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MD&A

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

for the Three and Nine Months Ended November 30, 2019

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The following Management's Discussion and Analysis ("MD&A") comments on the unaudited consolidated interim financial condition and results of operations of Peeks Social Ltd. for the three and nine months ended November 30, 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 consolidated interim financial statements for the three and nine months ended November 30, 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 January 29, 2020. 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 consolidated 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 nine months ended November 30, 2019, the Company incurred a net loss of $2,538,027 (Nine months ended November 30, 2018 - $2,938,694) and, as of that date, the Company had accumulated a deficit of $33,290,013 (February 28, 2019 - $30,910,264) and negative cash flows from operations of $1,194,372 (Nine months ended November 30, 2018 - negative $1,773,599). 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 consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

ABOUT PEEKS SOCIAL LTD.

Peeks Social Ltd. ("Peeks", "Peeks Social", or the "Company"), was incorporated on May 20, 2004, under the *Business Corporations Act* (British Columbia) and on January 10, 2008, was continued under the laws of the Province of Alberta. The Company is publicly traded and listed on the TSX Venture Exchange ("TSX-V") under the symbol "PEEK". The Company's stock is also quoted in the United States on the OTCQB market under the symbol "PKSLF". The Company's head office is 181 University Ave, Suite 2000, Toronto, Canada, M5H 3M7.

The Company's core business is to generate revenue through the offering of live streaming social media products and services for use by consumers and businesses on its live streaming social media platform, 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 web-based products, including mobile applications which are complete with enterprise grade global ecommerce infrastructure including multi-currency, multi-lingual, turnkey mobile commerce suites for users.

On May 2, 2018, Peeks Social completed a reverse acquisition with Personas.com Corporation ("Personas"), a private Ontario company and a related party by nature of it being under the common control of Peeks Social's CEO, Mark Itwaru. The transaction enabled the Company to fully own the live streaming technology platform that it was previously licensing from Personas for the use in its business.

OVERVIEW OF THE BUSINESS AND OPERATIONAL HIGHLIGHTS

Products and Product Development

Until 2016, the Company's flagship product and core line of business was an online social video platform for both web and mobile (with an emphasis on mobile) which allowed users to upload and share personal videos of themselves or events surrounding them, their "self-expression". This product was known as "Keek".

In November 2016, the legacy Keek mobile apps were transitioned from a "social media" video platform to a "social commerce" livestreaming platform, at which time they were rebranded under the product name "Peeks Social". Peeks Social is best described as "a social commerce enabled livestreaming platform." The Company has developed three main social media apps for its platform, namely Peeks Social, Personas and WADSPro, as well as a number of services which vary within each social media app.

<u>The Peeks Social Platform</u>

The Peeks Social Platform is a robust live streaming, mobile enabled social commerce platform that provides broadcasters and content creators with a wide variety of proprietary content monetization services. Content creators can make money by charging their viewers monthly subscription fees (Subscription Service), by receiving donations from viewers (Tipping Service) and by charging viewers for access to content (Paywall Service). In addition, the Peeks Social Platform provides a proprietary AdShare Service. The AdShare service allows all content creators to make money through advertising by selecting sponsored ads that run on their video content. The AdShare network dynamically matches sponsors with content creators and allows the content creators to select their desired sponsors. The Company shares its cost per impression-based advertising revenues with the content creator; thereby allowing content creators an effortless way to make money. The Company's social media apps and various features are described below.

