

NU2U RESOURCES CORP.

Vancouver, BC

CONDENSED FINANCIAL STATEMENTS

For the Nine Months Ended March 31, 2014
(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 29, 2014

NU2U RESOURCES CORP.

CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited – Expressed in Canadian Dollars)

As at

	March 31, 2014	June 30, 2013
	\$	\$
Assets		
Wind assets (Note 3)	1	1
	<u>1</u>	<u>1</u>
Liabilities		
Current		
Payables and accruals	1,079	2,946
Due to related party	16,425	11,284
	<u>17,504</u>	<u>14,230</u>
Equity		
Share capital (Note 4)	10,001	10,001
Deficit	(27,504)	(24,230)
	<u>(17,503)</u>	<u>(14,229)</u>
	<u>1</u>	<u>1</u>

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on May 29, 2014.

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 ended	
	March 31,		March 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Expenses				
Professional fees	748	240	1,107	1,538
Regulatory filing fees	-	2,687	1,679	2,687
Transfer agent fees	-	-	488	430
Net loss and comprehensive loss	(748)	(2,927)	(3,274)	(4,655)
Basic and diluted loss per common share	-	-	-	-
No. of common shares – weighted average	23,849,615	23,849,615	23,849,615	23,849,615

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, April 1, 2012	23,849,616	10,002	-	(14,416)	(4,414)
Redemption of incorporation shares	(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)
Balances, March 31, 2013	23,849,615	10,001	-	(21,715)	(11,714)
Net loss	-	-	-	(2,515)	(2,515)
Balances, June 30, 2013	23,849,615	10,001	-	(24,230)	(14,229)
Net loss	-	-	-	(3,274)	(3,274)
Balances, March 31, 2014	23,849,615	10,001	-	(27,504)	(17,503)

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		Nine months ended	
	March 31,		March 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash flows from operating activities				
Net loss	(748)	(2,927)	(3,274)	(4,655)
Changes in non-cash working capital				
Payables and accruals	(2,225)	240	(1,867)	1,538
Due to related party	2,973	2,687	5,141	3,117
Net cash used in operating activities	-	-	-	-
Change in cash	-	-	-	-
Cash, beginning	-	-	-	-
Cash, ending	-	-	-	-

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, 2014

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 registered and records office is located at 1150-789 West Pender Street, Vancouver, BC, V6C 1H2.

NU2U is a start-up wind power development company whose principal business 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.

The Company has yet to commence operations.

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 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.

Note 2 Significant Accounting Policies

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, 2013 (“Annual Financial Statements”).

Note 3 Wind Assets

An investment in Katabatic Power Corp. (“Katabatic”) and 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.

Note 4 Share Capital

Authorized

Unlimited number of common shares without par value

NU2U RESOURCES CORP.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Unaudited – Expressed in Canadian Dollars)

March 31, 2014

Note 5 Related Party Transactions

All transactions with related parties 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 advances and the provision of services and fees described.

As at March 31, 2014 the Company owes a company with common directors \$16,425 (June 30, 2013 - \$11,284) 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, 2014, key management share-based payments were \$nil and \$nil (2013 - \$nil and \$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 March 31, 2014 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 payables and accruals and due to related party 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, 2014, the Company had a cash balance of \$nil (June 30, 2013 - \$nil) to settle current liabilities of \$17,504 (June 30, 2013 - \$14,230). Management plans to raise funds to meet its future liabilities as they become due.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(Unaudited – Expressed in Canadian Dollars)

March 31, 2014

Note 7 Financial Instruments (continued)

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.