NU2U RESOURCES CORP.

Vancouver, BC

FINANCIAL STATEMENTS

June 30, 2012

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NU2U Resources Corp.

We have audited the accompanying financial statements of NU2U Resources Corp., which comprise the statement of financial position as at June 30, 2012 and the statements of operations and comprehensive loss, cash flows and shareholders' equity for the period from incorporation on August 19, 2011 to June 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NU2U Resources Corp. as at June 30, 2012 and its financial performance and its cash flows for the period from incorporation on August 19, 2011 to June 30, 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has limited working capital available for ongoing corporate and administrative operations, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED ACCOUNTANTS
Vancouver, BC
October 29, 2012

NU2U RESOURCES CORP.

STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at

	June 30, 2012
	$
Assets	
Wind assets (Note 3)	1
	1
Liabilities	
Current	
Payables and accruals	2,431
Due to related party	4,629
	7,060
Equity	
Share capital (Note 4)	10,001
Deficit	(17,060)
	(7,059)
	1

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on October 29, 2012.

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

NU2U RESOURCES CORP.

STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

From incorporation date on August 19, 2011 to June 30, 2012

	$
Expenses	
Consulting fees	10,000
Professional fees	2,000
Regulatory fees	298
Transfer agent fees	4,762
Net loss and comprehensive loss	(17,060)
Basic and diluted loss per common share	-
Weighted average number of common shares outstanding	19,623,101

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

NU2U RESOURCES CORP.

STATEMENT OF SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Common Shares				
	Number	Amount	Reserves	Deficit	Equity
		$	$	$	$
Balances, August 19, 2011	-	-	-	-	-
Issued on incorporation	1	1	-	-	1
Issued pursuant to Arrangement	23,849,615	10,001	-	-	10,001
Redemption of incorporation share	(1)	(1)	-	-	(1)
Net loss	-	-	-	(17,060)	(17,060)
Balances, June 30, 2012	**23,849,615**	**10,001**	**-**	**(17,060)**	**(7,059)**

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

NU2U RESOURCES CORP.

STATEMENT OF CASH FLOWS

(Expressed in Canadian Dollars)

	From Incorporation date on August 19, 2011 to June 30, 2012 $
Cash flows from operating activities	
Net loss	(17,060)
Changes in non-cash working capital	
Payables and accruals	2,431
Due to related party	4,629
Net cash used in operating activities	(10,000)
Cash flows from financing activities	
Arrangement Shares issued	10,000
Net cash provided by financing activities	10,000
Change in cash	-
Cash, beginning	-
Cash, ending	-
Non-cash financing activity	
Arrangement Shares issued	1

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

Note 1 Nature and Continuance of Operations

NU2U Resources Corp. ("NU2U" or the "Company") was incorporated under Business Corporations Act (British Columbia) on August 19, 2011 as a wholly-owned subsidiary of Orca Wind Power Corp. ("OWP"). The Company's principal office and registered and records office is located at 1150-750 West Pender Street, Vancouver, BC, V6C 2T8.

On August 24, 2011, OWP entered into an arrangement agreement (the "Arrangement Agreement") with NU2U for the purposes of divesting certain non-core assets (the "Arrangement"), specifically an investment in Katabatic Power Corp. ("Katabatic") which includes convertible debentures ($490,000), promissory notes ($79,000), cash advances ($94,000), receivables ($110,869) and 9,652,337 common shares, or approximately 48% of Katabatic Power Corp, a private British Columbia wind development company, all of which had been recorded at $1 on OWP's financial statements (the "Wind Assets" – see Note 3). The Arrangement received shareholder approval on September 23, 2011 and approval by the Supreme Court of British Columbia on September 30, 2011.

Pursuant to the Arrangement OWP transferred to NU2U $10,000 and all of OWP's interest in and to the Wind Assets (the "Transfer") which were completed on October 13, 2011 in exchange for 23,849,615 NU2U shares (the "Arrangement Shares"), which shares were distributed to the OWP shareholders who held OWP shares as at September 29, 2011.

