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MD&A

Management's Discussion and Analysis
of Financial Condition and Results of Operations

(amended and restated)

for the Three Months Ended May 31st, 2019

Amended and Restated Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three Months Ended May 31st, 2019

The following Amended and Restated Management's Discussion and Analysis ("MD&A") replaces the Management's Discussion and Analysis of the Company for the Three Months Ended May 31, 2019, that was filed on July 30, 2019.

The following MD&A comments on the unaudited amended and restated interim unaudited financial condition and results of operations of Peeks Social Ltd. for the three months ended May 31st, 2019. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Peeks Social's unaudited amended and restated interim unaudited financial statements for the three months ended May 31, 2019 (the "financial statements"), and the annual audited consolidated financial statements of Peeks Social Ltd. for the year ended February 28, 2019.

Unless the context otherwise requires, all references to "Peeks", "Peeks Social", "Corporation", "Company", "our", "us", and "we" refers to Peeks Social Ltd. as consolidated with its subsidiaries. Additional information regarding the Company is available at SEDAR at www.sedar.com.

This MD&A is dated October 29, 2019, however, it relates to the first quarter ended May 31, 2019. All amounts are presented in Canadian dollars, unless otherwise noted.

Advisory Regarding Forward-Looking Statements

This MD&A contains forward-looking statements. When used in this MD&A the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, our objectives, goals, strategies, intentions, plans, estimates, outlook, expected growth and business opportunities. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including without limitation, factors and assumptions regarding advertising revenues, platform fee revenues, operating costs and tariffs, taxes and fees, changes in market competition, governmental or regulatory developments, changes in tax legislation and general economic conditions. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: the Company's ability to attract and retain users and increase the level of engagement of its users; the Company's expectations regarding its user growth rate and the usage of its web and mobile products; the Company's ability to attract advertisers and the revenue derived from these advertisers; the Company's ability to grow user monetization; the sufficiency of The Company's cash and cash generated from operations to meet its working capital and capital expenditure requirements; the ability of the Company to raise sufficient capital to fund operations and meet its financial obligations; and changes in accounting standards.

The Company cautions you that the foregoing list may not contain all of the forward-looking statements made in this document. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. When relying upon our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and Peeks Social Ltd. does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

GOING CONCERN ASSUMPTION

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

During the three months ended May 31, 2019, the Company incurred a net loss of $670,243 (three months ended May 31, 2018 -$659,446) and, as of that date, the Company had accumulated a deficit of $31,580,508 (February 28, 2018 - $30,910,264) and positive cash flows from operations of $60,773 (year ended February 28, 2018 -$2,245,994). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These factors create material uncertainties that cast significant doubt upon the Company’s ability to continue as a going concern.

The Company has not yet realized profitable operations and has mainly relied on non-operational sources of financing to fund operations. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future. The amended and restated 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 could be material.

ABOUT PEEKS SOCIAL LTD.

Peeks Social Ltd. ("Peeks", "Peeks Social", or 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 "PEEK". The Company's principal activity is the offering of social media products and services for use by consumers and businesses, with a focus on mobile (iOS and Android) products. The Company's head office is 181 University Ave, Suite 2000, Toronto, Canada, M5H 3M7.

On May 2, 2018, Peeks Social completed a reverse acquisition with Personas.com Corporation ("Personas"), a private company incorporated under the laws of the Province of Ontario and a related party by nature of it being under the common control of Peeks Social’s CEO, which was effected pursuant to an amalgamation agreement between Peeks Social, Personas, a wholly-owned subsidiary of Peeks Social ("Peeks Social Subco", formed solely for facilitating the transaction), Riavera Corp. (a related party under common control of Peeks Social's CEO) ("Riavera"), and a wholly-owned subsidiary of Riavera (“Riavera Subco”, formed solely for facilitating the transaction). Articles of amalgamation to amalgamate Peeks Social Subco, Personas, and Riavera Subco were filed on May 2, 2018, resulting in the creation of a single wholly-owned subsidiary of Peeks Social named Peeks Social Technologies Holding Inc. ("Peeks Social Holdings") (the “Amalgamation”).

To effect the Amalgamation shareholders of Personas received 175,150,454 common shares of Peeks Social (including 61,340,322 received by Mark Itwaru, the CEO of Peeks Social, and 55,346,527 received by Riavera) on May 7, 2018, at a negotiated price of $0.7308 per share. The Amalgamation was structured as a three-cornered amalgamation, resulting in the amalgamated company becoming a wholly-owned subsidiary of Peeks Social.

Although the Amalgamation resulted in Personas becoming a wholly-owned subsidiary of Peeks Social, the transaction constitutes a reverse acquisition of Peeks Social by Personas in-as-much as the former shareholders of Personas received 72.94%, on a non-diluted basis, of the issued and outstanding common shares of the resulting corporation. For accounting purposes, Personas is considered the acquirer and Peeks Social the acquiree. Accordingly, the consolidated financial statements are a continuation of the financial statements of Personas and references to the “Company” will mean the consolidated entity subsequent to the date of the Amalgamation and to Personas prior to that date. The reporting periods of Personas have been aligned with Peeks Social's year end of February 28, resulting in the comparative period for these consolidated financial statements being presented as a fourteen-month period beginning immediately following the end of Personas' annual period ending December 31, 2016, and ending February 28, 2018.

In accordance with IFRS 3 the reverse acquisition was accounted for using the purchase method. At February 28, 2019, the allocation of the purchase consideration has been measured at fair value of assets acquired. The acquired goodwill is primarily related to proprietary technology and technology platforms and related intellectual property, personnel, and the value attributed to the synergies of acquiring a company.

The allocation of the purchase price to the estimated fair value of net assets (liabilities) acquired is as follows:

Cash	$103,008
Accounts receivable	26,894
Other receivables and deposits	207,398
Short-term investments	186,132
Prepaid expenses	480,146
Intangible assets	4,054
Property and equipment	109,363
Accounts payable and accrued liabilities	(2,756,567)
Secured notes	(100,000)
Carrying value of identifiable net assets (liabilities)	**(1,739,572)**
Consideration:	
Fair value of 64,976,271 common shares issued at $0.37 per share (ii)	24,041,220
Fair value of 7,200,329 options issued, recorded in contributed surplus (iii)	1,629,631
Fair value of 7,900,000 warrants issued, recorded in warrants reserve (iv)	440,022
Settlement of advances to Personas	(1,911,909)
	$24,198,964
Goodwill comprised of:	
Excess of consideration and net identifiable assets (i)	25,938,536
Impairment loss	20,170,146
	$5,768,390

(i) The amount paid in excess of the fair value of net identifiable assets represents the unidentifiable net assets of Peeks Social, measured as the difference between the fair value of the identifiable net assets of Peeks Social and the fair value of the consideration provided.

The excess value of consideration transferred over the fair value of identifiable net assets acquired was initially recognized as goodwill. However, it was determined that the expected operational efficiencies and other synergies arising from the acquisition would not be achieved in a short enough time horizon to support the recoverable amount of the business. As a result, management determined to write-down the goodwill directly at the date of acquisition amounting to $20,170,146.

ii) The fair value of the common shares was $24,041,220 based on 64,976,271 common shares at a fair value of $0.37 per share. The fair value per share was estimated to be $0.37 based on the closing market price of Peeks Social shares as at May 2, 2018.

(iii) The fair value of 7,200,329 options issued to Peeks Social option holders was determined using the Black-Scholes option pricing model with the following weighted average inputs and assumptions: Stock price - $0.37; Exercise price ranging from $0.30 to $30.00; Dividend Yield - Nil; Expected volatility ranging from 84% to 140%; Risk-free interest rate ranging from 1.96 to 2.12%; and Expected life of 0.96 to 4.41 years.

(iv) The fair value of 7,900,000 warrants issued to Peeks Social warrant holders was determined using the Black-Scholes option pricing model with the following weighted average inputs and assumptions: Stock price - $0.37; Exercise price - $1.02; Dividend Yield - Nil; Expected volatility – 61%-86%; Risk-free interest rate - 1.9%; and, Expected life – ranging from 0.28 to 1.45 year.

