690	US\$1.00	1.5 years