NU2U is a start-up wind power development company whose principal business following the Arrangement is the development and acquisition of wind power projects. NU2U's success will be dependent upon its ability to obtain necessary financing to develop these projects.

These financial statements have been prepared on accounting principles applicable to a going concern, which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has yet to commence operations. The ability of the Company to continue as a going concern is dependent upon a number of factors including obtaining additional financing as required and seeking profitable operations.

These financial statements are presented in Canadian dollars unless otherwise indicated.

Note 2 Significant Accounting Policies

Basis of presentation

The Company's annual audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the period from date of incorporation on August 19, 2011 to June 30, 2012.

Note 2 Significant Accounting Policies (continued)

Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. The Company reviews its estimates and assumptions regularly; however, actual results could differ from those estimates. Significant judgments are used in the Company's assessment of its ability to continue as a going concern which is described in note 1. Significant accounting estimates are used in the determination of fair value and value in use for purposes of the recoverability of the carrying value of wind assets, valuation of share-based payments, and the valuation of deferred income taxes. Key estimates made by management with respect to these areas have been described in the notes to these financial statements as appropriate.

Equity investments are carried on the statement of financial position at cost, adjusted for post-acquisition changes in the Company's share of the entity's net assets less any impairment in the value of the investment. Losses in excess of the Company's interest in the entity are recognized only to the extent that the Company has incurred legal obligations on behalf of the entity.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets

Financial assets are initially recognized at fair value and are classified into one of the following categories, depending on the purpose for which the asset was acquired.

Note 2 Significant Accounting Policies (continued)

Financial instruments (continued)

Fair value through profit or loss – derivatives or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables - non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

Available-for-sale – non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at the minimum of at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories:

Fair value through profit or loss - derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Other financial liabilities - includes amounts due to related party and payables and accruals, all of which are recognized at amortized cost.

Classification of Financial Instruments

The Company has classified due to related party and payables and accruals as other financial liabilities.

Note 2 Significant Accounting Policies (continued)

Share-based payments

The Company applies the fair value method of accounting for stock option awards using the Black-Scholes option pricing model. Under this method, the Company recognizes compensation expense for employee stock option awards, based on the grant date fair value, for each vesting installment, over the vesting period of the options. Each installment is valued separately, based on assumptions determined from historical data, and recognized as compensation expense over each installment's individual tranche vesting period. Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

In situations where stock option awards are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, the dilutive effect has not been computed as it proved to be anti-dilutive.

Note 2 Significant Accounting Policies (continued)

Loss per share (continued)

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the period.

New standards and interpretations not yet effective

IFRS 7, "Financial Instruments: Disclosures" (Amended in 2011)

The IASB amended the disclosure requirements in IFRS 7, "Financial Instruments: Disclosure" to require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32 "Financial Instruments: Presentation".

The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognized financial liabilities, on the entity's financial position.

The amended standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 13, "Fair Value Measurement"

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date.

It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The new converged fair value framework is effective for annual periods beginning on or after January 1, 2013.

The IASB also issued the following new and revised standards addressing the accounting for consolidation, involvements in joint arrangements and disclosure of involvements with other entities:

- IFRS 10, Consolidated Financial Statements ("IFRS 10") – replaces the consolidation guidance in IAS 27 (2008), Consolidated and Separate Financial Statements, and SIC-12, Consolidated Special Purpose Entities, by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee.
- IFRS 11, Joint Arrangements ("IFRS 11") – replaces IAS 31, Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed.
- IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12") – requires enhanced disclosures about the entity's interests in subsidiaries, joint arrangements and associates, and unconsolidated structured entities.
- IAS 27 (2011), Separate Financial Statements – the consolidation requirements previously forming part of IAS 27 (2008) have been revised and are now contained in IFRS 10.