Immediately prior to the Amalgamation, Riavera (a related party) forgave $3,450,732 of related party debt of Personas. Riavera was acting in its capacity as a shareholder of Personas in this transaction, and as such, this amount has been added to deficit.

OVERVIEW

Peeks Social Ltd.'s core business is the offering of social media products and services for use by consumers and businesses, with a focus on mobile (iOS and Android) products. The Company focuses on providing social commerce enabled products which allow for a monetizable user experience to all users, consumers and businesses alike. The Company accomplishes this by offering products which are complete with enterprise grade global ecommerce infrastructure including multi-currency, multi-lingual, turnkey mobile commerce suites for users.

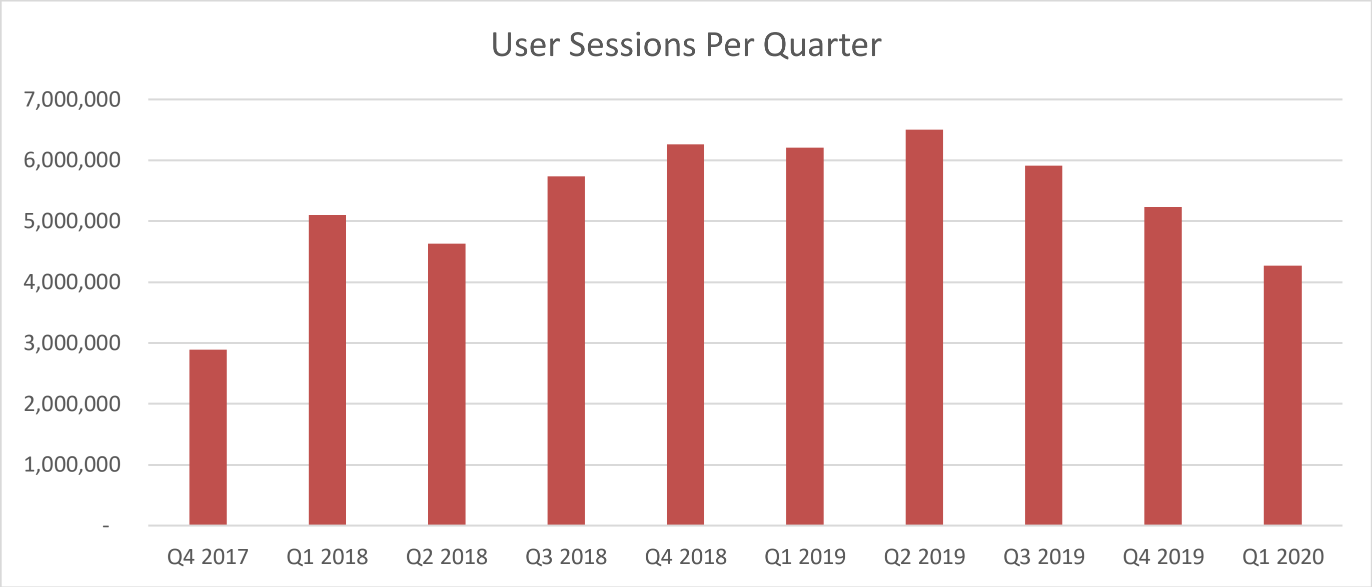
Until 2016, Peek Social's flagship product and core line of business had been an online social video platform for both web and mobile with an emphasis on mobile which allows users to upload and share personal videos of themselves or events surrounding them, their "self-expression". This product was known as "Keek". The Keek product developed a global video social network, enabled over the Internet and on mobile devices around the world. Its interactive video content network contained videos with up to 36 seconds of video and 111 characters of accompanying text. During its five year life, the Keek product's community had grown to over 75 million registered users across 6 global regions: "North America", "South America", "Europe", "Middle East", "Asia/Oceania", and "Africa".

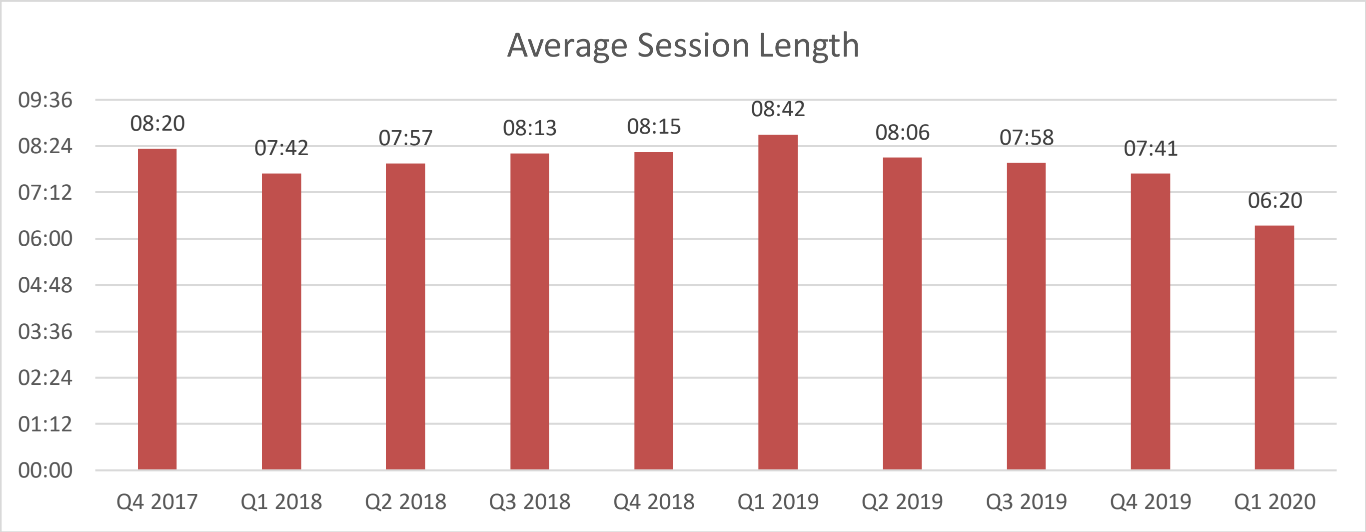
In November 2016 the legacy Keek mobile apps were transitioned from a "social media" video platform to a "social commerce" livestreaming service, at which time they were rebranded under the product name "Peeks Social". Peeks Social is described as "an ecommerce enabled livestreaming platform." The Peeks Social service allows users to livestream themselves on their own personal interactive ecommerce enabled mobile broadcast. By simply tapping their screen, viewers inside Peeks Social can send "likes", tip broadcasters real money, chat, and interact, all in real-time. The Product differentiates itself from its competitors in several ways. Peeks Social provides a real-time, engaging, and monetizeable user experience to all of its members. In addition, its enterprise grade global ecommerce infrastructure is a multi-currency, multi-lingual, turnkey mobile commerce suite for all of its broadcasters and viewers, complete with an individual e-wallet for every user.

Overview of the Business and Operational Highlights

Product Performance (KPIs)

The Company routinely monitors certain KPIs that it has identified as important in understanding the performance of the Peeks Social product. The charts below present select KPIs on a quarterly basis and the table below provides a summary of select recent quarterly KPIs for the Peeks Social app. KPIs are published quarterly.





Key Performance Indicator	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
# of User Sessions (1)	2,889,800	5,133,700	4,630,700	5,779,100	6,263,900	6,202,600	6,501,400	5,911,300	5,235,131	4,270 ,586
Avg. User Session Duration (1)	8min 20sec	7min 42sec	7min 57sec	8min 13sec	8min 15sec	8min 42sec	8min 06sec	7min 58sec	7min 41sec	6min 20sec

1. These two KPIs represent the number of times the Peeks Social app was accessed by users and the average duration of use, respectively. Data was provided through Google Analytics. For additional information on Google Analytics' definition of a "session" and the methods of calculating "sessions", please refer to https://support.google.com/analytics.

