LANEBURY GROWTH CAPITAL LTD.

(FORMERLY NU2U RESOURCES CORP.)

Vancouver, BC

Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

MNP LLP

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 statements of financial position as at June 30, 2018 and 2017, and the statements of loss and comprehensive income (loss), statements of change in shareholders' equity (deficiency) and cash flows 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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2018 and 2017 and its financial performance and its cash flows for the years 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.

MNP LLP

Vancouver, British Columbia
October 10, 2018

Chartered Professional Accountants

LANEBURY GROWTH CAPITAL LTD. (FORMERLY NU2U RESOURCES CORP.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Notes		June 30, 2018		June 30, 2017
ASSETS					
Current assets					
Cash and cash equivalents	3	$	3,766,164	$	6,370
Marketable securities	4		235,000		164,500
Warrants	4		38,016		19,340
Loans receivable and accrued interest - Mobio	5		428,672		-
Loan receivable and accrued interest - TYM	5		-		319,654
Receivables and prepaid expenses			12,094		6,471
			4,479,946		**516,335**
Non-current assets					
Wind assets	6		1		1
			1		1
TOTAL ASSETS		**$**	**4,479,947**	**$**	**516,336**
LIABILITIES					
Current liabilities					
Trade payables and other payables		$	17,678	$	13,265
Loans payable	7		-		722,954
TOTAL LIABILITIES			17,678		736,219
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	8		5,010,001		10,001
Reserve			-		19,601
Accumulated other comprehensive income (loss)			56,332		(14,168)
Deficit			(604,064)		(235,317)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)			**4,462,269**		**(219,883)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**4,479,947**	**$**	**516,336**

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Approved and authorized for issue by the Company's Board of Directors on October 10, 2018.

"Lance Tracey"	*"Sheri Rempel"*
Lance Tracey, Director	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 INCOME (LOSS)
(Expressed in Canadian Dollars)

	Notes		**Years ended June 30, 2018**		2017
Management and consulting fees	9	$	13,155	$	17,623
Office and sundry			1,579		462
Professional fees	9		33,978		33,503
Transfer agent and filing fees			31,786		11,820
Total expenses			(80,498)		(63,408)
Interest income	5		96,042		52,166
Interest expense	7,9		(63,943)		(75,856)
Gain (loss) on derivative	4		18,676		(36,992)
Impairment provision on loan receivable	5		(378,435)		-
Net loss		$	(408,158)	$	(124,090)
Other comprehensive income (loss)					
Unrealized gain (loss) on marketable securities	4		70,500		(14,168)
Net loss and comprehensive income (loss) for the year		$	(337,658)	$	(138,258)
Loss per share – basic and diluted		$	(0.17)	$	(0.06)
Weighted average number of common shares outstanding			2,465,877		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' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Notes	Share capital		Accumulated other comprehensive income (loss)	Reserve	Deficit	Total
		Number of shares	Amount				
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				(14,168)			(14,168)
Net 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)**
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	-	-	70,500	-	-	70,500
Net loss for the year		-	-	-	-	(408,158)	(408,158)
Balance at June 30, 2018		**10,320,803**	**$ 5,010,001**	**$ 56,332**	**$ -**	**$ (604,064)**	**$ 4,462,269**

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)

	Notes		Years ended June 30, 2018		2017
Operating activities					
Net loss for the year		$	(408,158)	$	(124,090)
Adjustments for non-cash items:					
Interest income			(96,042)		(49,651)
Accretion			24,029		75,856
Loss (gain) on derivative			(18,676)		36,992
Impairment provision on loan receivable	5		378,435		-
Changes in non-cash working capital items:					
Goods and services tax and prepaid expenses			2,966		(5,157)
Trade payables and other payables			4,413		(68,578)
Net cash used in operating activities			(113,033)		(134,628)
Investing activities					
Purchase of marketable securities			-		(235,000)
Loans advanced	5		(400,000)		-
Net cash used in investing activities			(400,000)		(235,000)
Financing activities					
Loan proceeds received	7		250,000		235,000
Loan repayment	7		(977,173)		126,250
Interest on loan receivable			-		6,964
Private placement proceeds	8		5,000,000		-
Net cash provided by financing activities			4,272,827		368,214
Increase (decrease) in cash and cash equivalents			3,759,794		(1,414)
Cash and cash equivalents, beginning of year			6,370		7,784
Cash and cash equivalents, end of year		$	3,766,164	$	6,370

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

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.

