LANEBURY GROWTH CAPITAL LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

JUNE 30, 2020

INTRODUCTION

Lanebury Growth Capital Ltd. (“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. On November 21, 2017, the Company’s shares were listed on the Canadian Securities Exchange under the trading symbol “LLL”.

This management discussion and analysis should be read in conjunction with the financial statements and related notes thereto for the years ended June 30, 2020 and 2019 (the “Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (“IASB”). All amounts in the financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis (“MD&A”) is dated October 28, 2020 and discloses specified information up to that date.

All statements other than statements of historical fact in this MD&A are forward-looking statements. These statements represent the Company’s intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

THE COMPANY AND BUSINESS

Lanebury is an investment company specializing in business opportunities in the technology arena. The Company targets investments that have a monthly revenue model and can be scaled easily using internet and mobile technologies. The proposed investments are generally early stage startups that already have developed a customer and revenue base with competent management in place and are seeking funding for expansion.

The current directors have considerable experience dealing in the technology area and can be expected to find considerable opportunities for investment in the less than one million dollars range, either through debt or equity investments, where risk is elevated but may be reduced by diversification, and where these investments can be profitable.

The Company’s primary industry focus is as follows:

I. Internet hardware, systems and software

II. Internet media

III. Internet health

IV. Internet education

V. Unique technologies applied in an innovative business model

SELECTED ANNUAL INFORMATION

Financial year ended:	June 30, 2020	June 30, 2019	June 30, 2018
Total revenues	Nil	Nil	Nil
Net loss			
In total	$ (132,337)	$ (401,640)	$ (408,158)
Per share [1,2]	$ (0.01)	$ (0.04)	$ (0.17)
Comprehensive loss			
In total	$ (132,337)	$ (401,640)	$ (337,658)
Total assets	$ 4,153,949	$ 4,191,215	$ 4,479,946
Total long term financial liabilities	Nil	Nil	Nil

No dividends were declared or paid nor are any contemplated.
Note 1 - Fully diluted per share amounts are not shown as the effect is anti-dilutive.

RESULTS OF OPERATIONS

	Three months ended June 30, 2020	Three months ended June 30, 2019	Years ended June 30, 2020	Years ended June 30, 2019
Expenses				
Management and consulting fees	$ 5,546	$ 2,880	$ 30,500	$ 16,191
Office and sundry	603	98	834	1,110
Professional fees	7,505	12,644	55,466	37,612
Share-based payments	95,985	-	95,985	109,254
Transfer agent and filing fees	3,544	2,503	28,964	15,464
	(113,183)	(18,125)	(211,749)	(179,631)
Other items				
Foreign exchange gain (loss)	(67,079)	(27,606)	60,661	(12,300)
Interest income	34,384	41,822	142,897	96,008
Fair value loss on investments	-	(134,761)	-	(141,000)
Equity gain (loss) on investments	177,027	(132,626)	(124,146)	(132,626)
Loss on derivatives	-	(46,154)	-	(32,091)
Net income (loss)	**$ 31,149**	**$ (317,450)**	**$ (132,337)**	**$ (401,640)**

THREE MONTH PERIOD ENDED JUNE 30, 2020 AND 2019

The net gain for the quarter ended June 30, 2020 was $31,149 compared to a net loss of $317,450 for the quarter ended June 30, 2019, representing an increase of $348,599.

Expenses

For the quarter ended June 30, 2020, total expenses were $113,183 compared to $18,125 recorded during the same period in 2019, representing an increase of $95,058. Material variances over the comparable period are discussed below.

Share-based payments

For the quarter ended June 30, 2020, share-based payments were $95,985 compared to $Nil for the quarter ended June 30, 2019. The increase is related to 400,000 stock options granted during the current period.

Other items

For the quarter ended June 30, 2020, the Company incurred a fair value loss on investments of $Nil compared to $134,761 in the prior year comparative period. This is related to the decrease in the value of Mobio's shares which were accounted for at fair value, prior to the change to equity accounting in the latter part of the prior year.