Product Development

During the three months ended May 31, 2019, the core development team at the Company was primarily engaged in the continued advancement of the Peeks Social product. A high-level timeline relating to the Peeks Social service integration is provided below:

- July 2016 – Peeks Social service undergoes live testing inside a closed beta environment on both the iOS and Android platforms. The closed beta included teams of testers, content creators, social influencers, and consumers.

- August 2016 – Peeks Social beta product launched as a stand-alone app for live testing, made available to the public on both iOS and Android platforms.

- November 2016 – Peeks Social service successfully deployed in replacement of the legacy Keek apps. Keek users who update their apps maintain all of their core Keek history, including their "followers" and who they "follow," their existing videos along with the associated view counts and like counts, their login methods, profile information, etc. Keek users who have not yet updated to Peeks Social do not appear in the Peeks Social service, nor do their videos, profile information, follows and followers, etc.

- January 2017 – Significant improvements to the user interface "UI" successfully deployed to the Peeks Android app. New UI provides users with a variety of new features and improvements including: improved content categorization; easy access to professionally produced content; dedicated specialty channel for livestreaming gamers; streaming community comments on pre-recorded videos; improved navigation; easier access to follow, block and report other users and objectionable content; and content controls to include/exclude specific content categories along with many other improvements.

- February 2017 – Crowdfunding tool successfully deployed to the Peeks Social service. The crowdfunding tool allows Peeks broadcasters to raise funds from their viewing audience for a number of reasons including: charitable donations, the purchasing of products or services, supporting community projects, or a variety of other causes or initiatives as determined by the broadcaster. Peeks broadcasters create over 400 crowdfunding campaigns in the first week.

- April 2017 – Initial "OfferBox" functionality successfully deployed to the Peeks Social service. OfferBox allows users to create actionable incentives that can be distributed to viewers of livestreams and archived videos. All users have the ability to connect products or services from their own e-commerce websites or those of their affiliates or sponsoring brands. Digital products are planned to be directly deliverable inside the Peeks app in future versions.

- April 2017 – Direct Messenger feature deployed to the Peeks Social service. The feature was designed and implemented to heighten daily usage by allowing users to interact outside of the livestream environment.

Direct Messenger allows users to message each other to ask questions about products or services being sold, enquire about content, or simply to interact.

- May 2017 – The Peeks Social app is named a finalist in the 2017 Appy Awards. The Appy Awards, produced by MediaPost Communications, acknowledge creativity and excellence in app design. Prior Appy Award finalists include distinguished apps such as Tango, Shazam, Match.com, and Bitstrips.

- September 2017 – The Peeks Social App rises to the 15th top grossing social app on the Google Play Store in the United States. The app also rapidly approaches the top 100 overall grossing apps on the Google Play Store out of approximately 3 million apps available for download in the United States.

- October 2017 – The Company announced the addition of the "Get Popular" service. The "Get Popular" service is a user focused self-promotion tool which will allow users to purchase advertising units for themselves or for their content to be featured in certain positions in the Peeks Social app's Popular Channel, Live Channels, and similar pages. The "Get Popular" feature provides another revenue stream for the Peeks Social platform in addition to the platform fees charged on user generated tipping.

- November 2017 – The Company executes a binding LOI with Personas to acquire 100% of the Peeks Social Technology (see "*Overview*").

- January 2018 – The Company announced the launch of the AdShare Program as the full deployment of the final OfferBox. Olay, Roses Only, TV Online Store, Yves Rocher, zChocolat, Betty's Attic, AMC Networks: Shudder and Sundance Channel, Eye Buy Direct, Cooking Light Diet, Xcoser, BookVIP, Chicnico, SpaFinder, SwimSpot and Matel TM are among 40 initial brands that are available as sponsors to streamers on the Peeks Social platform. Upon starting a livestream, Peeks Social streamers are able to select brands to promote through the OfferBox on their streams. Streamers are then able to earn on a Cost-Per-Action or Cost-Per-Impression basis.

- February 2018 – The Company announced the launch of the virtual and physical Peeks Social Visa card. The Peeks Social Visa card provides direct benefits by streamlining the process of paying international broadcasters and reducing international transaction processing fees incurred by the Company. The Peeks Social Visa card also facilitates instantaneous rewards through direct deposits to Broadcasters' Peeks Social Visa cards when withdrawals are made using this method.

- March 2018 – The Company announced the launch of its desktop streaming service (the "DSS"). The DSS allows broadcasters to stream content from their desktop into the Peeks Social mobile application. In doing so, the Company opened up the Peeks Social platform to a much wider audience, as the DSS enables the streaming of professionally produced content.

- July 2018 – The Company announced the official launch of its web platform. The web platform enables viewers and broadcasters to watch streams and broadcast unique content on a mobile friendly website and is a key element of ongoing initiatives to increase user activity levels and revenues for the Company.

- January 2019 – The Company announced that development work on Personas release 1.0 is complete. Personas is an ecommerce enabled video and image sharing social network that provides users with a video chat-based payments system (ChatCash). Personas' ChatCash service allows users to provide (and charge for) one-on-one private tutorials, consulting services, help desk services, and any other service that is typically delivered through one-on-one chat. Personas enters beta-testing, with an expected submission to the Apple AppStore and Google Play Store by Q1 2019

- February 2019 – Apple suspended the Peeks Social app for download from the Apple AppStore pending the completion of technical and procedural changes to the Peeks Social app and the Peeks Service. Peeks Social users who had the app installed on iOS supported devices continued to have access to content and full functionality of the iOS app. This did not impact the Android platform.

- March 2019 – Apple approved Peeks Social app for download in the Apple Store. The Company successfully negotiated with Apple the use of 3rd party payment processing services for purchases on the Peeks Platform. The Company was previously obligated to use Apple's in-app purchases at a cost of 30% per transaction and funds settlement period of 45 days. Similarly, the Company also migrated approximately 80% of its Android traffic from Google in-app payments to 3rd party payment processing services. Google's fees and settlement periods for in-app are similar to Apple. The high cost of in-app payment and the long settlement periods had resulted in a poor quality of service to users and a significant amount of complaints.

- April 2019 - The Company announced the upcoming launch of its WASDPro eGaming and eSports streaming service www.wasdpro.tv. WASDPro is a purpose built eGaming/eSports video streaming service built on the Peeks Social Platform. The Company's goal for WASDPro is to capture and monetize a significant share of this growing market which currently produces 355bn minutes of eSports and gaming streams watched in 2017 — a 22% year over year increase compared to 2016.

- April 2019 - The Company announced that it had qualified for conditional funding from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP). This particular research and development project will support the company's development of the WASDPro platform. The WASDPro beta site will be available May 2019.

- May 2019 – The Company announced the official launch of the Personas Social Network (Personas). Personas is now live and available for download in both the iOS and Android Appstores. Personas is an ecommerce enabled video and image sharing social network that provides users with a video chat-based payment system (ChatCash). Personas' ChatCash service allows users to provide (and charge for) one-on-one private tutorials, consulting services, help desk services and any other service that is typically delivered through one-on-one chat.

Monetization, Sales, and Revenue

The Peeks Social service is monetized through the charging of "platform fees" on user transactions inside the service. Users can currently transact in three ways inside Peeks: by "tipping" a broadcaster; by contributing to a broadcaster's crowdfunding campaign; and by paying to access a "paid broadcast". Each user has a "wallet" inside the app to which they can deposit funds via a number of methods including credit card and in-app purchase (depending on their device), or withdraw funds via a variety of options depending on their geographical location. Users may utilize the funds inside their wallet to send tips to broadcasters or to purchase access to the paid streams of other users. Wallets may contain USD, CAD, or a digital currency referred to as "coins". A "coin" has a value which approximates $0.05USD. Coins may be purchased on both the iOS and Android platforms, or on the web at www.peeks.com.

Tipping

The tipping mechanism is available to viewers inside a stream and allows a viewer to send tips to a broadcaster in either real-time or on a previously recorded livestream or uploaded video. Tips amounts currently available on the Android platform are $0.25, $0.50, $1.00, $5.00, $10.00. On the iOS platform, tips may currently be sent in the amounts of 5, 10, 20, 100, or 200 coins. Once sent, the tip(s) are then withdrawn from the sender’s wallet and deposited to the broadcaster’s wallet.