<u>Peeks Social App</u>

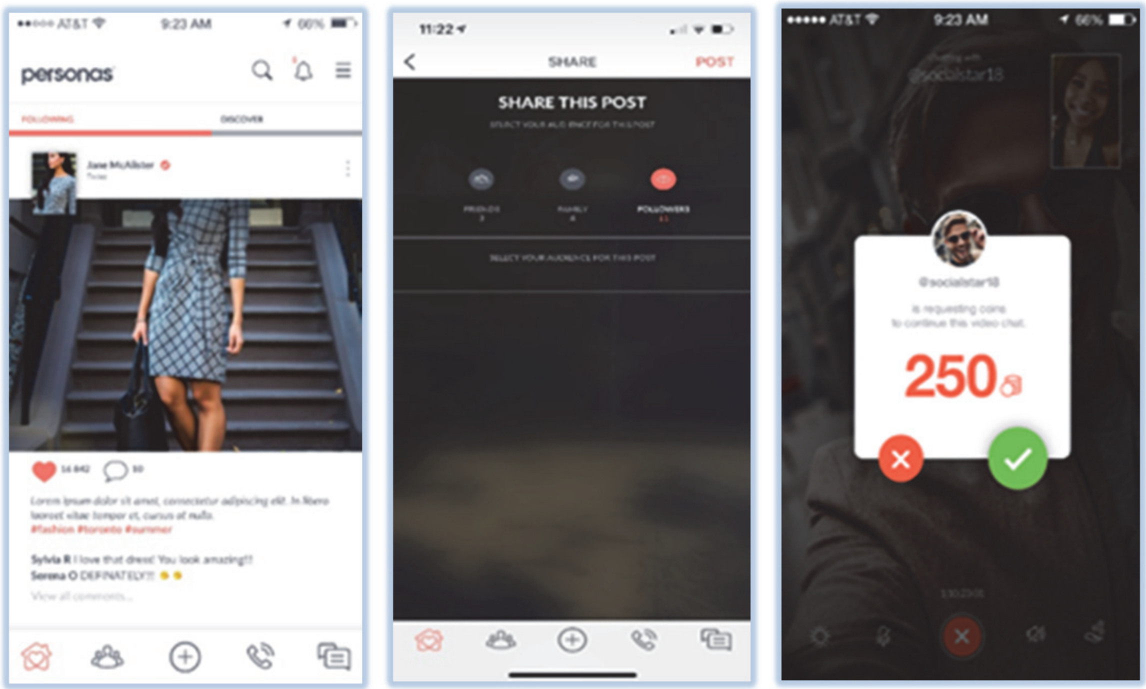
The Peeks Social app allows users to view and interact with content or to livestream or broadcast themselves (a "Broadcaster") on a personal interactive social commerce enabled mobile platform. By simply tapping their screen, users of the Peeks Social app can send "likes", tip Broadcasters real money, chat, and interact with content providers, all in real-time. The Peek Social app differentiates itself from its competitors in several ways – (1) Peeks Social provides a real-time, engaging, and monetizeable user experience to all of its users; (2) its enterprise grade global social commerce 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.

<u>Personas App</u>

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 purposely 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 are expected to allow users to create additional profiles on demand.

Screenshots of the Personas app are provided below for illustration:



WADSPro App

WADSPro 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 the market with 355 billion minutes of eSports and gaming streams watched in 2017 -- a 22% year over year increase as compared to 2016.

The Company believes that the unique features of the WASDPro service will provide eGamers and their fans, with one of the most satisfying eGaming streaming experiences in the industry today. According to Goldman Sachs 3.5 billion people are online today and nearly 2.2 billion are active video gamers. Video Gaming today is a US$180 billion industry projecting to grow at a 5% compounded annual growth rate. By 2022, the relatively new eSports segment of the industry is projected to reach an audience of 276,000,000 people similar in size to the audience of the National Football League (NFL). Currently 50 colleges have varsity eSports teams and discussions have been held for inclusion of eSports in the 2024 Paris Olympics. Goldman Sachs has identified the opportunity for live-streaming to monetize the growth of eSports in a way that few other businesses can. The WADSPro app is currently in beta testing and development.

Product Development

During the three and nine months ended November 30, 2019, the core development team at the Company was primarily engaged in the continued advancement of the Peeks Social Platform. A high-level timeline since the start of the calendar year in 2019 relating to the integration and development of the Company's products is provided below:

- January 2019 – The Company announced that development work on Personas release 1.0 was 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 entered beta-testing, and subsequently made a submission to the Apple AppStore and Google Play Store.

- 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 disrupted the Company's prior business model and resulted in a poor quality of service to users and a significant amount of complaints. As a result, the Company's App ratings suffered as did the use of the Peeks Service by Broadcasters.

- 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. One of the unique features of WASDPro will be an intelligent subscription service. This service will facilitate intelligent subscriptions which may deployed across the Company's applications.

- 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 supported the Company's development of the WASDPro app. The WASDPro beta site was subsequently made available in May 2019.

- May 2019 – The Company announced the official launch of the Personas Social Network (Personas) 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.

- January 2020 – The Company restructured its payment protocol and implemented faster payout on a number of its services which have resulted in Broadcasters receiving payouts in days on average as opposed to the several weeks that they experienced in 2019. The Company added direct deposit and email money transfer as payout options for Broadcasters. Email money transfer is restricted to VIP Broadcasters and settles as fast as several minutes. Direct deposit settles in 1 to 3 days. The improvement in payouts to Broadcasters has significantly improved user satisfaction to the extent to which the App ratings in the US iOS AppStore have recovered to over 4 stars on average.

