

LANEBURY GROWTH CAPITAL LTD.
(FORMERLY NU2U RESOURCES CORP.)
Vancouver, BC

Financial Statements

June 30, 2017 and 2016
(Expressed in Canadian Dollars)

Independent Auditors' Report

To the Shareholders of Lanebury Growth Capital Ltd. (formerly NU2U Resources Corp.):

We have audited the accompanying financial statements of Lanebury Growth Capital Ltd., which comprise the statement of financial position as at June 30, 2017, and the statements of loss and comprehensive loss, statements of change in shareholders' deficiency and cash flows for the year 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, 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 auditors' 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 Lanebury Growth Capital Ltd. as at June 30, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that 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. 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.

Other Matter

The financial statements of Lanebury Growth Capital Ltd. for the year ended June 30, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on October 28, 2016.

Vancouver, British Columbia
October 30, 2017



Chartered Professional Accountants

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at June 30,

	Notes	2017	2016
ASSETS			
Current assets			
Cash		\$ 6,370	\$ 7,784
Marketable securities	3	164,500	-
Warrants	3	19,340	-
Loan receivable and accrued interest - Mobio	4	-	133,214
Loan receivable and accrued interest - TYM	4	319,654	270,003
Receivable and prepaid expenses		6,471	1,314
		516,335	412,315
Non-current assets			
Wind assets	5	1	1
TOTAL ASSETS		\$ 516,336	\$ 412,316
LIABILITIES			
Current liabilities			
Trade payables and other payables	8	\$ 13,265	\$ 81,843
Loans payable and accrued interest	6, 8	722,954	431,699
TOTAL LIABILITIES		736,219	513,542
SHAREHOLDERS' DEFICIENCY			
Share capital	7	10,001	10,001
Reserves		19,601	-
Accumulated other comprehensive loss		(14,168)	-
Deficit		(235,317)	(111,227)
TOTAL SHAREHOLDERS' DEFICIENCY		(219,883)	(101,226)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		\$ 516,336	\$ 412,316

Nature and continuance of operations (Note 1)

Approved and authorized for issue by the Company's Board of Directors on October 30, 2017.

"Lance Tracey"
Lance Tracey, Director

"Sheri Rempel"
Sheri Rempel, Director

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

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

		Year ended June 30,	
	Notes	2017	2016
Administration Expenses			
Management and consulting fees	8	\$ 17,623	\$ 10,975
Office and sundry	8	462	678
Professional fees	8	33,503	16,804
Transfer agent and filing fees		11,820	8,895
Total expenses		(63,408)	(37,352)
Interest income	4	52,166	28,217
Interest expense	6	(75,856)	(21,699)
Loss on derivative	3	(36,992)	-
Net loss		\$ (124,090)	\$ (30,834)
Other comprehensive loss			
Unrealized loss on marketable securities	3	(14,168)	-
Net loss and comprehensive loss for the year		\$ (138,258)	\$ (30,834)
Loss per share – basic and diluted		\$ (0.06)	\$ (0.02)
Weighted average number of common shares outstanding		1,987,470	1,987,470

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

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)

	Share capital		Accumulated other comprehensive loss	Reserves	Deficit	Total
	Number of shares	Amount				
Balance at June 30, 2015	1,987,470	\$ 10,001	\$ -	\$ -	\$ (80,393)	\$ (70,392)
Loss for the year	-	-	-	-	(30,834)	(30,834)
Balance at June 30, 2016	1,987,470	\$ 10,001	\$ -	\$ -	\$ (111,227)	\$ (101,226)
Equity portion of loan	-	-	-	19,601	-	19,601
Unrealized loss on marketable securities	-	-	(14,168)	-	-	(14,168)
Loss for the year	-	-	-	-	(124,090)	(124,090)
Balance at June 30, 2017	1,987,470	\$ 10,001	\$ (14,168)	\$ 19,601	\$ (235,317)	\$ (219,883)

