NU2U RESOURCES CORP.

Vancouver, BC

FINANCIAL STATEMENTS

June 30, 2015 and 2014

(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 statements of financial position as at June 30, 2015 and 2014, and the statements of operations and comprehensive loss, cash flows and changes in equity for the years then ended, 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 as issued by the International Accounting Standards Board, 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 audits. We conducted our audits 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 audits 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, 2015 and 2014 and its financial performance and its cash flows for the years then ended 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 PROFESSIONAL ACCOUNTANTS
Vancouver, BC
October 28, 2015

NU2U RESOURCES CORP.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at June 30,

	2015 $	2014 $
Assets		
Wind assets (Note 3)	1	1
	1	1
Liabilities		
Current		
Payables and accruals	3,079	3,079
Due to related parties (Note 5)	67,314	16,425
	70,393	19,504
Equity		
Share capital (Note 4)	10,001	10,001
Deficit	(80,393)	(29,504)
	(70,392)	(19,503)
	1	1

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on October 28, 2015.

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

NU2U RESOURCES CORP.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

Years ended June 30,

	2015	2014
	$	$
Expenses		
Management fees (Note 5)	**46,000**	-
Professional fees	**2,100**	3,107
Regulatory filing fees	**1,679**	1,679
Transfer agent fees	**1,110**	488
Net loss and comprehensive loss	**(50,889)**	(5,274)
Basic and diluted loss per common share	**-**	-
No. of common shares – weighted average	**23,849,615**	23,849,615

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

NU2U RESOURCES CORP.

STATEMENTS OF SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Deficit	Equity
		$	$	$	$
Balances, July 1, 2013	23,849,615	10,001	-	(24,230)	(14,229)
Net loss	-	-	-	(5,274)	(5,274)
Balances, June 30, 2014	23,849,615	10,001	-	(29,504)	(19,503)
Net loss	**-**	**-**	**-**	**(50,889)**	**(50,889)**
Balances, June 30, 2015	**23,849,615**	**10,001**	**-**	**(80,393)**	**(70,392)**

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

NU2U RESOURCES CORP.

STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

Years ended June 30,

	2015	2014
	$	$
Cash flows from operating activities		
Net loss	(50,889)	(5,274)
Changes in non-cash working capital		
Payables and accruals	-	133
Due to related parties	50,889	5,141
Net cash used in operating activities	-	-
Change in cash	-	-
Cash, beginning	-	-
Cash, ending	-	-

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

The Company has yet to commence operations and its success will be dependent upon its ability to find a suitable business and obtain necessary financing.

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 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") as issued by the International Accounting Standards Board effective as of June 30, 2015.

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.

Note 2 Significant Accounting Policies (continued)

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.

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.

Note 2 Significant Accounting Policies (continued)

Financial instruments (continued)

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.

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.

Note 2 Significant Accounting Policies (continued)

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.

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

Recent accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, including IAS 19 Employee Benefits, IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest of Other Entities, and IFRS 13 Fair Value Measurement. The Company has adopted these policies and they do not have a significant effect on the financial statements.

Note 2 Significant Accounting Policies (continued)

Recent accounting pronouncements (continued)

IFRS 9 Financial Instruments is effective for annual periods beginning after January 1, 2015. The extent of the effects of this new accounting standard on the financial statements has not been determined.

IFRS 7 has been amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015. The extent of the effects of this new accounting standard on the financial statements has not been determined.

Note 3 Wind Assets

An investment in Katabatic Power Corp. ("Katabatic") comprised of various debt instruments and a minority equity interest, recorded at its fair value of $1.

Note 4 Share Capital

Authorized

Unlimited number of common shares without par value

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 year-end balances are unsecured and non-interest bearing and have arisen from advances and the provision of services and fees described.

During the year the Company approved management fees for its CEO and CFO each at $500 per month commencing September 1, 2011. Accordingly, fees totaling $46,000 have been accrued for the forty-six months (September 1, 2011 - June 30, 2015) as follows:

- During the year ended June 30, 2015, the Company incurred $23,000 in management fees (2014 - $nil) to its CEO and at June 30, 2015 the Company owes this individual $25,193 (June 30, 2014 - $nil) for unpaid fees and expenses paid on behalf of the Company.

- During the year ended June 30, 2015, the Company incurred $23,000 in management fees (2014 - $nil) to its CFO and at June 30, 2015 the Company owes this individual $25,193 (June 30, 2014 - $nil) for unpaid fees and expenses paid on behalf of the Company.

Note 5 Related Party Transactions (continued)

As at June 30, 2015 the Company owes a company with common directors $16,928 (June 30, 2014 - $16,425) for expenses paid on behalf of the Company.

Key management personnel comprise the Company's Board of Directors and executive officers. During the year ended June 30, 2015, key management share-based payments were $nil (2014 - $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, 2015 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 June 30, 2015, the Company had a cash balance of $nil (2014 - $nil) to settle current liabilities of $70,393 (2014 - $19,504). Management plans to raise funds to meet its future liabilities as they become due.

(Expressed in Canadian Dollars)

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.

Note 8 Income Taxes

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

	Years ended June 30,	
	2015	2014
	$	$
Loss for the year before taxes	**(50,889)**	(5,274)
Income taxes recovery at statutory rates	**(13,229)**	(1,371)
Net adjustment for depreciation, deductible and non-deductible amounts	**-**	-
Unrecognized benefit of non-capital losses	**13,229**	1,371
Total income taxes (recovery)	**-**	-

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

	June 30, 2015	June 30, 2014
	$	$
Deferred income tax assets:		
Non-capital loss carry forwards	**20,902**	7,671
Valuation allowance	**(20,902)**	(7,671)
Net deferred income tax assets	**-**	-

The Company has non-capital losses of approximately $80,000 which are available to reduce future taxable income in Canada and which expire in 2035. The Company has not recognized any future tax benefit for these tax losses as it is not considered likely that they will be utilized.