Note 2 Significant Accounting Policies (continued)

New standards and interpretations not yet effective (continued)

- IAS 28 (2011), Investments in Associates and Joint Ventures – amended to conform to changes based on the issuance of IFRS 10, IFRS 11, and IFRS 12.

These five standards must be adopted concurrently and are effective for annual periods beginning on or after January 1, 2013.

Note 3 Wind Assets

Pursuant to the Arrangement Agreement, the Company's former parent transferred its investment in Katabatic Power Corp. to the Company on October 13, 2011. The investment in Katabatic includes convertible debentures ($490,000), promissory notes ($79,000), cash advances ($94,000), receivables ($110,869) and 9,652,337 common shares (approximately 48%) of Katabatic.

The Company has recorded its investment in Katabatic at its fair value of $1 (see Notes 1 and 5) using the equity method.

Note 4 Share Capital

Authorized

Unlimited number of common shares without par value

Common shares

On August 19, 2011, the Company issued one incorporator share. This share was later redeemed.

On October 14, 2011, the Company completed all outstanding obligations required of the Arrangement Agreement by issuing 23,849,615 Arrangement Shares to OWP shareholders as consideration for the Transfer from OWP. As a result of completing the Arrangement and subsequent to issuing the Arrangement Shares, the Issuer became a reporting issuer in the jurisdictions of British Columbia and Alberta.

Note 5 Related Party Transactions

All transactions with related parties, other than the Arrangement, have occurred in the normal course of operations and are measured at their fair value as determined by management. Unless otherwise indicated, the period-end balances are unsecured and non-interest bearing and have arisen from the provision of services and fees described.

The Arrangement provided for the transfer of OWP's interest in and to the Wind Assets to the Company, as a wholly-owned subsidiary, and the immediate distribution of a controlling interest in the common shares of the Company to the OWP shareholders. The OWP shareholders will continue to collectively own the Wind Assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of the Wind Assets at the time they were assigned to the Company the transfer has been recorded under IFRS at $1 (see Note 3).

As at June 30, 2012 the Company owes a company with common directors $4,629 for expenses paid on behalf of the Company.

Key management personnel comprise the Company’s Board of Directors and executive officers. During the period from date of incorporation to June 30, 2012, key management share-based payments were $nil.

Note 6 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. In the management of capital, the Company includes cash balances and components of equity. At June 30, 2012 there were no cash balances.

In order to carry out future projects and pay for administrative costs, the Company will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

Note 7 Financial Instruments

The fair value of the Company’s due to related party and payables and accruals approximates their carrying value due to the short-term nature of the instruments. The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit risk:

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company believes its credit risk is minimal.

(Expressed in Canadian Dollars)

Note 7 Financial Instruments (continued)

Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2012, the Company had a $nil cash balance and $7,060 current liabilities to settle. Management plans to raise funds to meet its future liabilities as they become due.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk - the Company has no cash balances and no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(b) Foreign currency risk - the Company currently believes it has no significant foreign exchange risk.

(c) Price risk - the Company is a non-public reporting issuer and is not currently exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Note 8 Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	From incorporation date on August 19, 2011 to June 30, 2012 $
Loss for the year before taxes	**(17,060)**
Income taxes recovery at statutory rates	**(4,265)**
Net adjustment for depreciation, deductible and non-deductible amounts	**-**
Unrecognized benefit of non-capital losses	**4,265**
Total income taxes (recovery)	**-**

Note 8 Income Taxes (continued)

The significant components of the Company's future income tax assets are as follows:

	June 30, 2012 $
Deferred income tax assets:	
Non-capital loss carry forwards	4,265
Valuation allowance	(4,265)
Net future income tax assets	-

The Company has non-capital losses of approximately $17,000 which are available to reduce future taxable income in Canada and which expire in 2032. The Company has not recognized any future tax benefit for these tax losses as it is not considered likely that they will be utilized.