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

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
Years ended June 30,

	Notes	2017	2016
Operating activities			
Net loss for the year		\$ (124,090)	\$ (30,834)
Adjustments for non-cash items:			
Interest income		(49,651)	(28,217)
Interest expense		75,856	21,699
Loss on derivative		36,992	-
Changes in non-cash working capital items:			
Receivables and prepaid expenses		(5,157)	(1,314)
Trade payables and other payables		(68,578)	11,450
Net cash flows used in operating activities		(134,628)	(27,216)
Investing activities			
Purchase of marketable securities	3	(235,000)	-
Loan proceeds advanced		-	(375,000)
Net cash flows used in investing activities		(235,000)	(375,000)
Financing activities			
Loan proceeds received	6	235,000	410,000
Loan receivable repayment	4	126,250	-
Interest on loan receivable	4	6,964	-
Net cash flows received from financing activities		368,214	410,000
Increase in cash and cash equivalents		(1,414)	7,784
Cash and cash equivalents, beginning		7,784	-
Cash and cash equivalents, ending		\$ 6,370	\$ 7,784

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

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 1 Nature and Continuance of Operations

Lanebury Growth Capital Ltd. (formerly NU2U Resources Corp.) (“Lanebury” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on August 19, 2011, under the name NU2U Resources Corp. and subsequently changed its name to Lanebury Growth Capital Ltd. on April 25, 2017. The Company’s registered and records office is located at 1080 - 789 West Pender Street, Vancouver, BC, V6C 1H2.

Lanebury is an investment company with an investment strategy focused on building a portfolio of high-quality investments in technology start-ups. The Company targets investments, for the most part, that have a monthly revenue model and can be scaled easily using internet and mobile technologies.

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 do not give effect to adjustments to the carrying value and classification of assets and liabilities and related expense that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption is not appropriate, material adjustments to the financial statements could be required.

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 (“IASB”).

Functional and presentation currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional and presentation currency of the Company is the Canadian dollar.

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 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 assets. Key estimates made by management with respect to these areas have been described in the notes to these financial statements as appropriate.

Critical Accounting Judgments

i. Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

ii. Impairment of Available-for-Sale Financial Assets

The impairment assessment of an available for sale financial asset requires judgment. Management evaluates the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. When the fair value declines, management makes judgment about if the decline in value is an other than temporary impairment to be recognized in profit or loss.

Critical Accounting Estimates

i. Current and Deferred Taxes

The determination of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations.

Note 2 Significant Accounting Policies (continued)

Use of Estimates and Judgments (continued)

Critical Accounting Estimates (continued)

- ii. Fair value of financial instruments
The individual fair values attributable to the different components of a financing transaction, notably investment in equity in securities and derivative financial instruments are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the (a) the values attributable to each component of a transaction at the time of their issuance; (b) the fair value measurements that require subsequent measurement at fair value on a recurring basis. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.
- iii. Fair value of related party loans payable
Management assesses the coupon interest rate on related party loans payable compared to the estimated interest rate if the loan payable was received from a third party. The third party interest rate is based on various assumptions and is an estimate that is updated by management on an individual loan payable basis. Changes in the assumptions may materially affect the initial fair value of the related party loan payable and subsequent interest payments made to reflect the loan payable at amortized cost.
- iv. Collection of loan receivable and accrued interest
Management assesses the valuation of loans receivable and accrued interest at the end of each reporting period. Management will assess the repayment schedule for the loan, ability of the borrow to repay the loan receivable and accrued interest, and the Company's overall ability to collect the loan receivable and accrued interest amount. Management's assessment is based on significant judgements and estimates available at each reporting period. Changes in the assumptions may materially affect the amount of the loan receivable and accrued interest determined to be collectible.

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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 2 Significant Accounting Policies (continued)

Impairment (continued)

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 amount of the investment, including impairment losses, are recognized in the statements 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 statements 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 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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 2 Significant Accounting Policies (continued)

Financial instruments (continued)

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.

Classification of Financial Instruments

The Company has classified cash and loans receivable and accrued interest as loans and receivables.

The Company has classified its marketable securities as available for sale financial assets.

The Company has classified its warrants held as assets fair valued through profit or loss.

The Company has classified trade payables and other payables and loan payable and accrued interest 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.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 2 Significant Accounting Policies (continued)

Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

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.

IFRS 15 – Revenue from Contracts with Customers.

This IFRS establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of evaluating the impact of the new standard.

IFRS 16 – Leases.

This IFRS, which supersedes IAS 17 – Leases, specifies how to recognize, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, has also been applied. The Company is in the process of evaluating the impact of the new standard.