Paid Broadcasts

A paid broadcast is a livestream (or previously recorded livestream) where the broadcaster has selected to charge a fee for access to that piece of content. The amount of the fee is determined by the broadcaster and currently from $0.50-$50.00 (in either USD or CAD) for Android broadcasters and 10-1,000 coins for iOS broadcasters. Should a viewer choose to purchase access to the content, the fee is withdrawn from their wallet and deposited to the broadcaster’s wallet.

Crowdfunding

Crowdfunding transactions function similar to tipping. On the Android platform, users may contribute to a crowdfunding campaign in amounts of $0.25, $0.50, $1.00, $5.00, $10.00, in either USD or CAD. On iOS platforms users may contribute to a crowdfunding campaign by inputting an amount ranging from $0.05 - $300, in either USD or CAD.

Platform fees

Upon receipt of a tip (either directly or through crowdfunding) or payment for a paid stream, a broadcaster is charged a platform fee. The current platform fees are as follows:

Stars (Broadcaster’s “Rating”)	Platform Fee
0.0 - 0.9	70%
1.0 - 1.9	60%
2.0 - 2.9	50%
3.0 - 4.4	39.9%
4.5 - 5.0	24.9%

Currently the average platform fee on transactions in the Peeks Social service is approximately 31%.

Get Popular

The Get Popular service is a user focused self-promotion tool which will allow users to purchase advertising units for themselves or for their content to be featured in certain positions in the Peeks Social app's Popular Channel, Live Channels, and similar pages. The feature was launched in October 2017. The current pricing for the Get Popular service is as follows:

Impression Package (# of impressions)	Fee (USD)
5,000	79 coins ($3.95)
10,000	139 coins ($6.95)
50,000	499 coins ($24.95)

MARKET TRENDS, PRODUCT DEVELOPMENT, AND BUSINESS STRATEGY

Peeks Social has deployed a global platform for public self-expression, communication, and transaction in real time. The Company's platforms and communities are free services. Having demonstrated through its legacy products that a global video-centric social network can attract audiences (the legacy Keek product attracted 75 million registered users over 5 years), the next milestone for the Company is to confirm that this community can sustain itself from a relevance, enhanced value creation and monetization perspective. In order to do so, Management is of the belief that sustainability and growth must come from a product-first approach, and therefore the Company plans to focus its attention towards the growth of the Peeks Social live-streaming commerce network.

As a social commerce platform, Peeks Social will connect content providers, viewers, advertisers, brands and retailers in a seamless organic social commerce ecosystem. The product will allow content creators to monetize their popularity by sharing in advertising revenues and by being able to charge viewers for access to premium content. Additionally, the platform will allow content creators to charge their viewers for goods and services and will allow viewers to make instantaneous purchases on their mobile devices through the OfferBox technology. Apart from premium content and enhanced product features and tools, the Peeks Social platform and community will remain a free service for existing and future users. These efforts are the main focus of the Company.

Livestreaming in a social media context is a new phenomenon which has garnered significant market attention, and social video continues to flourish similarly. In March 2015, it was announced that Twitter had acquired Periscope, a live streaming video startup app which was still in the testing stage, for nearly $100 million USD in cash and shares. Snapchat, a video and image messaging mobile application, has a current valuation of approximately $8.5 Billion USD. Twitch.tv, a livestreaming network focused on video gaming and broadcasts of eSports, was purchased by Amazon in 2014 for nearly $1 billion USD, and is now rumoured to be worth a multiple of that acquisition valuation. After approximately a year and a half since launch, Peeks Social is already establishing itself as a contender in the lucrative livestreaming and social video space.

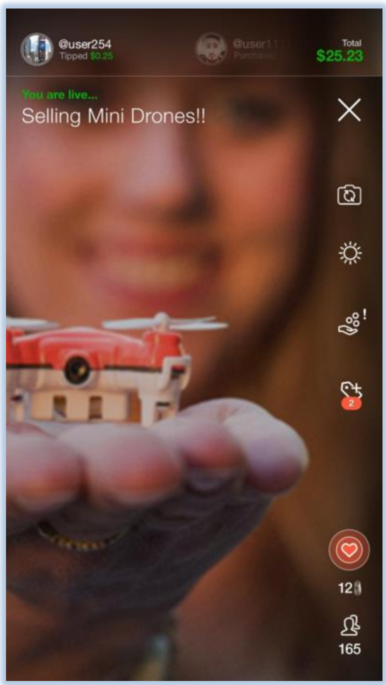
Management believes that livestreaming is well poised to achieve extremely rapid adoption rates in the social media marketplace. The Company expects the adoption rates of livestreaming video, in a social media context, will easily surpass those previously achieved by pre-recorded video and podcasts. The livestreaming space remains in its infancy with a small number of first movers in the industry, few of which are ecommerce enabled. The Company previously capitalized on the rapid adoption of social video by being amongst the first video enabled social media platforms. Over its history, the Company has been enormously successful in driving vast amounts of users to its products. Management is planning to replicate very similar user growth strategies for Peeks Social as were used on the legacy Keek apps. This user driven business strategy can now be paired with a fresh new product and an innovative monetization strategy, such as the existing tipping, paid broadcast, and crowdfunding features, as described above (see *Monetization, Sales, and Revenue*), as well as monetization features such as the OfferBox, described below.

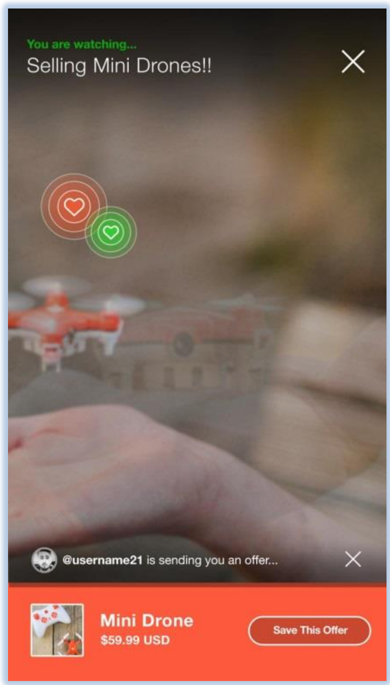
The user driven business strategy will be focused on performance metrics which the Company has identified as being key to the performance of the Peeks Social product and the growth of the business (see *Product Performance (KPIs)*). These metrics are: the percentage of spending users; the average spend per user; and the activity levels of the users. In its early stages, the Peeks Social product has already proven its ability to monetize users in a social network.

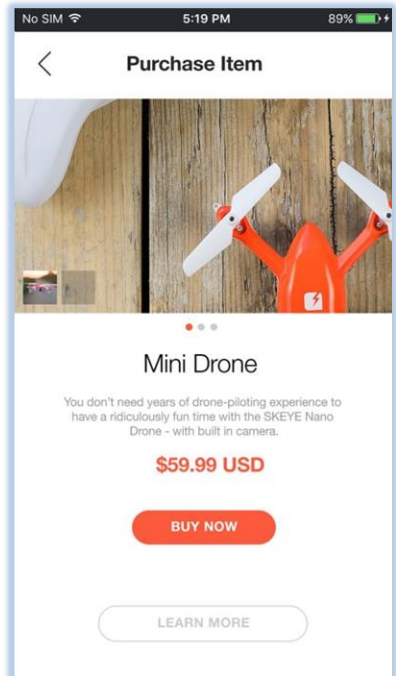
OfferBox

The OfferBox is the first merchant tool to be added to the Peeks Social service. Using the OfferBox technology, users such as brands, influencers, and consumers, can create actionable incentives which can be distributed to their live audiences. This allows users to create individual live home shopping channels with a global reach. Using the OfferBox technology, a broadcaster can deliver a call to action to their viewers inside a live stream which can allow for the instant purchase of the product or service being advertised. The offer may include information such as pictures, product or service descriptions, geographical availability, quantity, pricing, and terms of sale.