Product Features, Monetization and Revenue

The Company currently derives its revenue by charging fees (described below) on transactions processed on the Peeks Social Platform. The Peeks Platform is utilized by both content providers and by viewers (users). Users can currently transact inside Peeks by "tipping" a Broadcaster or by paying to access a "paid broadcast". All users (both Broadcasters and viewers) have 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.

Platform fees

Upon receipt of a tip or payment for a paid stream, the Company charges the Broadcaster a platform fee based on a percentage of the payments received by the Broadcaster. The platform fee varies with the Broadcaster's rating as determined by the viewers of the Broadcaster's content. 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%

For the nine months ended November 30, 2019, the average platform fee charged by the Company on transactions in the Peeks Social service was approximately 31%.

Tipping

The tipping mechanism is available to viewers of content in the Peeks Social app, the Personas App and the WASDPro app and allows a viewer to send tips to a Broadcaster in either real-time or on a previously recorded livestream or uploaded video. Tip amounts currently available on the Android platform are $0.25, $0.50, $1.00, $5.00, $10.00. On the iOS platform, tips may be sent in the amounts of 5, 10, 20, 100, or 200 coins. Once sent, the tip(s) are then withdrawn from the viewer'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 content. This is available in the Peeks Social app, the Personas App and the WASDPro app. 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.

Get Popular

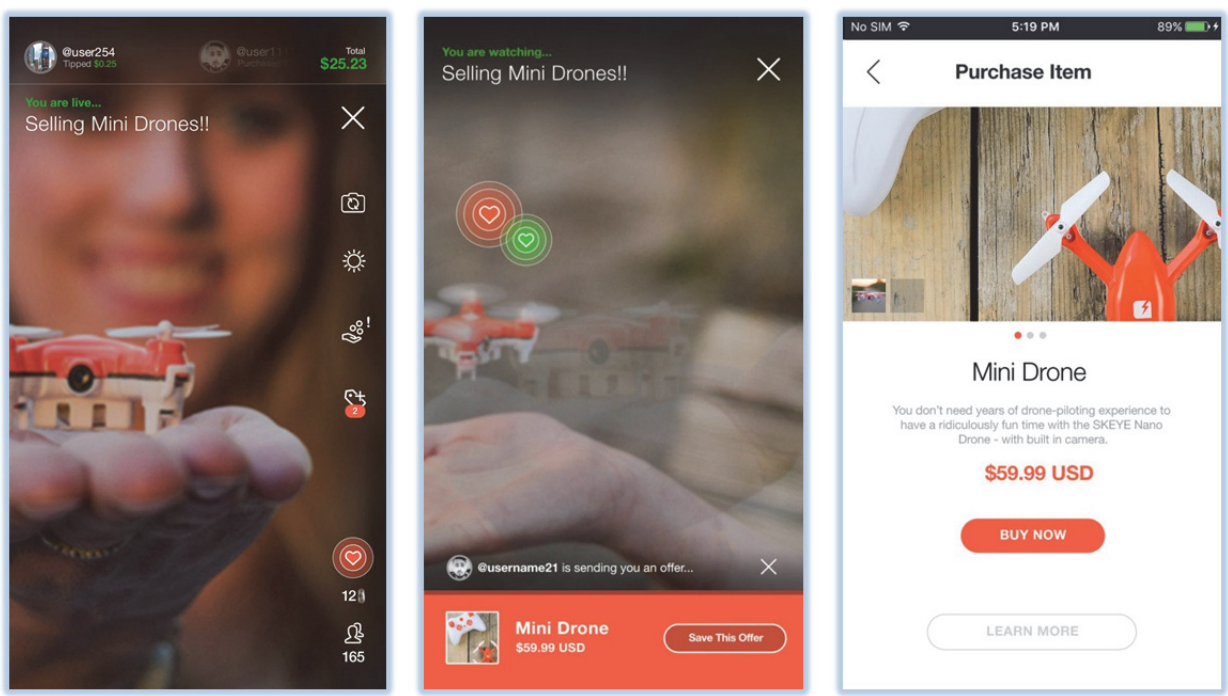
The Get Popular service is a self-promotion tool which will allow Broadcasters to purchase advertising units for themselves or for their content to be featured in certain positions in the Peeks Social app's Popular Channel, Live Channels, and similar pages on all the Company's applications. This is available in the Peeks Social App, the Personas app, and the WASDPro app. The feature was launched in October 2017 in the Peeks Social App. 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)

OfferBox

The OfferBox was the first merchant tool to be added to the Peeks Social app. This feature can be activated in Personas and in WASDPro. 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 by the images below:



From Left to Right:

- A Broadcaster selling “Mini Drones” inside a livestream on the Peeks Social app.
- 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”.