Note 3 Marketable Securities

On August 17, 2016, the Company participated in a private placement offering by a related company, Mobio Technologies Inc. ("Mobio"). The Company subscribed to 4,700,000 units at \$0.05 per unit for a total cost of \$235,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.075 for a period of 24 months from closing of the private placement. Concurrently, the Company entered into an agreement with Mobio that it will only be permitted to exercise that number of warrants which will result, when such common shares are issued, in the Company's total shareholdings not exceeding ten percent of Mobio's issued and outstanding shares as of the date of the warrant exercise. On initial recognition, the Company determined the fair value of the common shares and warrants to be \$178,668 and \$56,332, respectively.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 3 Marketable Securities (continued)

On December 1, 2016, Mobio completed a consolidation of its outstanding common share capital on the basis of one post-consolidation common share for every two outstanding common shares. As a result of the share consolidation, the Company holds 2,350,000 common shares of Mobio and 1,175,000 share purchase warrants to purchase common shares of Mobio at an exercise price of \$0.15 per share.

As at June 30, 2017, the fair value of the common shares was \$164,500 which resulted in a write-down of \$14,168 that was recorded to other comprehensive income. In addition, the fair value of the warrants was \$19,341 which resulted in a write-down of \$36,992 which has been recorded to the statements of loss and comprehensive loss.

Note 4 Loans Receivable and Accrued Interest

Mobio Technologies Inc.

On December 15, 2015, the Company executed a Credit Agreement (the "Agreement") with Mobio whereby the Company granted to Mobio a credit facility in the aggregate principal amount of \$375,000 to facilitate the continued growth of its subsidiary Strutta.com Media Inc. ("Strutta") and former subsidiary Twenty Year Media Corp. ("TYM") and to fund its working capital. Pursuant to the terms of the Agreement, interest accrued 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 the warrants being issued, by mutual agreement between the parties, the warrants were terminated.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 4 Loans Receivable and Accrued Interest (continued)

Mobio Technologies Inc. (continued)

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. During the year ended June 30, 2017, Mobio repaid the principal balance of \$126,250 plus interest of \$9,480.

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 accrued 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. TYM did not make the payment in full on June 1, 2016 and interest on the loan began to accrue at 17% per annum.

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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 4 Loans Receivable and Accrued Interest (continued)

Twenty Year Media Corp. (continued)

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.

On March 22, 2017, the due date of the loan with principal and accrued interest was amended to January 1, 2018.

As at June 30, 2017, the outstanding loan receivable balance totaled \$319,654 including accrued interest of \$67,154. During the year ended June 30, 2017, the Company earned interest income of \$49,651 related to this loan receivable.

Note 5 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 6 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 4). The 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 was due and payable on December 15, 2016. The loan has not been repaid and the Company is currently in discussions with Code to revise the terms of the loan agreement.

On May 18, 2016, Code loaned an additional \$10,000 to the Company. The advance is non-interest bearing, unsecured and has no fixed terms of repayment.

On August 17, 2016, Code loaned \$235,000 to the Company to facilitate the investment in the units of Mobio (see Note 3). The 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 August 17, 2017. The loan was initially recorded at the fair market value of \$215,399 using a discount rate of 19.1% and \$19,601 was allocated to reserves. The balance at June 30, 2017 is \$251,255 including interest and accretion of \$35,856.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 6 Loan Payable and Accrued Interest (continued)

As at June 30, 2017, total loans outstanding were \$722,954 including accrued interest and accretion of \$97,555. During the year ended June 30, 2017, the Company recorded interest and accretion expense of \$75,856 related to the loans payable.

Note 7 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.

In April 2017, the Company consolidated its issued and outstanding common shares on the basis of twelve pre-consolidation common shares for one post-consolidation common share (the "Consolidation"). After Consolidation, the Company has 1,987,470 common shares issued and outstanding. All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidation, including all such numbers presented for the prior year.

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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 8 Related Party Transactions**Balances**

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

	June 30, 2017	June 30, 2016
Code	\$ -	\$ 70,360
CEO of the Company	-	5,000
Company controlled by the CFO of the Company	588	-
	<u>\$ 588</u>	<u>\$ 75,360</u>

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 aggregate amount owing by the Company to these parties was assigned to Code. During the year ended June 30, 2017, the Company repaid the amount of \$70,360 owing to Code and the amount of \$5,000 owing to the CEO of the Company.