The function of OfferBox is illustrated in the images below:







From Left to Right:

- A broadcaster selling "Mini Drones" inside a livestream on the Peeks Social service.
- A viewer receives an offer to purchase a "Mini Drone" for $59.99 USD while watching a livestream.
- A viewer reviews the details of the offer to purchase a "Mini Drone".

AdShare Program

The AdShare Program was launched in January 2018 and was purpose built to facilitate the sale of all ad units available for sale on broadcast television and on digital platforms. Specifically, the AdShare Program facilitates the sale of product placement ads, CPI ads, CPA ads, onscreen overlays and affiliate marketing programs.

The AdShare Program interacts with the OfferBox so that ads can result in direct sales. The AdShare Program allows advertisers to target advertisements based on a wide variety of viewer demographics including location, age, gender and individual tastes.

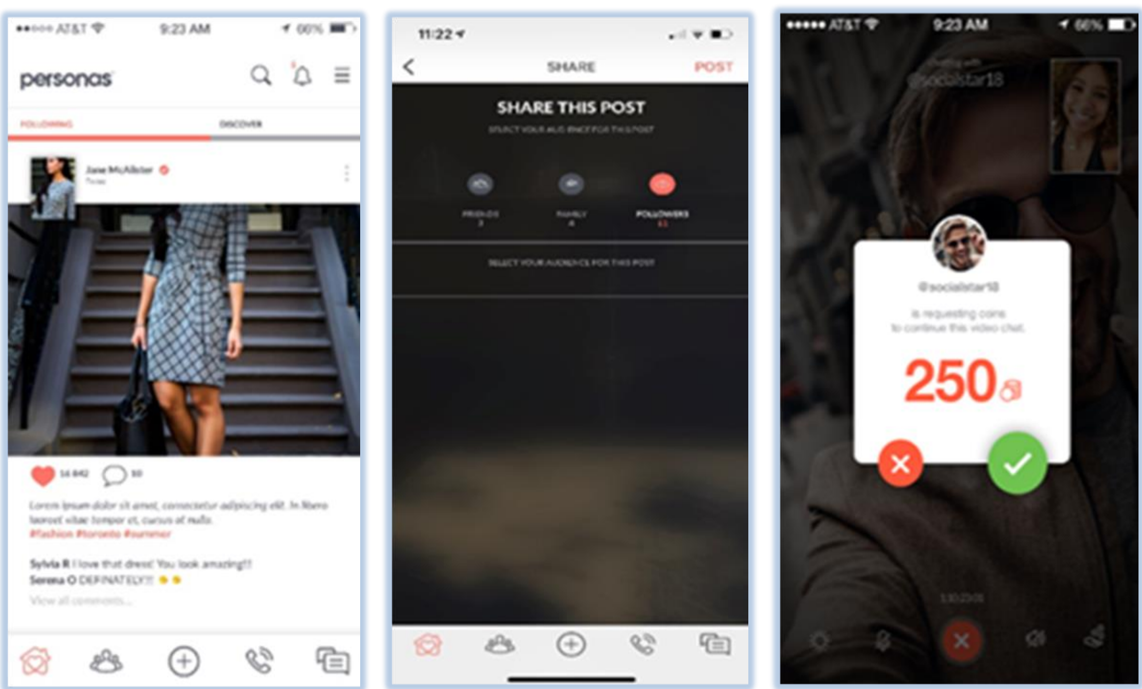
Olay, Roses Only, TV Online Store, Yves Rocher, zChocolat, Betty's Attic, AMC Networks: Shudder and Sundance Channel, Eye Buy Direct, Cooking Light Diet, Xcoser, BookVIP, Chicnico, SpaFinder, SwimSpot and Matel ™ are among 40 brands that were available upon launch as sponsors to streamers on the Peeks Social platform. Upon starting a livestream Peeks Social streamers are able to select brands to promote through the OfferBox on their streams. Streamers are then able to earn on a CPA or CPI basis. The CPA or CPI earnings are split between the streamer and the Peeks Social platform.

Personas

Personas is an ecommerce enabled video and image sharing social network that provides users with a video chat based payments system (ChatCash). Personas' ChatCash service allows users to provide (and charge for) one-on-one private tutorials, consulting services, help desk services, and any other service that is typically delivered through one-on-one chat.

Personas technology and policies are purpose designed to satisfy user demands for a "Hate Free Space" on the internet where personal privacy is protected. Personas provides greater privacy in a variety of ways; for one, by allowing users to segment their social media following into several profiles: friends, family and followers. In addition, as a policy Personas does not sell user data. Future releases of Personas will allow users to create additional profiles on demand.

The Personas apps are currently in beta-testing and are expected to be launched by the Company by March 2019. Screenshots of the Personas app are provided below:



OVERALL PERFORMANCE

Summary of Financial and Operating Results

Three Months Ended May 31, 2019, and Three Months Ended May 31, 2018

During the three months ended May 31, 2019, the Company reported a total of $810,163 in revenue, of which $580,510 relates to tipping revenue, and $293,653 relates to virtual currency revenue. This is compared to $2,103,718 reported for the three months ended May 31, 2018, of which $1,493,482 related to tipping revenue, and 610,236 related to virtual currency revenue.

For the three months ended May 31, 2019, the Company generated interest income in the amount of $123 as compared to $3,171 for the three months ended May 31, 2018. Interest income is derived from cash on hand which is invested in daily interest-bearing accounts.

Selected financial information for the Company for the indicated periods is provided below:

	Periods Ended	
	May 31, 2019	**February 28, 2019**
	$	$
Tipping revenue	580,510	1,493,482
Virtual currency revenue	229,653	610,236
Total revenue	**810,163**	**2,103,718**
Cost of Sales	495,859	1,701,372
Gross Margin	**314,304**	**402,346**
Operating expenses	1,150,330	1,090,415
Net loss for the period	670,244	659,446
Net loss per share – basic	(0.003)	(0.004)
Net loss per share – diluted	(0.003)	(0.004)

Operating expenses for the three months ended May 31, 2019, were $1,150,330 as compared to $1,090,415 for the three months ended May 31, 2018. The increase of $59,913 was mainly due to increases in salaries and benefits, slightly offset by a decrease in advertising and communications, as discussed below.

The following is the breakdown of operating expenses for the three months ended May 31, 2019 and the three months ended May 31, 2018. Details of the changes between periods are described in the notes to the table below.

Summary of Operating Expenses

	Three months ended May 31, 2019 $	**Three months ended May 31, 2018 $**
Salaries and Benefits	607,847	484,408
Advertising and Marketing	30,020	132,513
Consulting Fees	103,626	87,941
General and Administrative	233,882	238,069
Occupancy Costs	96,952	33,306
Professional Fees	59,463	105,796
Depreciation	18,540	8,382
	1,150,330	**1,090,415**

Notes:

(a) Salaries and benefits costs increased by $ 123,439 as compared to the three months ended May 31, 2018. The Amalgamation of Personas and Peeks Social was effected on May 2, 2018, after which point the Company incurred higher salaries and benefits costs as it recognized the salaries and benefits expenses of each entity's employees.

(b) Advertising and marketing decreased by $102,493 as compared to the three months ended May 31, 2018. The decrease is due to significantly decrease in marketing activities relating to the Peeks Social product and discontinuity of event sponsorship.

(c) Professional fees decreased by $46,333 as compared to the three months ended May 31, 2018. Professional fees are substantially comprised of legal fees for corporate, trademark, and litigation matters. The comparative period contained certain non-recurring costs for the negotiation and preparation of the amalgamation.

(d) Consulting fees increased by $15,685 as compared to the three months ended May 31, 2018. The increase is related to increased consulting fees relating to management, marketing, and business development services.

(e) General and administrative expenses decreased by $4,187 as compared to the three months ended May 31, 2018.

(f) Occupancy costs increased by $64,646 as compared to the three months ended May 31, 2018. The increase was due to Peeks Social occupying a new operating lease at 181 University Avenue in Toronto, Ontario, at a higher price since September 1, 2017.