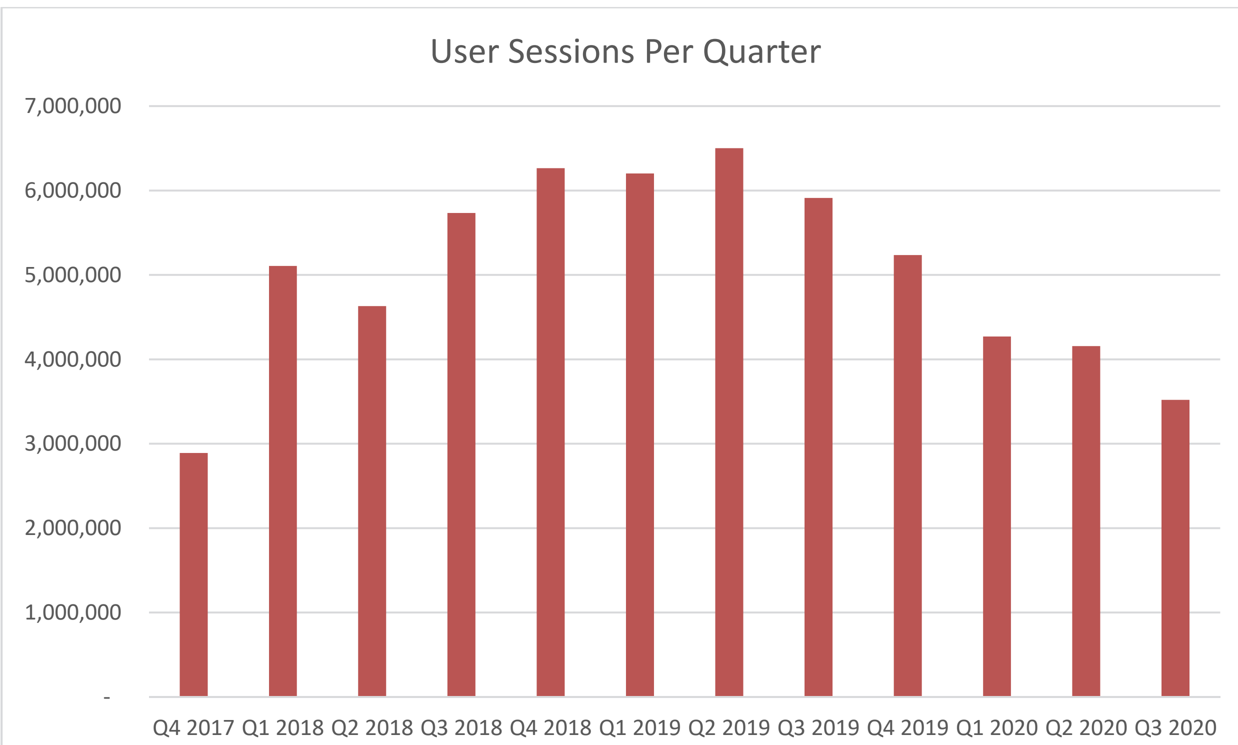
AdShare Program

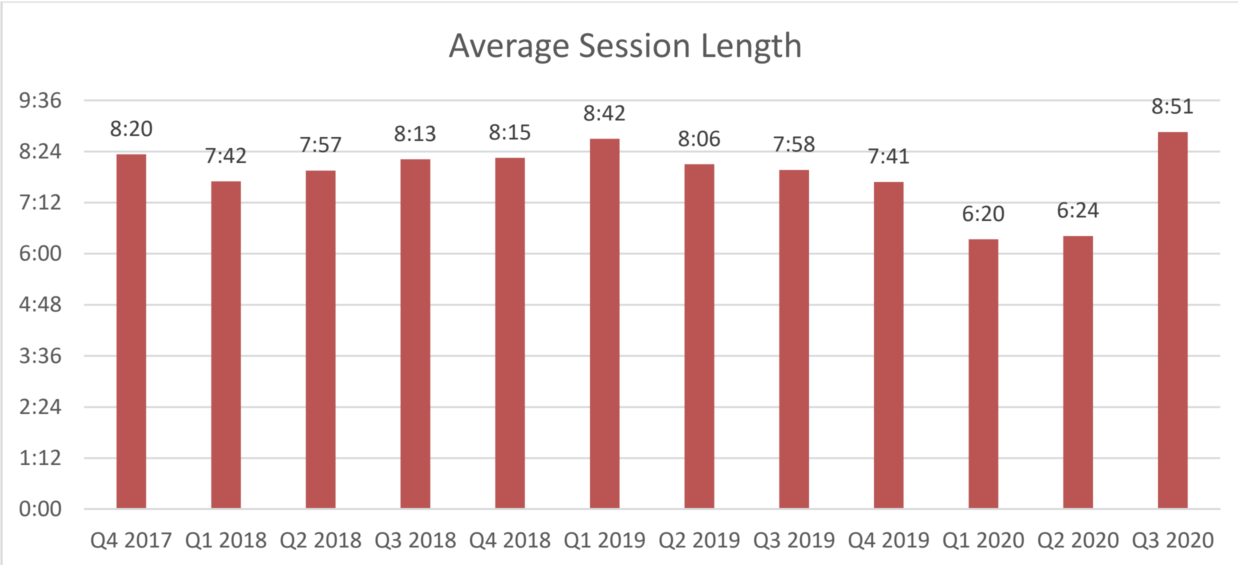
The AdShare Program was launched in January 2018 and was purposely built to facilitate the sale of ad units available for sale on broadcast television and on digital platforms. Specifically, the AdShare Program facilitates the sale of product placement ads, Cost per Install (CPI) ads, Cost per Action (CPA) ads, onscreen overlays and affiliate marketing programs. The Adshare program is available in both the Peeks Social app and WASDPro.

The AdShare Program interacts with the OfferBox so that ads can result in direct sales. The AdShare Program allows broadcasters to become advertisers if they so choose. Advertisers have the ability to target advertisements based on a wide variety of viewer demographics including location, age, gender and individual tastes. Upon starting a livestream broadcasters are able to select brands to promote through the OfferBox on their streams. Broadcasters are then able to earn on a CPA or CPI basis. The CPA or CPI earnings are split between the Broadcaster and the Company.

Product Performance (KPIs)

The Company routinely monitors certain key performance indicators or KPIs that it has identified as important in understanding the performance of the Peeks Social app. The charts below present select KPIs on a quarterly basis for the Company's fiscal year ended February, and the table below provides a summary of select recent quarterly KPIs for the Peeks Social app. KPIs are published quarterly.





	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Sessions	2,889,800	5,106,716	4,630,674	5,733,942	6,263,948	6,202,592	6,501,365	5,911,332	5,235,131	4,270,586	4,156,656	3,519,823
Avg. Duration	8:20	7:42	7:57	8:13	8:15	8:42	8:06	7:58	7:41	6:20	6:24	8:51

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.
2. Starting from November 2019, Google revised their data tracking method for mobile devices (including iOS and Android) due to the change from Google Analytics to Firebase Analytics, which can yield different results. We are monitoring the impact of this change on the reporting metrics and will report on any material differences in our next reporting period as warranted.