Transactions – paid or accrued

Transactions with related parties are summarized in the tables below:

	Year ended June 30, 2017	Year ended June 30, 2016
Interest and accretion on loans payable to Code	\$ 75,856	\$ 21,699
Interest on loan receivable from Mobio	2,515	6,964
Interest on loan receivable from TYM	49,651	17,503

Key management personnel compensation:

	Year ended June 30, 2017	Year ended June 30, 2016
Management and consulting fees	\$ 14,088	\$ 10,975
Professional fees	8,100	3,334
Office and sundry	-	600

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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 9 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. There were no changes to the Company's approach to capital management during the year ended June 30, 2017.

Note 10 Financial Instruments

The fair value of the Company's loans receivable and accrued interest, warrants held, trade payables and other payables, and loans payable and accrued interest approximates the 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 is exposed to credit risk on the loan receivable from TYM in the amount of \$319,654. The Company is in regular communication with TYM and has a degree of confidence that the loan will be repaid. No allowance for doubtful accounts has been recorded.

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, 2017, the Company had a cash balance of \$6,370 (June 30, 2016 - \$7,784) to settle current liabilities of \$736,219. (June 30, 2016 - \$513,542). 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.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 10 Financial Instruments (continued)

Market risk (continued):

(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.

(c) Price risk - the Company is a non-public reporting issuer and is not currently exposed to price risk with respect to its own 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. The Company is exposed to price risk with respect to the investment in warrants and shares of Mobio. A 10% change in the value of Mobio shares would give rise to a \$16,450 change in accumulated other comprehensive loss and a \$3,700 loss or gain on derivative.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables and accrued interest, warrants, marketable securities, trade payables and other payables and loans payable and accrued interest. The carrying values of cash, receivables and accrued interest, trade payables and other payables approximate their fair values due to their short-term nature and/or the existence of market related interest rates on the instruments. The carrying value of marketable securities approximates their fair value as it is based on the closing trading price of the security on the reporting date. Loans payable are measured at amortized cost using the effective interest rate method and their carrying value approximates their fair value. The carrying value of warrants is based on the Black-Scholes option pricing model and approximates the fair value.

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.

All financial instruments other than loans payable and warrants are classified as Level 1. Loans payable and accrued interest and warrants are classified as Level 2.

There has been no change in Levels for the year ended June 30, 2017.

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 10 Income Taxes

The following table reconciles the expected income tax expense (recovery) at Canadian statutory income tax rates to the amounts recognized in the statement of loss and comprehensive loss for the year ended June 30, 2017 and 2016:

	June 30 2017	June 30 2016
Net income (loss) before taxes	\$ (124,090)	\$ (30,834)
Statutory tax rate	26%	26%
Expected income tax (recovery)	(32,263)	(8,017)
Non-deductible items	4,809	-
Change in deferred tax assets not recognized	27,454	8,017
Total income tax expense (recovery)	\$ -	\$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. Deferred tax assets (liabilities) as at June 30, 2017 and 2016 are as follows:

	June 30 2017	June 30 2016
Marketable securities	\$ 2,514	\$ -
Non capital loss carry forward	1,097	-
Loans payable and accrued interest	(1,097)	-
Derivative - warrants	(2,514)	-
Net deferred tax asset (liability)	\$ -	\$ -

The unrecognized deductible temporary differences are as follows:

	June 30 2017	June 30 2016
Non capital loss carryforwards	\$ 178,724	\$ 111,227
Marketable securities	51,160	-
Unrecognized deductible temporary differences	\$ 229,884	\$ 111,227

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)

Notes to the financial statements

(Expressed in Canadian dollars)

For the years ended June 30, 2017 and 2016

Note 10 Income Taxes (continued)

As at June 30, 2017 the Company has not recognized a deferred tax asset in respect of non-capital loss carry-forwards of approximately \$178,724 (2016: \$111,227) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry		
2037	\$	71,716
2036		30,834
2035		50,889
2034		5,274
2033		7,170
2032		12,841
Total	\$	178,724

Note 11 Subsequent Events

On July 26, 2017, Code loaned \$250,000 to the Company. The 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 July 25, 2018.

On July 26, 2017, the Company loaned \$100,000 to Mobio. The 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 July 25, 2018.

On October 3, 2017, the Company loaned \$50,000, out of a total commitment of \$150,000, to Mobio. The 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 October 3, 2018.