NU2U RESOURCES CORP.
Vancouver, BC

Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

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, 2016 and 2015 and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' deficiency 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 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 whether the financial statements are free of 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 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, 2016 and 2015 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 modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company is dependent upon its ability to secure new sources of financing to fund on-going operations. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

CHARTERED PROFESSIONAL ACCOUNTANTS

De Visser Gray LLP

Vancouver, Canada
October 28, 2016

NU2U RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at June 30,

	Notes		2016		2015
ASSETS					
Current assets					
Cash		$	7,784	$	-
Receivables			1,314		-
Loan receivable and accrued interest - Mobio	3		133,214		-
Loan receivable and accrued interest - TYM	3		270,003		-
			412,315		-
Non-current assets					
Wind assets	4		1		1
TOTAL ASSETS		**$**	**412,316**	**$**	**1**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	7	$	81,843	$	70,393
Loans payable and accrued interest	5, 7		431,699		-
TOTAL LIABILIITES			**513,542**		**70,393**
SHAREHOLDERS' DEFICIENCY					
Share capital	6		10,001		10,001
Deficit			(111,227)		(80,393)
TOTAL SHAREHOLDERS' DEFICIENCY			**(101,226)**		**(70,392)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$**	**412,316**	**$**	**1**

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on October 28, 2016.

"Lance Tracey" *"Sheri Rempel"*

Lance Tracey, CEO Sheri Rempel, CFO

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

NU2U RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
Years ended June 30,

	Notes	2016	2015
Administration expenses			
Management and consulting fees	7	$ 14,309	$ 46,000
Office and sundry	7	678	-
Professional fees		13,470	2,100
Transfer agents		8,895	2,789
		(37,352)	(50,889)
Finance income and interest expense			
Interest income		28,217	-
Interest expense	7	(21,699)	-
Net loss and comprehensive loss for year		**$ (30,834)**	**$ (50,889)**
Loss per share – basic and diluted		**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding		**23,849,615**	**23,849,615**

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

NU2U RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)

	Share capital		Deficit	Total
	Number of shares	Amount		
Balance at June 30, 2014	23,849,615	$ 10,001	$ (29,504)	$ (19,503)
Net loss for the year	-	-	(50,889)	(50,889)
Balance at June 30, 2015	**23,849,615**	**$ 10,001**	**$ (80,393)**	**$ (70,392)**
Net loss for the year	-	-	(30,834)	(30,834)
Balance at June 30, 2016	**23,849,615**	**$ 10,001**	**$ (111,227)**	**$ (101,226)**

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,

	2016	2015
Operating activities		
Net loss for the year	$ (30,834)	$ (50,889)
Adjustments for non-cash items:		
Interest income	(28,217)	-
Interest expense	21,699	-
Changes in non-cash working capital items:		
Receivables	(1,314)	-
Trade payables and accrued liabilities	11,450	50,889
Net cash flows used in operating activities	(27,216)	-
Investing activities		
Loan proceeds advanced	(375,000)	-
Net cash flows used in investing activities	(375,000)	-
Financing activities		
Loan proceeds received	410,000	-
Net cash flows received from financing activities	410,000	-
Increase in cash	7,784	
Cash, beginning	-	-
Cash, ending	**$ 7,784**	**$ -**

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 the Business Corporations Act (British Columbia) on August 19, 2011. The Company's registered and records office is located at 610-700 West Pender Street, Vancouver, BC, V6C 2V6.

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 the basis of 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 conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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, 2016.

Use of Estimates, Judgments and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions 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 and the carrying value of the balance receivable from TYM that was due on March 31, 2016. It is management's opinion, based on an assessment of TYM's business and a significant contract the company is in the process of negotiating, that the $270,003 will be repaid in full.

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 assets. 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 loss and comprehensive loss.

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

Note 2 Significant Accounting Policies (continued)

amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

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 loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at the minimum of 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 loss and comprehensive loss.

Other financial liabilities – includes all other liabilities, which are recognized at amortized cost.

The Company does not have any derivative financial assets or liabilities.

Classification of Financial Instruments

The Company has classified cash and loans receivable and accrued interest as loans and receivables.
The Company has classified trade payables, accrued liabilities and loan payable 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.

Note 2 Significant Accounting Policies (continued)

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.

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

Note 2 Significant Accounting Policies (continued)

The following standards and interpretations have been issued but are not yet effective:

The following standards, interpretations and amendments, which have not been applied in these financial statements, may have an effect on the Company's future financial statements.