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

Note 2 Significant Accounting Policies (continued)

Use of Estimates and Judgments (continued)

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.

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.

Note 2 Significant Accounting Policies (continued)

Use of Estimates and Judgments (continued)

iii. 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.

iv. 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.

v. 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.

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.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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 measured at an amortized cost using the effective interest method less impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. 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.

Note 2 Significant Accounting Policies (continued)

Financial assets (continued)

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.

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 cash equivalents, 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 loans 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.

In situations where stock option awards are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Note 2 Significant Accounting Policies (continued)

Income taxes

Income tax 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.

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.

Earnings (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 of earnings (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 income (loss) per share has been calculated using the weighted average number of common shares outstanding during the year.

(Expressed in Canadian dollars)

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 Cash and Cash Equivalents

The components of cash and cash equivalents are as follows:

		June 30, 2018		June 30, 2017
Cash at bank	$	766,164	$	6,370
Guaranteed investment certificate		3,000,000		-
	$	3,766,164	$	6,370

As at June 30, 2018, the Company had one guaranteed investment certificates ("GIC") of $3,000,000 (2017 – $Nil) that matures on March 27, 2019 with an interest rate of prime minus 2.35%.

Note 4 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.

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.

On May 7, 2018, 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 1,175,000 common shares of Mobio and 587,500 share purchase warrants to purchase common shares of Mobio at an exercise price of $0.30 per share.

As at June 30, 2018, the fair value of the common shares was $235,000 which resulted in an increase of $70,500 that was recorded to other comprehensive income in the current year. In addition, the fair value of the warrants was $38,016 (2017 - $19,340) which resulted in an increase of $18,675 that was recorded to the statements of loss and comprehensive income (loss) for the year ended June 30, 2018 (2017 – decrease of $36,992).

Note 5 Loans Receivable and Accrued Interest

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 year ended June 30, 2018, interest of $9,260 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 year ended June 30, 2018, interest of $3,712 was earned on the loan.

(Expressed in Canadian dollars)

Note 5 Loans Receivable and Accrued Interest (continued)

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 year ended June 30, 2018, interest of $3,247 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 year ended June 30, 2018, interest of $9,699 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 year ended June 30, 2018, interest of $2,754 was earned on the loan.

As at June 30, 2018, the Company has advanced $400,000 as follows:

Maturity Date		Principal		Interest		Balance
July 27, 2018	$	100,000	$	9,260	$	109,260
October 3, 2018		50,000		3,712		53,712
November 6, 2018		50,000		3,247		53,247
November 7, 2018		150,000		9,699		159,699
December 12, 2018		50,000		2,754		52,754
	$	**400,000**	**$**	**28,672**	**$**	**428,672**

Subsequent to the year end of June 30, 2018, the loans matured on July 27, 2018 and October 3, 2018 have not yet been received.

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.

Note 5 Loans Receivable and Accrued Interest (continued)

Twenty Year Media Corp. (continued)

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.

During the year ended June 30, 2018, the Company earned interest income of $58,781 (June 30, 2017 - $49,651) related to this loan receivable.

During the year ended June 30, 2018, the Company recorded an impairment allowance of $378,435 for the loan receivable from TYM of $252,500 and associated accrued interest of $125,935 as management of the Company deemed the loan to be uncollectible.

Note 6 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 7 Loans 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

Note 7 Loans Payable and Accrued Interest (continued)

accrued interest was due and payable on December 15, 2016. On November 30, 2017, the Company repaid the loan of $482,312 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 $215,399 using a discount rate of 19.1% and $19,601 was allocated to reserve. 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 reserve. On November 30, 2017, the Company repaid the loan of $258,767 including accrued interest of $8,767.

As at June 30, 2018, total outstanding loans were $Nil (2017 - $722,954). During the year ended June 30, 2018, the Company recorded interest expense of $39,914 (2017 - $60,474) and accretion of $24,029 (2017 - $15,382) related to the loans payable.

Note 8 Share Capital

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.

(Expressed in Canadian dollars)

Note 8 Share Capital (continued)

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.

On November 14, 2017, Code has entered into an escrow agreement with the Company and has agreed that it is restricted from selling or dealing in other ways with the escrow securities until they are released. 9,127,500 common shares were held in escrow and will be released as follows: 10% on the listing date and 15% tranches every six months thereafter over a period of 36 months. As at June 30, 2018, the Company had 6,845,625 common shares held in escrow.