For the quarter ended June 30, 2020, the Company recorded an equity gain of $177,027 on its investment in Mobio and Plank compared to an equity loss of $132,626 during the comparable period. This is related to an increase in the value of Plank's investment which were accounted for at fair value.

For the quarter ended June 30, 2020, the loss on derivative was $Nil compared to a loss of $46,154 recorded in the prior year quarter. Gains and losses on derivatives were related to increases and decreases in the value of the Mobio warrants held by the Company prior to the Company adopting equity accounting for its investment in Mobio.

YEARS ENDED JUNE 30, 2020 AND 2019

Net loss

The net loss for the year ended June 30, 2020, was $132,337 compared to a net loss of $401,640 for the year ended June 30, 2019, representing a decrease of $269,303.

Expenses

For the year ended June 30, 2020, total expenses were $211,749 compared to $179,631 recorded for 2019, representing an increase of $32,118. Material variances over the comparable year are discussed below.

Management and consulting fees

For the year ended June 30, 2020, management and consulting fees were $30,500 compared to $16,191 during the prior year. The increase is related to an increase in the amount of time spent by management and consultants in the current year with respect to year-end audit and quarterly financial reporting.

Transfer agent and filing fees

For the year ended June 30, 2020, transfer agent and filing fees were $28,964 compared to $15,464 for the year ended June 30, 2019, representing an increase of $13,500. The higher fees for the current year are related to late recording of filing fees in the current year that was incurred during the prior year audited financial statements.

Professional fees

For the year ended June 30, 2020, professional fees were $55,466 compared to $37,612 for the year ended June 30, 2019. The increase is related to higher audit fees incurred during the prior year and recorded in the current year. Higher than anticipated audit fees were incurred with respect to June 2019 year-end audit as a result of the adoption of IFRS 9 in the 2019 fiscal year.

Share-based payments

For the year ended June 30, 2020, share-based payments were $95,985 compared to $109,254 for the year ended June 30, 2019. The current year change is related to 400,000 stock options granted during the current year.

Other items

For the year ended June 30, 2020, the Company incurred a fair value loss on investments of $Nil compared to $141,000 in the prior year period. This is related to the decrease in the value of Mobio's shares which were accounted for at fair value, prior to the change to equity accounting in the latter part of the prior year.

For the year ended June 30, 2020, the Company recorded an equity loss of $124,146 on its investment in Mobio and Plank compared to an equity loss of $132,626 incurred during the prior year

SUMMARY OF QUARTERLY INFORMATION

Fiscal quarter ended	Revenues [1]	Net Income (Loss)	Comprehensive Income (Loss)	Earnings (Loss) from Continuing Operations – Per Share [2]
		$	$	$
June 30, 2020	Nil	31,149	31,149	0.00
March 31, 2020	Nil	61,834	61,834	0.01
December 31, 2019	Nil	(182,115)	(182,115)	(0.02)
September 30, 2019	Nil	(43,205)	(43,205)	(0.00)
June 30, 2019	Nil	(317,450)	(317,450)	(0.03)
March 31, 2019	Nil	156,408	156,408	0.02
December 31, 2018	Nil	6,165	6,165	-
September 30, 2018	Nil	(246,763)	(246,763)	(0.02)

Note 1: Revenues exclude interest income.
Note 2: Loss per share is rounded to the nearest whole cent

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had current assets of $998,369 and current liabilities of $20,418 compared to current assets of $1,365,597 and current liabilities of $21,332 as at June 30, 2019. At June 30, 2020, the Company had working capital of $977,951 compared to working capital of $1,344,265 at June 30, 2019.

Cash and cash equivalents at June 30, 2020 were $991,843 compared to $1,355,108 at June 30, 2019.

In the future, the Company will need to continue raising additional capital. As a public company, the evaluation by the investment community and individual investors will determine the outcome of any financing in the public market.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

Balances

Included in trade payables and other payables is $Nil (2019 - $389) owing to the company controlled by the CFO of the Company.