(g) Depreciation for the three months ended May 31, 2019 was $8,382. The Company uses the straight-line method of amortization which expenses the cost of property and equipment evenly over the expected useful life of a long-lived asset. During the three months ended May 31, 2019, Peeks Social had amortization of $18,540 due to an investment in leasehold improvements and office furnishings for its lease at 181 University Avenue in Toronto, Ontario.

(h) The net loss per share for the three months ended May 31, 2019, was $0.003 as compared to $0.004 for the three months ended May 31, 2018.. The weighted average number of common shares outstanding for the three months ended May 31, 2019, was 246,436,868, as compared 152,310,086 for the three months ended May 31, 2018.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flow for the Year Ended February 28th, 2019, and the 14 Months Ended February 28th, 2018

Net cash generated from operating activities was $60,773 for the three months ended May 31, 2019, as compared to net cash used from operating activities of $2,245,996 for the year ended February 28, 2019. During the three months ended May 31, 2019, the Company had a decrease of $433,067 of accounts receivables, an increase of $9,781 of other receivables, an decrease of $83,874 of prepaid expenses, an increase of $466 ,524 of due to related parties, a decrease of $69,204 in accounts payable and accrued liabilities, and a decrease of $225,478 of customer deposit liabilities.

For the three months ended May 31, 2019, net cash used from financing activities was $94,474 as compared to the net cash generated from financing activities of $1,707,065 for the year ended February 28, 2019. Financing activities for the three months ended May 31, 2019, included the repayment of secured notes of $71,363 and the interest payments of $23,111. For more information on the financing activities please see "*Capital Transactions*".

For the three months ended May 31, 2019, net cash generated from investing activities was $85,060 which was due to the proceeds from the sale of short-term investments.

Liquidity

During the three months ended May 31, 2019, the Company reported a total of $810,163 in revenue, compared to $2,103,718 for the three months ended May 31, 2018. The Company will need to continue to rely upon capital raising activities, such as private placement debt and equity financings, to fund its future operations.

Selected financial information about the Company's financial position as at the indicated dates is provided below:

	May 31, 2019	February 28, 2019
	$	$
Cash	151,237	99,878
Total assets	6,554,422	7,064,186
Long-term liabilities		
Total liabilities	**6,230,147**	**6,323,653**
Share capital, contributed surplus, and warrants reserve		
Deficit	(31,580,508)	(30,910,264)
Working capital (deficiency)	(5,320,266)	(4,922,548)

During the three months ended May 31, 2019, the Company incurred a net loss of $670,243 (three months ended May 31, 2018 - $659,446) and, as of that date, the Company had accumulated a deficit of $31,580,508 (February 28, 2019 - $30,910,264). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These factors create material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

The Company has not yet realized profitable operations and has mainly relied on non-operational sources of financing to fund operations. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future.

As at May 31, 2019, total liabilities decreased to $6,230,147 as compared to $6,323,652 as at February 28, 2019. The Company is not currently paying most of its past payables relating to the now retired Keek products but is paying its ongoing monthly operational costs. The Company continues to negotiate its past payables.

During the three months ended May 31, 2019, the Company entered into a direct private placement agreement with GEM Global Yield Fund LLC SCS (GEM) and agreed to commit to initial placements of $1.5 million with an option to issue additional placements of up to $8.5 million (see *Capital Transactions*). The funds are being used to finance the Peeks Social product initiative, to maintain operations, and address liabilities on an as-needed basis.

Past financing efforts have included:

Private Placements:

Date	Unit Price	Units Sold	Gross Consideration
May 25, 2018	$0.25	1,260,000	$315,000
August 10, 2018	$0.12	1,750,000	$210,000
August 24, 2018	$0.12	500,000	$60,000
December 21, 2018	$0.10	5,250,000	$525,000
December 21, 2018	$0.15	236,250	$35,438
January 9, 2019	$0.15	26,250	$3,938

Secured Notes:

In October 2018, the Company issued $250,000 principal secured notes, which bear interest at a rate of 15% per annum payable monthly, with the principal balance being 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.

In December 2018, the Company issued $525,000 principal secured convertible notes, which bear interest at a rate of 8% per annum payable monthly, with principal balance being repayable twelve months from the date issued. These notes are secured by a General Security Agreement over all present and future assets and intangibles of the Company. The secured convertible notes have a maturity date of December 21, 2020 and are convertible into common shares at a conversion price of $0.10 per common share. If any common shares of the Company are sold for a price less than $0.10 per Share prior to conversion or repayment of the Debentures (the "Repayment Date"), the conversion price of the Debentures will be adjusted downward to the price of such financing. The conversion price was adjusted to $0.05 in July 2019, in accordance with the terms of the convertible debentures.

The Company also issued 5,250,000 warrants as part of the convertible notes. The warrants are exercisable on a one-for-one basis at a price of $0.15 per common share and expiry of December 21, 2020. If during the term of the Warrants, the Company issues warrants with an exercise price below $0.15 (the "Offering Warrant Price"), the Company will adjust the exercise price of the Warrants to equal the lesser of: (i) the Offering Warrant Price; or (ii) a 25% premium to any equity issued, provided that the exercise price of the Warrants shall not be below $0.10 per Share.

As part of the convertible debt private placements, the Company issued 262,500 brokers warrants. The warrants are exercisable on a one-for-one basis at a price of $0.15 per common share and expire on December 21, 2020.
The Company's ability to access the debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future. Should Management be unable to raise sufficient capital to fund its operations and growth there may be a material adverse effect on the Company's business, financial condition, results of operations, and its ability to continue as a going concern.

Commitments

As at May 31, 2019, the Company had material commitments for cash resources of approximately $7,735,191 which are detailed below. The Company does not currently have sufficient working capital to meet these significant commitments and will be reliant on proceeds from revenues, financing activities, and subleasing revenue to fund these commitments.

A breakdown of the Company's liabilities and obligations as at May 31, 2019, is as follows:

Liabilities and obligations	Total	Less than 1 year	1 to 4 years	After 4 years
	Payments due by period ($)			
Trade payables	2,589,687	2,589,687	-	-
Secured notes (principal amount)	772,100	772,100	-	-
Customer Deposits	965 ,696	965,696	-	-
Lease commitments (operating premises)	2,955,871	656,860	2,299 ,011	-
	7,283,354	**4,984,343**	**2,299,011**	-

On December 1, 2014, the Company subleased its premises at 1 Eglinton Avenue East, Suite 300, in Toronto, Ontario. The sublease has a term of forty-four months ending on July 30, 2018, with an option to extend the sublease until November 30, 2023, at the option of the subtenant. This sublease reduces the monthly lease obligations of the Company (shown in the table above) by approximately $55,000 per month. This reduction is not reflected in the table above.

The Company is also committed to a lease of a premises at 181 University Ave, Suite 2000, in Toronto, Ontario. The lease commenced on September 1, 2017 and ends on May 30, 2019. The Company prepaid $587,122 of rent in relation to this lease in July 2017. As at February 28th, 2019, $83,874 of this is included in prepaid expenses. There are no future minimum lease payments over the course of the lease.

The Company is also committed to the issuance of 4,000,000 common share purchase warrants pursuant to the Funding Agreement with GEM. See *Capital Transactions.*

Legal Proceedings

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

During the year ended February 28, 2017, a claim was initiated against the Company regarding finder's fees for brokering investments and business partnerships. The Plaintiff claimed damages in the amount of $15,650,000. The Company is defending the lawsuit and believes the claim is completely without merit. Although the outcome of the claim is not determinable, Management strongly believes the financial impact is insignificant and has accrued the estimated financial effect of $50,000. The claim remains outstanding as at February 28th, 2019.

During the year ended February 28, 2018, a claim was initiated against the Company regarding a contract for software development work. The plaintiff claimed damages of $440,361 due to breach of contract. During the three months ended May 31, 2019, the company settled the claim for $60,000.

Management of Capital

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 May 31, 2019, amounted to $324,275 (February 28, 2019 $740,533).

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 development and operations of its social media products and technologies for the benefit of its shareholders.