MARKET TRENDS, PRODUCT DEVELOPMENT, AND BUSINESS OUTLOOK

Peeks Social has deployed a global platform for public self-expression, communication, and monetary transaction in real time. The Company's apps are free for download. 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 through its social media apps.

As a social commerce platform, Peeks Social connects content providers, viewers, advertisers, brands and retailers in a seamless organic social commerce ecosystem. The Company's platform allows premium content creators to monetize their popularity by sharing in advertising revenues and by being able to charge viewers for access to content. Additionally, the platform allows 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.

Management believes that livestreaming will continue 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. Over its history, the Company has been successful in driving vast amounts of users to its products. Management is planning to replicate similar user growth strategies for Peeks Social. This user driven business strategy can be paired with new customer services and an innovative monetization strategy across different verticals, such as the existing tipping, paid broadcasts, monetization features such as the OfferBox, as well as potential subscription sales as described above (see "*Products and Product Development" above and "Outlook" 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.

Outlook

The Company recently announced the launch of an Agent Referral Program that allows approved agents to recruit new users for the Peeks Social Platform. Affiliate marketers are paid a commission on the platform fees charged to Broadcasters. The Company has built integrated affiliate marketing software into its wallet that allows affiliate marketers to track both the performance of the users they have attracted to Peeks Social and to track their commissions. The initial response has been strong and the Company expects this feature to have a material impact on its 4th quarter results ended February 29, 2020, and going forward on its 1st quarter for the year ended February 28, 2021 and beyond.