Transactions with related parties are summarized in the tables below:

Management compensation

	Years ended	
	June 30, 2020	June 30, 2019
Management and consulting fees paid to a company controlled by the CFO	$ 24,350	$ 16,191
Professional fees paid to a company controlled by the CFO	5,998	10,076
Share-based payments to officers and directors (Note 8)	95,985	109,254

Transactions with related parties

	Years ended	
	June 30, 2020	June 30, 2019
Interest on loan receivable from Mobio	$ -	$ 26,612
Interest and accretion on loan receivable from Plank	127,448	49,618

The amount of consideration established and agreed to by the related parties. All amounts are unsecured, non-interest bearing and have no specified terms of settlement, unless otherwise noted.

FINANCIAL 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 Plank in the amount of $768,919 (June 30, 2019 - $641,471). The Company is in regular communication with Plank and expects that the loan will be recoverable.

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, 2020, the Company had a cash balance of $991,843 (June 30, 2019 - $1,355,108) to settle current liabilities of $20,418 (June 30, 2019 - $21,332).

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 loans to related companies bear a fixed rate of interest and accordingly are not subject to interest rate risk. The Company has a cash balance making the company sensitive to interest rate fluctuations.

(b) Foreign currency risk - The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company has a significant investment that is denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of June 30, 2020, the Company does not use derivative instruments to reduce its exposure to currency risk. A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net income by $163,536.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Fair Value of Financial Instruments

The Company's financial instruments measured at fair value consist of cash and cash equivalents, loans receivable, the Safe investment and trade payables and other payables. The carrying values of cash and cash equivalents, loans receivable, 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.

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 the Safe investment are classified as Level 1. The Safe investment and other investments are classified as Level 3, which use valuation techniques, including data and comparable public companies to determine the fair value.

SHARE CAPITAL

The total number of common shares outstanding at June 30, 2020 and the date of this MD&A is 10,320,803.

As at June 30, 2020 and the date of this report, there were 700,000 stock options and no warrants outstanding.

Options outstanding	Exercise Price	Expiry date	Options exercisable
300,000	$ 0.50	July 31, 2023	300,000
400,000	$ 0.25	May 19, 2025	400,000
700,000			700,000

RISK FACTORS

In evaluating an investment in Lanebury, in addition to other information contained in this MD&A, investors should consider the following risk factors associated with Lanebury. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Risk of Loss of Entire Investment

Investing in startup companies involves a high level of risk. Startup companies may fail completely or Lanebury may be unable to resell the shares it owns in the startup or collect upon the debt instrument that the Company has purchased from the startup. In these situations, Lanebury may lose the entire amount of the investment.

Return on Investment is Not Guaranteed

The amount of return on investment, if any, is highly variable and not guaranteed. Some startups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

Delay in Return on Investment

Any returns generated by startup companies may take several years to materialize. Most startups take five to seven years to generate any investment return, if at all.

Liquidity Risk

It may be difficult to resell the investment in a startup. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of startups. Furthermore, there may be restrictions on the resale of the shares of the startup and the ability to transfer those shares.

Dilution Risk of the Investment

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage ownership that Lanebury has in the company.

Risk of Inaccurate Valuation of the Investment

Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess. The issuer will set the share price of the investment and there is a risk of overpaying for that investment.

Risk of Failure of the Startup

Investments in startups are speculative, and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a startup often relies on the development of a new product or service that may or may not find a market.

Risk of Profitability of Startup Companies

A Startup company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The startup company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

Funding risk

A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

Disclosure risks

The startup company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

Personnel risks

An investment in a startup is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The startup company's management may not have the necessary expertise and experience to deliver on the company's business plan.

Growth risk

For a startup to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

Competition risk

The startup may face competition from other companies, some of which might have received more funding than the startup has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

Market demand risk

While a startup company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

Control risks

Because the company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Lanebury's. The company's founders, directors and executive officers may own or control a significant percentage of the startup company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, may vote.

Cyber Security Risks

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

COVID-19

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of Covid-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cashflows in 2021.

ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on the SEDAR website at www.sedar.com.