There were no changes in the Company's management of its capital during the year ended February 28th, 2019.
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, and incentive stock options, and through the issuance of debt instruments. The Company reviews its capital management methods and requirements on an ongoing basis and makes adjustments accordingly.

Capital Transactions

Three months ended May 31, 2019

On May 7, 2018, 64,976,271 common shares with a fair value of $24,041,220 were issued to effect the reverse acquisition (note 4). As discussed in notes 1 and 4, to effect the Amalgamation shareholders of Personas received 175,150,454 common shares of Peeks Social.

On May 25, 2018, the Company issued 780,000 units at a price of $0.25 per unit, for gross consideration of $195,000 being received by the Company. The Company also issued 480,000 units valued at $0.25 per unit to a third party to settle debt owing to that third party as disclosed in Note 6. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to purchase one additional common share of the Company at an exercise price of $0.35 per share, for a period of 24 months from the date of issuance. The Company paid aggregate finder's fees of $15,600 to eligible arm's length parties in connection with the private placement. The Company allocated $211,412 to share capital and $103,588 to warrants reserve based on a relative fair value basis. The relative fair value of the warrants was calculated using the following inputs to the Black-Scholes model: Stock price $0.23; Exercise price $0.35; Dividend Yield Nil; Expected volatility – 112%; Risk free interest rate 1.92%; and, Expected life – 2.00 years. The Company recorded $10,470 of costs as an offset to share capital and $5,130 as an offset to warrant reserve.

On August 10, 2018, the Company issued 1,750,000 units at a price of $0.12 per unit, for gross consideration of $210,000 being received by the Company. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to purchase one additional common share of the Company at an exercise price of $0.20 per share, for a period of 24 months from the date of issuance. The Company paid aggregate finder's fees of $16,800 to eligible arm's length parties in connection with the private placement. The Company allocated $140,923 to share capital and $69,077 to warrants reserve based on a relative fair value basis. The relative fair value of the warrants was calculated using the following inputs to the Black-Scholes model: Stock price $0.13; Exercise price $0.20; Dividend Yield Nil; Expected volatility – 112%; Risk free interest rate – 2.08%; and, Expected life – 2.00 years. The Company recorded $11,274 of costs as an offset to share capital and $5,526 as an offset to warrant reserve.

On August 24, 2018, the Company issued 500,000 units at a price of $0.12 per unit, for gross consideration of $60,000 being received by the Company. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to purchase one additional common share of the Company at an exercise price of $0.20 per share, for a period of 24 months from the date of issuance. The Company paid aggregate finder's fees of $4,800 to eligible arm's length parties in connection with the private placement. The Company allocated $37,739 to share capital and $22,261 to warrants reserve based on a relative fair value basis. The relative fair value of the warrants was calculated using the following inputs to the Black-Scholes model: Stock price $0.11; Exercise price $0.20; Dividend Yield Nil; Expected volatility – 141.42%; Risk free interest rate – 2.1%; and, Expected life – 2.00 years. The Company recorded $3,019 of costs as an offset to share capital and $1,781 as an offset to warrant reserve.

In July 2018, the Company entered into a direct placement agreement (the "Funding Agreement") with GEM Global Yield Fund LLC SCS ("GEM"). The Company has the right to issue GEM common shares under the Funding Agreement for a term of two years through a series of one or more private placements (the "Placements"). Common shares issued to GEM as part of the Placements will be at a price per share equal to the higher of a floor price set by the Company and a 10 per cent discount to the market price of the common shares based on the immediately preceding 15 day volume weighted average price. The Placements are subject to certain market out rights of GEM and approval of the TSX Venture Exchange (the "TSXV").

The Company agreed to commit to initial Placements of $1.5 million (the "Initial Placement"), with an option to issue additional Placements of up to $8.5 million (the "Additional Placements"). The Company will pay a commission of $30,000 to GEM within the twelve months following the date of the Funding Agreement related to the Initial Placement. If the Company elects to utilize any portion of the Additional Placements, it will pay an additional commission of $170,000 to GEM within twelve months of the election. The commissions are equal to 2% of the committed capital of GEM.

As part of the Funding Agreement, the Company agreed to issue 4,000,000 common share purchase warrants to GEM. The warrants will be exercisable on a one for one basis at a price equal to the greater of i) $0.583 per common share or ii) the market price of the common shares of the Company at the time of issuance. The Company has eighteen months from the date of the Funding Agreement to issue the warrants. The warrants will have an exercise period of three years. The warrant exercise price is subject to repricing to 105% of the market price of the Company's common shares on the first anniversary of the date of issuance if the market price of the common shares of the Company is less than 90% of the then current exercise price. The repricing must be done in accordance with the rules and policies of the TSXV. If the Company does not issue the warrants within 18 months of the initial execution of the Funding Agreement, the Company shall pay GEM 8% of the original face value of any unissued warrants. Should the Company elect to issue any Additional Placements, it will issue additional warrants to GEM, the amount and terms of which shall be negotiated and agreed to at the time of the election. No warrants have been issued as at February 28, 2019.
During the year ended February 28, 2019, the Company received advances of $410,023 from GEM for shares to be issued. Subsequent to February 28, 2019, the shares were issued.

In August 2018, the Company received a short term advance in connection with the Funding Agreement of $300,000 from GEM, which is contemplated to be repaid through one or more Placements. The advance is unsecured, carries interest at 10% per annum calculated semi annually, and is due on demand after 90 days. As at February 28, 2019, the Company has recognized a deferred financing costs amounting to $30,000 which will be offset against equity once the common shares are issued.

Disclosure of Outstanding Share Data

The Company had the following shares and securities convertible into shares outstanding at the following dates:

	May 31, 2019	February 28, 2019
Common Shares	243,636,725	243,636,725
Warrants, convertible into Common Shares	16,222,500	16,222,500
Stock Options, convertible into Common Shares	7,182,831	7,182,831
Common Shares - Fully Diluted	**267,042,056**	**267,042,056**

See "*Notes to the Amended and Restated Consolidated Interim Financial Statements for the three months ended May 31, 2019 – Note 8*".

RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of business and are measured at the exchange amount which is the amount of consideration established by and agreed to by the related parties. Related party transactions for the three months ended May 31, 2019 and the year ended February 28, 2019, are as follows:

a) On May 2, 2018, Peeks Social completed a reverse acquisition with Personas. See note 4.

b) During the year ended 28 February 2019, the Company paid $150,000 (2018 - $325,000) in consulting fees to Riavera Corp., a significant shareholder ("Riavera"), in relation to management consulting and technology integration services.

c) On July 4, 2017, and August 1, 2017, Peeks Social issued short-term loans to Personas with a principal amount of $200,000 and $300,000, respectively, to facilitate a joint product initiative and fund broadcaster payouts relating to the "Peeks Social" livestreaming mobile product. The loans beared interest at 5% per annum and were due on December 31, 2017. The due date was subsequently extended indefinitely pending the completion of the Amalgamation. Personas accrued $7,822 of interest on the loans prior to the Amalgamation. The loans and accrued interest were eliminated upon consolidation (see note 4).

d) As at the date of the Amalgamation, on May 2, 2018, advances from Peeks Social to Personas were $1,911,909 (including the notes payable and accrued interest - see note 13(c), which were eliminated on consolidation.

e) Immediately prior to the Amalgamation, Riavera forgave $3,450,732 of related party debt of Personas. See note 4.

f) Between May 2, 2018, and February 28, 2019, Riavera, along with Telebuy Inc. and Peeks.com Corp (entities under the control of the Company's CEO), (net of expenses and user withdrawals paid on behalf of the Company), which comprise the balance of due from related parties as at February 28, 2019. The advances from related parties were used for working capital distribution during the year ended February 28, 2019.

g) During the year ended February 28, 2019, the Company's CEO paid sponsorship fees of $140,000 on behalf of the Company along with advances for working capital. The company received reimbursements and advances netting to $360,272 owning to related parties at February 28, 2019.

h) During the three months ended May 31, 2019, the Company paid $75,442 (2019 - $150,000) in consulting fees to Riavera Corp., a significant shareholder ("Riavera"), in relation to management consulting and technology integration services.

i) During the three-month period ended May 31, 2019, the Company’s CEO advanced a cash injection of $556,297 for working capital.