The Company has also completed the development of its subscription services. Subscription services will allow users to pay a monthly subscription to access individual Broadcaster content. The addition of subscription services allows the Company to compete with other subscription-based services such as Only Fans and Patreon which provide content creators with the ability to monetize their social media presence. The above efforts are part of what the Company is calling the Peeks 2020 Reboot launch. The intent of the Peeks 2020 initiative is to re-engage its Broadcaster base to achieve the levels of engagement it previously experienced in prior fiscal periods.

It is Management's belief that the changes the Company has made over the last 12 months should promote improved fiscal stability. The Company's strategy also involves continuing its ongoing discussions with potential partners to develop additional revenue streams which are expected to involve licensing the Peeks Social Platform (white labeling) for different content based verticals. The Company expects to be in a position to provide a more substantive update on its licensing efforts in its next financial report for the year ended February 29, 2020.

SUMMARY OF FINANCIAL AND OPERATING RESULTS

Three Months Ended November 30, 2019, and Three Months Ended November 30, 2018

During the three months ended November 30, 2019, the Company reported a total of $644,109 in revenue, of which $463,864 relates to tipping revenue, and $180,244 relates to virtual currency revenue. This is compared to $1,685,590 reported for the three months ended November 30, 2018, of which $1,191,895 related to tipping revenue, and $493,695 related to virtual currency revenue. This drop in revenue is due to payment related issues to Broadcasters when Apple and Google instituted their mandatory payment services. The Company has now launched its 'Peeks Reboot 2020' which includes accelerated Broadcaster payout services and the launch of an agent referral program that allows approved agents to recruit new users for the Peeks Platform.

For the three months ended November 30, 2019, the Company generated nil interest income as compared to $446 for the three months ended November 30, 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	
	November 30, 2019	**November 30, 2018**
	$	$
Tipping revenue	463,865	1,191,895
Virtual currency revenue	180,244	493,695
Total revenue	**644,109**	**1,685,590**
Cost of Sales	360,099	1,250,125
Gross Margin	**284,010**	**435,465**
Operating expenses	1,347,603	1,520,613
Net loss for the period	1,063,593	1,085,148
Net loss per share – basic	(0.004)	(0.003)
Net loss per share – diluted	(0.004)	(0.003)

Operating expenses for the three months ended November 30, 2019, were $1,347,603 as compared to $1,520,613 for the three months ended November 30, 2018. The decrease of $173,010 was mainly due to the decrease in salaries and benefits, general and administration and advertising and communications, driven by the Company's cost cutting strategy as discussed below.

The following is the breakdown of operating expenses for the three months ended November 30, 2019, and the three months ended November 30, 2018. Details of the changes between periods are described in the notes to the table below.

Summary of Operating Expenses

	Three months ended November 30, 2019	**Three months ended November 30, 2018**
Salaries and Benefits	602,097	703,400
Advertising and Marketing	15,774	86,937
Consulting Fees	109,760	194,926
General and Administrative	214,079	415,031
Occupancy Costs	138,603	83,624
Professional Fees	261,963	10,001
Depreciation	5,327	26,694
	1,347,603	**1,520,613**

Notes:

(a) Salaries and benefits costs decreased by $101,303 as compared to the three months ended November 30, 2018. This is due to cost cutting measures made by management in the forms of reduction of head count.

(b) Advertising and marketing decreased by $71,163 as compared to the three months ended November 30,

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 significantly increased by $251,962 as compared to the three months ended November 30, 2018 mainly due to the increase in audit fees given the increased scope and complexity of work.

(d) Consulting fees decreased by $85,166 as compared to the three months ended November 30, 2018 mainly due to cost cutting efforts by management to reduce the use of consulting services relating to management, marketing, and business development services.

(e) General and administrative expenses decreased by $200,952 as compared to the three months ended November 30, 2018. This is due to cost cutting measured made by management associated with IT infrastructure costs.

(f) Occupancy costs increased by $54,979 as compared to the three months ended November 30, 2018. The increase was due to company's lease ending and renewing at a higher market rate.

(g) Depreciation for the three months ended November 30, 2019 was $5,327. 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.

(h) The net loss per share for the three months ended November 30, 2019, was $0.004 as compared to $0.003 for the three months ended November 30, 2018.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flow for the nine months ended November 30, 2019 and November 30, 2018

Net cash used in operating activities was $1,194,372 for the nine months ended November 30, 2019, as compared to net cash used in operating activities of $1,773,599 for the nine months ended November 30, 2018. During the nine months ended November 30, 2019, the Company had a decrease of $384,303 of accounts receivables, an increase of $29,862 of other receivables, a decrease of $89,018 of prepaid expenses, a decrease of $30,000 in deferred financing costs, an increase of $123,429 of due from related parties, an increase of $309,675 in accounts payable and accrued liabilities, and an increase of $334,292 of customer deposit liabilities.

