

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

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**Condensed Interim Financial Statements**  
**Six Month Period Ended December 31, 2017**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

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

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The condensed interim unaudited financial statements of Lanebury Growth Capital Ltd. are the responsibility of the Company's management. The financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized, and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee. The Audit Committee reviews the results of the condensed interim unaudited financial statements prior to their submission to the Board of Directors for approval.

*"Lance Tracey"*  
Chief Executive Officer

*"Sheri Rempel"*  
Chief Financial Officer

**LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

	Notes	December 31, 2017	June 30, 2017
<b>ASSETS</b>			
Current assets			
Cash		\$ 3,804,129	\$ 6,370
Marketable securities	3	458,250	164,500
Warrants	3	117,261	19,340
Loans receivable and accrued interest - Mobio	4	408,836	-
Loan receivable and accrued interest - TYM	4	348,045	319,654
Goods and services tax and prepaid expenses		2,044	6,471
		5,138,565	516,335
Non-current assets			
Wind assets	5	1	1
		1	1
<b>TOTAL ASSETS</b>		<b>\$ 5,138,566</b>	<b>\$ 516,336</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade payables and other payables		\$ 15,764	\$ 13,265
Loans payable	6	-	722,954
<b>TOTAL LIABILITIES</b>		<b>15,764</b>	<b>736,219</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	7	5,010,001	10,001
Reserves	7	-	19,601
Accumulated other comprehensive income (loss)		279,582	(14,168)
Deficit		(166,781)	(235,317)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>5,122,802</b>	<b>(219,883)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>\$ 5,138,566</b>	<b>\$ 516,336</b>

Nature and continuance of operations (Note 1)  
Subsequent event (Note 11)

Approved and authorized for issue by the Company's Board of Directors on February 28, 2018.

"Lance Tracey"  
Lance Tracey, Director

"Sheri Rempel"  
Sheri Rempel, Director

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

**LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**  
(Unaudited - Expressed in Canadian Dollars)

		<b>Three month period ended December 31,</b>		<b>Six month period ended December 31,</b>	
	Notes	<b>2017</b>	2016	<b>2017</b>	2016
<b>Administration Expenses</b>					
Management and consulting fees	8	\$ 5,006	\$ 3,345	\$ 8,460	\$ 6,214
Office and sundry		100	345	189	350
Professional fees		6,639	5,310	13,795	7,530
Transfer agent and filing fees		19,215	3,391	19,637	4,015
<b>Total expenses</b>		<b>(30,960)</b>	<b>(12,391)</b>	<b>(42,081)</b>	<b>(18,109)</b>
Interest income	4	21,553	12,140	37,228	26,294
Interest expense	6, 8	(35,738)	(18,001)	(63,943)	(28,083)
Gain on derivative	3	107,536	-	97,921	-
<b>Net income (loss)</b>		<b>\$ 62,391</b>	<b>\$ (18,252)</b>	<b>\$ 29,125</b>	<b>\$ (19,898)</b>
<b>Other comprehensive income (loss)</b>					
Unrealized gain (loss) on marketable securities	3	340,750	(23,500)	293,750	(23,500)
<b>Net income (loss) and comprehensive income (loss) for the period</b>		<b>\$ 403,141</b>	<b>\$ (41,752)</b>	<b>\$ 322,875</b>	<b>\$ (43,398)</b>
<b>Earnings (loss) per share – basic and diluted</b>		<b>\$ 0.01</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ (0.01)</b>
Weighted average number of common shares outstanding		7,422,252	1,987,470	4,704,861	1,987,470