Stock Options

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.

There were no stock options outstanding at June 30, 2018.

Note 9 Related Party Transactions

Balances

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

		June 30, 2018		June 30, 2017
CEO of the Company	$	1,111	$	-
Company controlled by the CFO of the Company		3,582		588
	$	4,693	$	588

Transactions – paid or accrued

Transactions with related parties are summarized in the tables below:

(Expressed in Canadian dollars)

Note 9 Related Party Transactions (continued)

		Year ended June 30, 2018		Year ended June 30, 2017
Interest and accretion on loans payable to Code	$	63,942	$	75,856
Interest on loans receivable from Mobio		28,672		2,515

Fees paid to Company controlled by the CFO of the Company:

		Year ended June 30, 2018		Year ended June 30, 2017
Management and consulting fees	$	13,155	$	14,088
Professional fees		8,840		8,100

For the year ended June 30, 2018, out of the $13,155 management and consulting fees, $8,325 consulting fees (2017 - $11,498 out of $14,088) were related to CFO services.

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. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted. Transactions with related parties are also disclosed in Note 5, 7 and 8.

Note 10 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 years ended June 30, 2018 and 2017.

Note 11 Financial Instruments

The fair value of the Company's loans receivable and accrued interest, warrants held, trade payables and other payables 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 loans receivable from Mobio in the amount of $428,672. The Company is in regular communication with Mobio and has a degree of confidence that the loan will be repaid. An allowance for doubtful accounts of $378,435 has been recorded on the loan receivable from TYM as management has deemed the loan to be uncollectible.

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, 2018, the Company had a cash balance of $3,766,164 (2017 - $6,370) to settle current liabilities of $17,678 (2017 - $736,219).

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 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 $7,112 change in net income (loss) and a $23,500 change in accumulated other comprehensive income (loss).

Fair Value of Financial Instruments

The Company's financial instruments measured at fair value consist of cash and cash equivalents, receivables and prepaid expenses, warrants, marketable securities and trade payables and other payables. The carrying values of cash and cash equivalents, receivables and prepaid expenses and 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.

(Expressed in Canadian dollars)

Note 11 Financial Instruments (continued)

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 year ended June 30, 2018.

Note 12 Income Taxes

The following table reconciles the expected income tax expense (recovery) at Canadian statutory income tax rates to the amounts recognized in the statements of loss and comprehensive (income) loss for the years ended June 30, 2018 and 2017:

	June 30, 2018	June 30, 2017
Net income (loss) before taxes	$ (408,158)	$ (124,090)
Statutory tax rate	26%	26%
Expected income tax (recovery)	(106,121)	(32,263)
Non-deductible Items	(2,284)	4,809
Change in deferred tax assets not recognized	108,405	27,454
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, 2018 and 2017 are as follows:

(Expressed in Canadian dollars)

Note 12 Income Taxes (continued)

		June 30, 2018		June 30, 2017
Marketable securities	$	4,942	$	2,514
Non capital loss carryforwards		-		1,097
Loans payable and accrued interests		-		(1,097)
Derivative - warrants		(4,942)		(2,514)
Net deferred tax asset (liability)	$	-	$	-

The unrecognized deductible temporary differences are as follows:

		June 30, 2018		June 30, 2017
Non capital loss carryfowards	$	168,741	$	178,724
Impairment provision on loan receivable		378,435		-
Marketable securities		-		51,160
Unrecognized deductible temporary differences	$	547,176	$	229,884

As at June 30, 2018 the Company has not recognized a deferred tax asset in respect of non-capital loss carry-forwards of approximately $168,741 (2017: $178,724) 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		
2038	$	15,724
2037		8,090
2036		71,716
2035		30,834
2034		42,377
Total	$	168,741

Note 13 Subsequent Events

Investment in Finhaven Technology Inc.

On July 25, 2018, the Company announced a USD $1,000,000 investment in Finhaven Technology Inc. (“Finhaven”) pursuant to the Simple Agreement for Future Equity (the “SAFE”). The SAFE provides that the investment will be

Note 13 Subsequent Events (continued)

converted into common shares of Finhaven at a price equal to USD $33,000,000 divided by the capitalization of Finhaven no later than 90 days past June 30, 2020.

Stock options

On July 31, 2018, the Company granted an aggregate of 400,000 incentive stock options, exercisable at a price of $0.50 for a period of five years from the date of grant, to the directors and officers of the Company in accordance with the Company's current stock option plan.