For the nine months ended November 30, 2019, net cash generated from financing activities was $946,886 as compared to the net cash generated from financing activities of $1,206,706 for the nine months ended November 30, 2018. Financing activities for the nine months ended November 30, 2019, included the repayment of secured notes of $110,788, proceeds from issuance of shares of $1,141,297, interest payments of $49,973 and payment of finance lease obligation of $33,651. For more information on the financing activities please see "*Capital Transactions*".

For the nine months ended November 30, 2019, net cash generated from investing activities was $168,179 which was due to the proceeds from the sale of short-term investments.

Liquidity

During the nine months ended November 30, 2019, the Company reported a total of $2,357,485 in revenue, compared to $5,868,597 for the nine months ended November 30, 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. While there is no written commitment, the principal shareholder and CEO, Mark Itwaru, has historically provided financial support to the Company in times of cash shortages in between funding events.

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

	November 30, 2019	February 28, 2019
	$	$
Cash	20,570	99,878
Total assets	7,212,819	7,064,186
Long-term liabilities		
Total liabilities	7,148,550	6,323,653
Share capital, contributed surplus, and warrants reserve		
Deficit	(33,290,013)	(30,910,264)
Working capital (deficiency)	(5,374,831)	(4,922,548)

During the nine months ended November 30, 2019, the Company incurred a net loss of $2,538,027 (Nine months ended November 30, 2018 - $2,938,694) and, as of that date, the Company had accumulated a deficit of $33,290,013 (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.

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.

Financing efforts for the nine months ended November 30, 2019 have included the following:

Private Placements:

Date	Unit Price	Units Sold	Gross Consideration
June 27, 2019	$0.05	22,325,940	$1,116,297
June 27, 2019	$0.05	500,000	$25,000

Secured Notes:

As at November 30, 2019, the Company had outstanding secured notes in the principal amount of $597,100. During the 9 months ended November 30, 2019, the Company repaid secured notes of $110,788 and converted $125,000 to common shares pursuant to the terms of the instruments. Please refer to note 10 in the Consolidated Unaudited Interim Financial Statements for full details of the notes.

Commitments

As at November 30, 2019, the Company had material commitments for cash resources of approximately $7,434,811 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 November 30, 2019, is as follows:

Liabilities and obligations	Payments due by period ($)				
	Total	Less than 1 year	1 to 4 years	4 to 5 years	After 5 years
Trade payables	3,001,325	3,001,325	-	-	-
Secured notes (principal amount)	597,100	597,100	-	-	-
Customer Deposits	1,525,466	1,525,466	-	-	-
Lease commitments (operating premises)	2,627,441	656,860	1,970,581	-	-
	7,751,332	**5,780,751**	**1,970,581**	**-**	**-**

The Company has been able to sublease its premises at 1 Eglinton Avenue East, Suite 300, in Toronto, Ontario until November 30, 2023. This sublease reduces the monthly lease obligations of the Company (shown in the table above) by approximately $55,000 per month. Over the term of the lease, this reduction amounts to an aggregate of $2,601,870 of the $2,627,441 lease obligation noted above, and is not reflected in the table above.

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 consolidated 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. There has been no significant activity relating to the claim, however, the claim remains outstanding as at November 30, 2019.

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 November 30, 2019, amounted to $64,269 (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 nine months ended November 30, 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. The principle shareholder will continue to support the company until such funding is raised.

Capital Transactions

Three and nine months ended November 30, 2019

On March 21, 2019, the Company issued 2,771,211 units at a price of $0.07 per unit to settle debts (Note 11 to the Consolidated Financial Statements) and 857,143 units at a price of $0.07 per unit in exchange for services provided.

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 allocated $866,498 to share capital and $274,799 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 $0.03; Exercise price $0.1; Dividend Yield Nil; Expected volatility – 112.66%; Risk free interest rate – 1.49%; and Expected life – 1 to 2 years.

In July 2019, the Company has also 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 will be issued to holders of the debenture subject to TSX Venture Exchange approval.

Disclosure of Outstanding Share Data

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

	November 30, 2019	**February 28, 2019**
Common Shares	278,810,019	243,636,725
Warrants, convertible into Common Shares	35,848,440	16,222,500
Stock Options, convertible into Common Shares	14,032,499	7,182,831
Common Shares - Fully Diluted	**328,690,958**	**267,042,056**

See "*Notes to the Consolidated Financial Statements for the three and nine months ended November 30, 2019*".