IFRS 9 — Financial instruments, classification and measurement
IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

Note 3 Loans Receivable and Accrued Interest

Mobio Technologies Inc.

On December 15, 2015, the Company executed a Credit Agreement (the "Agreement") with Mobio Technologies Inc. ("Mobio") whereby the Company granted to Mobio a credit facility in the aggregate principal amount of $375,000 to facilitate the continued growth of two of its subsidiaries (Strutta.com Media Inc. ("Strutta")) and Twenty Year Media Corp. ("TYM")) and to fund its working capital. Pursuant to the terms of the Agreement, interest accrues on the outstanding balance at the rate of 12% per annum, calculated daily and compounded monthly in arrears (equivalent to a monthly rate of 1%). The principal balance, together with all accrued but unpaid interest, was immediately due and payable in full on June 1, 2016. The credit facility is secured by a Convertible Promissory Note (the "Note"), General Security Agreements under which Mobio, Strutta and TYM granted a fixed and floating first priority security interest over all of their present and after-acquired personal property and all proceeds thereof, a Pledge Agreement pursuant to which Mobio granted to, pledged in favour of and assigned to the Company a first priority security interest in favour of the Company of the issued and outstanding shares in the capital of Strutta and TYM, Strutta and TYM unconditionally and irrevocably guaranteed all indebtedness owing under the Agreement and all present and future debts and liabilities of Mobio to Strutta and TYM were assigned to the Company and postponed to the indebtedness owing under the Agreement. Pursuant to the Note, the Company had the right, on or prior to June 1, 2016, to cancel the entire principal balance and accrued interest and convert it into common shares of Mobio at a price of $0.15 per share. As further consideration for the loan advance, Mobio issued to the Company a warrant certificate to purchase up to 1,250,000 common shares of Mobio at a price of $0.15 per share for a period of one year from the closing date. Subsequent to year end, Mobio repaid the principal balance plus accrued interest (see Note 11).

Note 3 Loans Receivable and Accrued Interest (continued)

Twenty Year Media Corp.

On January 15, 2016, the Company executed a Credit Agreement (the "TYM Agreement") with TYM. As part of a reorganization process, TYM agreed to assume $252,500 ($250,000 plus $2,500 in accrued interest) of the balance owing by Mobio to the Company under the Agreement. The $250,000 principal balance assumed by TYM is the facility granted by the Company under the TYM Agreement. Pursuant to the terms of the TYM Agreement, interest accrues on the outstanding balance at the rate of 12% per annum, calculated daily and compounded monthly in arrears (equivalent to a monthly rate of 1%). Interest on the outstanding balance accrues at 17% per annum upon the occurrence of a default event. The principal balance, together with all accrued but unpaid interest, was immediately due and payable in full on June 1, 2016. Because TYM did not raise at least $150,000 in equity capital prior to March 31, 2016, the $250,000 facility immediately became due and payable on March 31st. The principal balance is secured by a Convertible Promissory Note (the "TYM Note") in the amount of $252,500, a General Security Agreement under which TYM granted a fixed and floating first priority security interest over all of its present and after-acquired personal property and all proceeds thereof, a Pledge Agreement pursuant to which TYM granted to and pledged in favour of the Company a first priority security interest over all of the issued and outstanding shares in the capital of two of its subsidiaries, 858466 Canada Corp. ("858466") and Emerging Pictures Corp.("EPC"), 858466 and EPC unconditionally and irrevocably guaranteed all indebtedness owing under the TYM Agreement and all present and future debts and liabilities of TYM to 858466 and EPC were assigned to the Company and postponed to the indebtedness owing under the TYM Agreement. Pursuant to the TYM Note, the Company had the right, on or prior to June 1, 2016, to cancel the entire principal balance and accrued interest and convert it into common shares of TYM at a conversion price to be calculated as specified.

On January 15, 2016, the Company executed an Investors' Rights Agreement with TYM whereby TYM is required to grant the Company a right of first offer with respect to future sales by TYM of new shares (as defined) in accordance with specified provisions.

On January 16, 2016, the Company executed an Assumption Agreement and Consent with Mobio and TYM. As of that date, the total principal and interest owing to the Company under the Note was $378,750. Of this amount, $252,500 owing by Mobio was assumed by TYM and is governed by the terms of the TYM Agreement. The outstanding balance owing by Mobio under the Note was reduced by the assumed amount, the Note was cancelled and an amended and restated note with identical terms in the principal amount of $126,250 was issued to Mobio.