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

**LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**  
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share capital		Accumulated other comprehensive	Reserves	Deficit	Total
		Number of shares	Amount	income (loss)			
<b>Balance at June 30, 2016</b>		1,987,470	\$ 10,001	\$ -	\$ -	(111,227)	\$ (101,226)
Unrealized loss on marketable securities		-	-	(23,500)	-	-	(23,500)
Net loss for the period		-	-	-	-	(19,898)	(19,898)
<b>Balance at December 31, 2016</b>		<b>1,987,470</b>	<b>\$ 10,001</b>	<b>\$ (23,500)</b>	<b>\$ -</b>	<b>(131,125)</b>	<b>\$ (144,624)</b>
<b>Balance at June 30, 2017</b>		<b>1,987,470</b>	<b>\$ 10,001</b>	<b>\$ (14,168)</b>	<b>\$ 19,601</b>	<b>(235,317)</b>	<b>\$ (219,883)</b>
Equity portion of loan	6	-	-	-	19,810	-	19,810
Repayment of loan	6	-	-	-	(39,411)	39,411	-
Private placement	7	8,333,333	5,000,000	-	-	-	5,000,000
Unrealized gain on marketable securities	3	-	-	293,750	-	-	293,750
Net income for the period		-	-	-	-	29,125	29,125
<b>Balance at December 31, 2017</b>		<b>10,320,803</b>	<b>\$ 5,010,001</b>	<b>\$ 279,582</b>	<b>\$ -</b>	<b>(166,781)</b>	<b>\$ 5,122,802</b>

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

**LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian Dollars)

		<b>Six month period ended</b>	
	Notes	<b>December 31,</b>	
		<b>2017</b>	<b>2016</b>
<b>Operating activities</b>			
Net income for the period		\$ 29,125	\$ (19,898)
Adjustments for non-cash items:			
Interest income		(37,227)	(23,779)
Interest expense and accretion		24,029	28,083
Gain on derivative		(97,921)	-
Changes in non-cash working capital items:			
Goods and services tax and prepaid expenses		4,427	537
Trade payables and other payables		2,499	1,984
<b>Net cash used in operating activities</b>		<b>(75,068)</b>	<b>(13,073)</b>
<b>Investing activities</b>			
Purchase of marketable securities		-	(235,000)
Loans advanced	4	(400,000)	-
<b>Net cash used in investing activities</b>		<b>(400,000)</b>	<b>(235,000)</b>
<b>Financing activities</b>			
Loan proceeds received	6	250,000	235,000
Loan repayment	6	(977,173)	126,250
Interest on loan receivable		-	6,964
Private placement proceeds	7	5,000,000	-
<b>Net cash provided by financing activities</b>		<b>4,272,827</b>	<b>368,214</b>
Increase in cash		3,797,759	120,141
Cash, beginning		6,370	7,784
<b>Cash, ending</b>		<b>\$ 3,804,129</b>	<b>\$ 127,925</b>
Cash paid during the period for interest		\$ 122,087	\$ -
Cash paid during the period for income taxes		\$ -	\$ -

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

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 1 Nature and Continuance of Operations**

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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. On November 21, 2017, the Company was listed on the Canadian Securities Exchange.

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 condensed interim 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 condensed interim 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 condensed interim financial statements could be required.

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

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**Note 2 Significant Accounting Policies**

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**Basis of presentation**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed. As a result, these condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2017.

**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:

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 2 Significant Accounting Policies (continued)**

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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. Management has determined that adoption of the new standard will have no material impact on the financial statements.

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. Management has determined that adoption of the new standard will have no material impact on the financial statements.

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.

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**Note 3 Marketable Securities**

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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.

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 December 31, 2017, the fair value of the common shares was \$458,250 which resulted in an increase of \$293,750 that was recorded in other comprehensive income in the current period. In addition, the fair value of the warrants was \$117,261 which resulted in an increase of \$97,921 that was recorded in the statements of income (loss) and comprehensive income (loss) for the six months ended December 31, 2017.



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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 4 Loans Receivable and Accrued Interest**

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**Mobio Technologies Inc.**

On July 26, 2017, the Company entered into an agreement to loan \$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. During the period ended December 31, 2017, interest of \$4,302 was earned on the loan.

On October 3, 2017, the Company entered into an agreement to loan \$50,000 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. During the period ended December 31, 2017, interest of \$1,233 was earned on the loan.

On November 6, 2017, the Company entered into an agreement to loan \$50,000 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 November 6, 2018. During the period ended December 31, 2017, interest of \$767 was earned on the loan.

On November 7, 2017, the Company entered into an agreement to loan \$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 November 7, 2018. During the period ended December 31, 2017, interest of \$2,260 was earned on the loan.

On December 12, 2017, the Company entered into an agreement to loan \$50,000 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 December 12, 2018. During the period ended December 31, 2017, interest of \$274 was earned on the loan.