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 nine months ended November 30, 2019, are as follows:

a) During the nine months ended November 30, 2019, the Company paid $254,250 (nine months ended November 30, 2018 - $175,000) in consulting fees to Riavera Corp., a significant shareholder ("Riavera"), in relation to management consulting and technology integration services.

SUBSEQUENT EVENTS

The following significant transactions occurred subsequent to the three and nine months ended November 30, 2019:

a) The Company held its Annual General Meeting on Monday January 27, 2020, 3pm EST at 100 King St. West, Suite 1600, Toronto, ON, M5X 1G5;

b) On January 2, 2020, the Company completed the outstanding filings and administrative action as required by the TSX Venture Exchange (the "Exchange") in order to reinstate its common shares for trading on the Exchange. The common shares of the Company resumed trading on January 3, 2020. In addition, in connection with completion of outstanding matters as part of the reactivation process with the Exchange, the Company cancelled 762,000 common shares that were issued on June 27, 2019, to the Company's former CFO.

c) On January 6, 2020, the Company agreed to issue an aggregate of 37,141,340 units at a price of $0.05 per unit to Mark Itwaru, the Chief Executive Officer of the Company for gross proceeds of $1,857,067. 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 as the transaction constituted a "related party transaction".

   Each unit consists of one common share and half a common share purchase warrant of the Company. Each whole warrant is exercisable to purchase one common share of the Company at an exercise price of $0.075 per share for a period of 12 months from the date of issuance. The common shares and warrants will be subject to a four month hold period. The private placement is subject to the Company obtaining final acceptance from the TSX Venture Exchange upon the filing of required materials in due course.

   The private placement proceeds will be used for ongoing for general corporate purposes. The Company has been approved by the TSX Venture Exchange (the "Exchange") to seek up to a total of $5,000,000 under the same terms as those described above.

d) The Company also announced that it granted an aggregate of 33,992,800 options to certain directors and officers; advisors and contractors of the Company in accordance with the Company's Stock Option Plan, of which 26,492,800 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 January 30, 2025. 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.

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 three and nine months ended November 30, 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 and nine months ended November 30, 2019 and the three and nine months ended November 30, 2018, based on the geographic location of the customer:

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

	Three Months ended November 30, 2019	Three Months ended November 30, 2018	Nine Months ended November 30, 2019	Nine Months Ended November 30, 2018
Canada	$22,022	$36,888	$64,678	$172,388
United States	515,930	1,291,082	1,632,790	4,452,933
Africa, The Middle East, and	50,777	218,173	463,744	738,662
Europe	34,433	111,150	134,438	410,310
Other	20,947	28,297	61,835	95,304
	$644,109	**$1,685,590**	**$2,357,485**	**$5,868,597**

CHANGES IN ACCOUNTING POLICIES INCLUDING INTITIAL ADOPTION

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.

Under the lessor capacity, at inception of a contract, the Company recognizes assets held under a finance lease in its statement of financial position by derecognizing the underlying asset, and recognizing a financial lease receivable at an amount equal to the net investment in the lease, which equals the gross investment in the lease discounted at the interest rate implicit in the lease. Finance income is recognized over the lease term in a systematic and rational basis by applying a constant periodic rate of return to the lessor's net investment in the lease. The lease payments received in the period are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

The cumulative effect of the changes made to the March 1, 2019 consolidated statement of financial position for the adoption of IFRS 16 is as follows:

	Balance as at February 28, 2019	IFRS 16 adjustments	Balance as at March 1, 2019	Movements for the period	Balance as at November 30, 2019
Non-current assets: Lease Receivable	-	987,251	**987,251**	(138,156)	**849,095**
Non-current liabilities: Lease Liability	-	1,202,378	**1,202,378**	(158,498)	**1,043,880**
Opening retained earnings	-	215,127	**215,127**	-	**215,127**

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 November 30, 2019, and February 28, 2019, cash 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 consolidated 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 as outlined in Note 19(f) to the consolidated financial statements. 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	$3,001,325	-	-	-	-	$3,001,325
Customer deposits	1,525,466	-	-	-	-	1,525,466
Secured notes & convertible debt	597,100	-	-	-	-	597,100
Total	**$5,123,891**	**-**	**-**	**-**	**-**	**$5,123,891**

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 unaudited interim consolidated financial statements for the three months ended November 30, 2019, the audited consolidated annual financial statements of Peeks Social Ltd. for the year ended February 28, 2019, 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.