SUBSEQUENT EVENTS

The following significant transactions occurred subsequent to the three months ended May 31, 2019:

a) On June 28, 2019, the Company issued an aggregate of 22,825,940 units at a price of $0.05 per unit, including 22,325,940 units issued to Mark Itwaru, CEO of the Company for gross proceeds of $1,141,297; and 762,000 common shares at a price of $0.05 per share to the former Chief Financial Officer of the Company, in exchange for services rendered. The Company is relying upon available exemptions from Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions in connection with the subscription for securities by its CEO and CFO as the transactions constitute “related party transactions”. Each paid unit consisted of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to purchase one additional common share of the Company at an exercise price of $0.10 per share for a period of 24 months from the date of issuance. The common shares and warrants were subject to a four month hold period.

The Company also announced that it has granted an aggregate of 6,975,000 options to certain directors and officers; advisors and contractors of the Company in accordance with the Company's Stock Option Plan, of which 5,500,000 were granted to directors and senior officers. The options are exercisable at a price of $0.05 for a period of 5 years from the date of grant and expire on June 30, 2024. The options vest over a period of 1 year in equal installments of 1/3 of options granted every 4 months from the date of the grant.

b) On July 4th 2019, the Company obtained a management cease trade order ("MCTO") from the Ontario Securities Commission (OSC). The MCTO prohibited trading in securities of the Corporation by certain insiders of the Corporation, and was obtained as an alternative to a full cease trade order of the Company's securities, as the Company knew at that point it would be late in the filing of its audited financial statements for the year ended February 28, 2019, and the related management's discussion and analysis, and certifications for this period (collectively, the "Required Filings") before the June 28, 2019 filing deadline (the "Filing Deadline"). The MCTO provided the Company with the opportunity to file the Required Filings by August 30, 2019. The Company was not able to remedy the default by filing the Required Filings by August 30, 2019 and as a result, the OSC issued a full Cease Trade Order ("CTO") effective September 9, 2019, prohibiting all trading in the Company's securities and the TSX Venture Exchange suspended the Company from trading on the exchange.

c) On July 5, 2019, the Company received notification from holders of the Company's senior secured convertible debentures seeking conversion of part of their holdings. The debentures issued in a series of two (2) tranches on December 27, 2018 and January 11, 2019 have a term of two years and bear interest at a rate of 8% per annum. Total proceeds from both the tranches came to a total of $525,000, of which $125,000 of the note is being converted as per the provisions of the debenture. The conversion is set at a price of $0.05 whereby a total of 2,500,000 shares was issued to holders of the debenture.

d) On September 30, 2019, the Company relocated its office to a new location at 11th floor, 151 Yonge Street, Toronto, Ontario M5C 2W7.

e) On October 25, 2019, the Corporation filed the Required Filings. At the time of publishing these financial statements and MD&A for the first quarter ended May 31, 2019, the CTO has not been revoked.

OFF-BALANCE SHEET ARRANGEMENTS

The company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

INVESTOR RELATIONS

Investor relations were performed by the Company for the year ended February 28th, 2019.

SEGMENTED INFORMATION

The Company operates in one operating segment. Management assesses performance and makes decisions about allocating resources based on this one business segment. All of the Company's assets are located in Canada. The following table shows the revenue for the three months ended May 31, 2019, and the three months ended May 31, 2018, based on the geographic location of the customer:

Revenue based on the geographic location of the customer ($)

	Three Months ended May 31, 2019	Three Months ended May 31, 2018
Canada	20,529	68,052
United States	596,238	1,612,898
Africa, The Middle East, and India	127,931	247,020
Europe	51,340	142,884
Other	14,145	32,864
	810,163	**2,103,718**

IFRS 16 Leases

The Company has adopted IFRS 16 with an initial adoption date of March 1, 2019. The Company used the modified retrospective method to adopt the new standard and therefore, the comparative information has not been restated and continues to be reported under IAS 17 and related interpretations.

IFRS 16 specifies how leases will be recognized, measured, presented and disclosed and it provides a single lessee model, requiring lessees to recognize right-of-use assets and lease liabilities for all major leases. The Company's accounting policy under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's borrowing rate. The Company used its borrowing rate as the discount rate.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

Financial Instruments and Risk Management

Fair Values

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

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

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

As at May 31, 2019, and February 28, 2018, cash was carried at Level 1 in the fair value hierarchy. As at May 31,, 2019, the short-term investment was carried at level 1 in the fair value hierarchy.

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 amended and restated consolidated interim statements of financial position. The secured notes bear interest at fixed rates of 12% and 15%, and the short-term loans payable bear interest at a fixed rate of 10%, 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.

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.

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. The Company has revenue from operations however continues to rely on equity and debt funding to support its development and corporate activities. Should the need for further equity or debt funding arise, there is a risk that the Company may not be able to sell new common shares at an acceptable price or debt instruments at an acceptable interest rate level.

The Company has sustained losses over the last number of periods and has financed these losses mainly through a combination of equity and debt offerings. Management believes that it has raised sufficient cash to meet all of its contractual debt that is coming due in 2019 and has the ability to fund any operating losses that may occur in the upcoming periods.

The table below summarizes the Company's contractual obligations into relevant maturity groups at the balance sheet date based on the expected contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows for operations:

	2020	2021	2022	2023	2024 and thereafter	Total
Trade payables	$2,669,020	-	-	-	-	$2,669,020
Customer deposits	1,191,174	-	-	-	-	1,191,174
Secured notes & convertible debt	754,911	-	-	-	-	754,911
Total	**$4,615,105**	**-**	**-**	**-**	**-**	**$4,615,105**

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 accounts receivable. The Company's cash is on deposit with Canadian Tier 1 chartered banks therefore the associated credit risk is low. Accounts receivable are in the normal course of business.

Other Risks and Uncertainty

- ❖ If the Company is unable to advance its product and technology, specifically in the transition to the live-streaming space, its technology may become obsolete with significant impact to its ability to raise additional capital.
- ❖ If the Company is unable to compete effectively for users and advertiser spend, its business and operating results will be harmed.
- ❖ The Company has incurred significant operating losses in the past, and it may not be able to achieve or subsequently maintain profitability.
- ❖ The Company has a limited operating history in a new and unproven market for its platform, which makes it difficult to evaluate its future prospects and may increase the risk that it will not be successful.
- ❖ If the Company fails to grow its user base, or if user engagement or ad engagement on its platform declines, its revenue, business and operating results may be harmed.
- ❖ The Company's products and services may contain undetected software errors, which could harm its business and operating results.
- ❖ Regulatory investigations and settlements could cause the Company to incur additional expenses or change its business practices in a manner materially adverse to its business.
- ❖ Privacy concerns relating to the Company's products and services could damage its reputation and deter current and potential users and advertisers from using the products and services.
- ❖ The Company may face lawsuits or incur liability as a result of content published or made available through its products and services.
- ❖ The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of its products, services and brand.
- ❖ The Company requires additional capital to support its operations and the growth of its business, and it cannot be certain that this capital will be available on reasonable terms.

Investors should carefully consider the risks and uncertainties described above and in the financial statements. The risks and uncertainties described in the Company's financial statements and MD&A are not the only ones it faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect its business. For a more complete discussion of the risks and uncertainties which apply to the Company's business and its operating results, please see the Company's Filing Statement, Management Information Circular, and other filings with Canadian securities regulatory authorities on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION:

Additional information relating to the Company including the interim amended and restated financial statements for the three months ended May 31, 2019, the audited consolidated annual financial statements of Peeks Social Ltd. for the year ended February 28, 2019, the audited annual financial statements of Personas.com Corporation for the fourteen months ended February 28, 2018, Filing Statement, Management Information Circular, and press releases issued by the Company, are available under the Company's profile on SEDAR at www.sedar.com or at investors.k.to.