As at December 31, 2017, the Company has advanced \$400,000 as follows:

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<b>Maturity Date</b>		<b>Principal</b>		<b>Interest</b>		<b>Balance</b>
July 27, 2018	\$	100,000	\$	4,302	\$	104,302
October 3, 2018		50,000		1,233		51,233
November 6, 2018		50,000		767		50,767
November 7, 2018		150,000		2,260		152,260
December 12, 2018		50,000		274		50,274
	\$	<b>400,000</b>	\$	<b>8,836</b>	\$	<b>408,836</b>

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(See Note 11).

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 4 Loans Receivable and Accrued Interest (continued)**

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**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 favor 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").

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 December 31, 2017, the outstanding loan receivable balance totaled \$348,045 including accrued interest of \$95,545. During the period ended December 31, 2017, the Company earned interest income of \$28,391 (2016 - \$23,981) related to this loan receivable.

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**Note 5 Wind Assets**

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

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 6 Loans Payable and Accrued Interest**

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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. On November 30, 2017, the Company repaid the loan of \$482,313 including accrued interest of \$82,312.

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 November 30, 2017, the Company repaid the loan of \$10,000.

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 \$258,399 using a discount rate of 19.1% and \$19,601 was allocated to reserves. On November 30, 2017, the Company repaid the loan of \$266,007 including accrued interest of \$31,007.

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 26, 2018. The loan was initially recorded at the fair market value of \$230,190 using a discount rate of 19.1% and \$19,810 was allocated to reserves. On November 30, 2017, the Company repaid the loan of \$258,767 including accrued interest of \$8,767.

As at December 31, 2017, total outstanding loans were \$Nil. During the period ended December 31, 2017, the Company recorded interest expense of \$39,914 (December 31, 2016 - \$28,083) and accretion of \$24,029 (December 31, 2016 - \$Nil) related to the loans payable.

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**Note 7 Share Capital and Reserves**

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**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

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 7 Share Capital and Reserves (continued)**

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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.

On November 2, 2017, the Company completed a non-brokered private placement financing, issuing 8,333,333 common shares of the Company at a price of \$0.60 per share for total proceeds of \$5,000,000. The CEO of the Company purchased all of the 8,333,333 common shares issued.

**Stock Options**

The number of shares available for purchase pursuant to options granted under the Company's stock option plan (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.

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**Note 8 Related Party Transactions**

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**Balances**

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

	December 31, 2017		December 31, 2016
CEO of the Company	\$ -	\$	5,000
Company controlled by the CFO of the Company	8,331		2,490

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

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**Note 8 Related Party Transactions (continued)**

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**Transactions – paid or accrued**

Transactions with related parties are summarized in the table below:

	Period ended December 31, 2017	Period ended December 31, 2016
Interest and accretion on loans payable to Code	\$ 63,942	\$ 28,083
Interest on loans receivable from Mobio	8,836	-
Interest on loan receivable from TYM	28,391	23,981

**Key management personnel compensation:**

	Period ended December 31, 2017	Period ended December 31, 2016
Management and consulting fees	\$ 8,460	\$ 6,214
Professional fees	5,130	3,195

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.

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**Note 9 Capital Management**

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The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes cash balances, 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 period ended December 31, 2017.

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

Condensed interim notes to the financial statements

(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

**Note 10 Financial Instruments**

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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 \$348,054, and loans receivable from Mobio in the amount of \$408,836. The Company is in regular communication with TYM and Mobio and has a degree of confidence that the loans 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 December 31, 2017, the Company had a cash balance of \$3,804,129 (June 30, 2017 - \$6,370) to settle current liabilities of \$15,764 (June 30, 2017 - \$736,219). Management believes it has sufficient funds to meet its future obligations 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.

(c) Price risk - 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 \$45,825 change in accumulated other comprehensive income (loss).

**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. 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. The carrying value of warrants is based on the Black-Scholes option pricing model and approximates the fair value.

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

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(Unaudited - Expressed in Canadian dollars)

For the six month period ended December 31, 2017 and 2016

**Note 10 Financial Instruments (continued)**

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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 warrants are classified as Level 1. Warrants are classified as Level 2.

There has been no change in Levels for the period ended December 31, 2017.

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**Note 11 Subsequent Event**

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None.