Note 4 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 5 Loan Payable and Accrued Interest

On December 15, 2015, Code Consulting Limited ("Code"), a company controlled by the CEO of the Company, loaned $400,000 to the Company to facilitate the loan to Mobio (see Note 3). This loan bears interest at 10% per annum, calculated monthly, not in advance and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 15, 2016. On May 18, 2016, Code loaned an additional $10,000 to the Company. This advance is non-interest bearing, unsecured and has no fixed terms of repayment. See Note 7.

Note 6 Share Capital and Reserves

Share Capital

Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares with a par value of $100 per share.

Stock Options

During the year ended June 30, 2016, the Board of Directors approved a stock option plan (the "Plan") in order to provide the Company with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire shares of the Company as long term investments.

The number of shares available for purchase pursuant to options granted under the Plan will not exceed 10% of the shares that are outstanding (on a non-diluted basis) immediately prior to the share issuance or grant of options. The Plan places limits on the maximum number of options which may be granted to any one holder, insider, consultant and employees and consultants engaged in investor relations activities within any 12 month period. Options granted in relation to investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period. The vesting period for all other options is at the discretion of the Board of Directors.

No stock options in connection with the above plan have been issued.

(Expressed in Canadian dollars)

Note 7 Related Party Transactions

Balances

The following amounts payable to related parties are included in trade payables and accrued liabilities:

		June 30, 2016		June 30, 2015
Code	$	70,360	$	-
CEO of the Company		5,000		-
Former CEO of the Company		-		25,193
Former CFO of the Company		-		25,193
Company with common directors		-		16,928
	$	75,360	$	67,314

On October 29, 2015, the Company executed a Debt Assignment Agreement with the former CEO of the Company, the former CFO of the Company and a company with common directors whereby the $70,360 (June 30, 2015 - $67,314) aggregate amount owing by the Company to these parties was assigned to Code.

See Note 5.

Transactions – paid or accrued

Transactions with related parties are summarized in the tables below:

		Year ended June 30, 2016		Year ended June 30, 2015
Interest on loan payable to Code	$	21,699	$	-
Rent charged by a company controlled by the CFO of the Company		600		-

Key management personnel compensation:

		Year ended June 30, 2016		Year ended June 30, 2015
Management and consulting fees	$	14,309	$	46,000

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Note 8 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, loans and components of equity.

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 9 Financial Instruments

The fair value of the Company's loans receivable and accrued interest, trade payables and accrued liabilities and loan payable and accrued interest 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, 2016, the Company had a cash balance of $7,784 (June 30, 2015 - $nil) to settle current liabilities of $513,542 (June 30, 2015 - $70,393). 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 a cash balance and interest-bearing debt making the company sensitive to interest rate fluctuations.

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

(Expressed in Canadian dollars)

Note 9 Financial Instruments (continued)

(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.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Note 10 Income Taxes

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

	Year ended June 30, 2016	Year ended June 30, 2015
Combined Canadian federal and provincial statutory corporate tax rate	**26.00%**	26.00%
Expected income tax recovery	$ **(8,017)**	$ (13,229)
Unrecognized benefit of deferred income tax assets	**8,017**	13,229
Total income tax recovery	$ **-**	$ -

There are no deferred income tax assets presented in the statement of financial position. The significant components of the Company's deferred income tax assets are as follows:

	Year ended June 30, 2016	Year ended June 30, 2015
Deferred income tax assets:		
Non-capital loss carry forwards	$ **111,000**	$ 80,000
Net deferred income tax assets	$ **111,000**	$ 80,000

(Expressed in Canadian dollars)

Note 10 Income Taxes (continued)

The Company has non-capital losses available for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. The non-capital losses will begin to expire in 2032 until 2036. If not utilized, the non-capital losses will expire as follows:

2032	$17,000
2033	7,000
2034	5,000
2035	51,000
2036	31,000
	$111,000

Note 11 Subsequent Events

On August 17, 2016, the Company executed a private placement subscription agreement to purchase 4,700,000 units of Mobio at a purchase price of $235,000. Each unit is comprised of one common share of Mobio and one half of one share purchase warrant valid for a period of 24 months from the date of issue at an exercise price of $0.075.

On August 17, 2016, the Company negotiated a loan from Code to facilitate the investment in Mobio's private placement. The loan bears interest at 10% per annum calculated monthly, not in advance, is secured by a promissory note and all outstanding principal and accrued interest is due on August 17, 2017.

On August 30, 2016, Mobio repaid the $126,250 principal balance plus accrued interest of $9,480 owing under the agreement (see Note 3).