

**NU2U RESOURCES CORP.**

Vancouver, BC

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**CONDENSED FINANCIAL STATEMENTS**

For the Nine Months Ended March 31, 2013  
(Unaudited – Expressed in Canadian Dollars)

## **NU2U RESOURCES CORP.**

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed financial statements by an entity's auditor.

*"Thomas Bell"*

President and Chief Executive Officer

*"Patrick Lavin"*

Chief Financial Officer

May 24, 2013

**NU2U RESOURCES CORP.**

## CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited – Expressed in Canadian Dollars)

As at

	March 31, 2013	June 30, 2012
	\$	\$
<b>Assets</b>		
Wind assets (Note 3)	1	1
	<b>1</b>	<b>1</b>
<b>Liabilities</b>		
Current		
Payables and accruals	3,969	2,431
Due to related party (Note 4)	7,746	4,629
	<b>11,715</b>	<b>7,060</b>
<b>Equity</b>		
Share capital (Note 5)	10,001	10,001
Deficit	(21,715)	(17,060)
	<b>(11,714)</b>	<b>(7,059)</b>
	<b>1</b>	<b>1</b>

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on May 24, 2013.

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

**NU2U RESOURCES CORP.**

## CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited – Expressed in Canadian Dollars)

	Three months ended		Nine months	From Incorporation
	March 31,		ended	date on
	2013	2012	March 31, 2013	August 19, 2011 to
	\$	\$	\$	March 31, 2012
				\$
<b>Expenses</b>				
Consulting fees	-	-	-	10,000
Professional fees	240	-	1,538	-
Regulatory filing fees	2,687	-	2,687	298
Transfer agent fees	-	819	430	4,118
<b>Net loss and comprehensive loss</b>	<b>(2,927)</b>	<b>(819)</b>	<b>(4,655)</b>	<b>(14,416)</b>
<b>Basic and diluted loss per common share</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>No. of common shares – weighted average</b>	<b>23,849,615</b>	23,849,616	<b>23,849,615</b>	18,019,710

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

**NU2U RESOURCES CORP.**

## CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited – Expressed in Canadian Dollars)

	Share Capital		Reserves	Deficit	Equity
	Number	Amount			
		\$			
Balances, August 19, 2011	-	-	-	-	-
Issued on incorporation	1	1	-	-	1
Issued pursuant to Arrangement	23,849,615	10,001	-	-	10,001
Net loss	-	-	-	(14,416)	(14,416)
Balances, March 31, 2012	23,849,616	10,002	-	(14,416)	(4,414)
Redemption of incorporation share	(1)	(1)	-	-	(1)
Net loss	-	-	-	(2,644)	(2,644)
Balances, June 30, 2012	23,849,615	10,001	-	(17,060)	(7,059)
Net loss	-	-	-	(4,655)	(4,655)
<b>Balances, March 31, 2013</b>	<b>23,849,615</b>	<b>10,001</b>	<b>-</b>	<b>(21,715)</b>	<b>(11,714)</b>

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

**NU2U RESOURCES CORP.**

## CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited – Expressed in Canadian Dollars)

	Three months ended March 31,		Nine months ended	From Incorporation date on
	2013	2012	March 31, 2013	August 19, 2011 to March 31, 2012
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Net loss	(2,927)	(819)	(4,655)	(14,416)
Changes in non-cash working capital				
Payables and accruals	240	(2,862)	1,538	735
Due to related party	2,687	3,681	3,117	3,681
Net cash used in operating activities	-	-	-	(10,000)
<b>Cash flows from financing activities</b>				
Arrangement Shares issued	-	-	-	10,000
Net cash provided by financing activities	-	-	-	10,000
Change in cash	-	-	-	-
Cash, beginning	-	-	-	-
Cash, ending	-	-	-	-
<b>Non-cash financing activity</b>				
Arrangement Shares issued	-	1	-	1

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

## **NU2U RESOURCES CORP.**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

March 31, 2013

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#### **Note 1 Nature and Continuance of Operations**

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

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#### **Note 2 Significant Accounting Policies**

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##### **Basis of presentation**

These condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed. As a result, these condensed financial statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2012 (“Annual Financial Statements”).

## **NU2U RESOURCES CORP.**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

March 31, 2013

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#### **Note 3 Wind Assets**

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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 4).

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#### **Note 4 Related Party Transactions**

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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 March 31, 2013 the Company owes a company with common directors \$7,746 (June 30, 2012 - \$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 three and nine months ended March 31, 2013, key management share-based payments were \$nil and \$nil.

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#### **Note 5 Share Capital**

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##### **Authorized**

Unlimited number of common shares without par value

##### **Common shares**

On October 13, 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.

## **NU2U RESOURCES CORP.**

### **NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

(Unaudited – Expressed in Canadian Dollars)

March 31, 2013

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#### **Note 6 Capital Management**

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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 March 31, 2013 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.

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#### **Note 7 Financial Instruments**

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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.

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 March 31, 2013, the Company had a cash balance of \$nil (June 30, 2013 - \$nil) to settle current liabilities of \$11,715 (June 30, 2013 - \$7,060). 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.