LANEBURY GROWTH CAPITAL LTD.
Vancouver, BC

Financial Statements

June 30, 2022 and 2021

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lanebury Growth Capital Ltd.

Opinion

We have audited the financial statements of Lanebury Growth Capital Ltd. (the "Company"), which comprise the statements of financial position as at June 30, 2022 and 2021, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

October 27, 2022

LANEBURY GROWTH CAPITAL LTD.
STATEMENTS OF FINANCIAL POSITION
(*Expressed in Canadian Dollars*)

	Note		June 30, 2022		June 30, 2021
ASSETS					
Current assets					
Cash and cash equivalents		$	27,727	$	606,556
			27,727		**606,556**
Non-current assets					
Wind assets	7		1		1
Loans receivable and accrued interest	5		1,515,629		1,244,829
Investments measured at fair value through profit or loss	3		192,427		784,313
Equity investments	4		138,153		199,806
Other investments	6		3,166,502		1,812,280
			5,012,712		**4,041,229**
TOTAL ASSETS		**$**	**5,040,439**	**$**	**4,647,785**
LIABILITIES					
Current liabilities					
Trade and other payables	10	$	40,755	$	31,973
Loans payable	8		792,401		525,913
TOTAL LIABILITIES			**833,156**		**557,886**
SHAREHOLDERS' EQUITY					
Share capital	9		5,010,001		5,010,001
Reserve	9		205,239		205,239
Equity portion of debt	8		123,550		43,893
Deficit			(1,131,507)		(1,169,234)
TOTAL SHAREHOLDERS' EQUITY			**4,207,283**		**4,089,899**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**5,040,439**	**$**	**4,647,785**

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized for issue by the Company's Board of Directors on October 27, 2022.

"Lance Tracey" — Lance Tracey, Director

"Sheri Rempel" — Sheri Rempel, Director

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

LANEBURY GROWTH CAPITAL LTD.
STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(*Expressed in Canadian Dollars*)

	Note		Year ended June 30, 2022		2021
Expenses					
Management and consulting fees	10	$	47,778	$	29,257
Office and sundry			1,669		1,482
Professional fees			45,045		23,247
Miscellaneous			997		14,259
Transfer agent and filing fees			17,119		16,843
			(112,608)		(85,088)
Other items					
Foreign exchange gain (loss)	5,6,8		59,944		(150,231)
Interest expense	8,10		(69,300)		(39,903)
Accretion expense	8,10		(55,191)		(33,252)
Interest income	5,10		250,405		213,084
Net fair value gains and losses on investments	3,6		26,130		348,600
Equity loss on investments	4		(61,653)		(340,735)
Net income (loss) and comprehensive income (loss) for the year		**$**	**37,727**	**$**	**(87,525)**
Income (loss) per share – basic and diluted		**$**	**0.00**	**$**	**(0.01)**
Weighted average number of common shares outstanding - basic and diluted			**10,320,803**		**10,320,803**

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

LANEBURY GROWTH CAPITAL LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(*Expressed in Canadian Dollars*)

	Share capital					
	Number of shares	**Amount**	**Reserve**	**Equity portion of debt**	**Deficit**	**Total**
Balance at June 30, 2020	10,320,803	$ 5,010,001	$ 205,239	$ -	$ (1,081,709)	$ 4,133,531
Equity portion of debt	-	-	-	43,893	-	43,893
Net loss for the year	-	-	-	-	(87,525)	(87,525)
Balance at June 30, 2021	**10,320,803**	**5,010,001**	**205,239**	**43,893**	**(1,169,234)**	**4,089,899**
Equity portion of debt	-	-	-	79,657	-	79,657
Net income for the year	-	-	-	-	37,727	37,727
Balance at June 30, 2022	**10,320,803**	**$ 5,010,001**	**$ 205,239**	**$ 123,550**	**$ (1,131,507)**	**$ 4,207,283**

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

LANEBURY GROWTH CAPITAL LTD.
STATEMENTS OF CASH FLOWS
(*Expressed in Canadian Dollars*)

		Year ended June 30,
	2022	**2021**
Operating activities		
Net loss for the year	$ 37,727	$ (87,525)
Adjustments for non-cash items:		
Accrued interest income	(250,405)	(206,377)
Interest expense	69,300	39,903
Accretion expense	55,191	33,252
Unrealized foreign exchange loss (gain)	(59,944)	150,244
Unrealized fair value gain on investments	(26,130)	(348,600)
Equity loss on investments	61,653	340,735
Changes in non-cash working capital items:		
Receivable	-	6,526
Trade payables and other payables	8,779	11,555
Net cash used in operating activities	(103,829)	(60,287)
Investing activities		
Loan advanced	-	(526,720)
Other investments	(675,000)	(325,000)
Net cash used in investing activities	(675,000)	(851,720)
Financing activities		
Loan proceeds received	200,000	526,720
Net cash provided by financing activities	200,000	526,720
Decrease in cash and cash equivalents	(578,829)	(385,287)
Cash and cash equivalents, beginning	606,556	991,843
Cash and cash equivalents, ending	**$ 27,727**	**$ 606,556**

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

Note 1 Nature and Continuance of Operations

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. The Company's registered and records office is located at 401 - 750 West Pender Street, Vancouver, BC, V6C 2T7.

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, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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 of financial instruments measured at FVTPL and expected credit losses of financial assets measured at amortized cost.

Note 2 Significant Accounting Policies (continued)

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.

Fair Value of Investments

The Company reviews certain investments and records their fair value at each financial statement reporting date. For investments in public companies, fair value is determined based on the quoted market price less the discount for lack of marketability. For investments in private companies, certain subjective measures, including recent share transactions, prices for comparable entities, review of cash flow projections, the investee's prospects, and financial ratios are techniques used to determine fair value. Where possible the Company uses inputs obtained from observable market data for its valuation models. However, if observable market data is not available the Company uses judgement to determine fair value.

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 interpretations, 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.

Recoverability 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 borrower 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.

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.

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.

Note 2 Significant Accounting Policies (continued)

Each installment is valued separately, based on assumptions determined from historical data, and recognized as compensation expense over each installment's individual tranche vesting period. Forfeiture estimates are recognized in the period they are estimated and are revised for actual forfeitures in subsequent periods.

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

Income taxes

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

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 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 income or 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 per share has been calculated using the weighted average number of common shares outstanding during the year.

Note 2 Significant Accounting Policies (continued)

Financial instruments

The following table shows the classification under IFRS 9:

Cash and cash equivalents	FVTPL
Marketable securities and other investments	FVTPL
Wind assets	FVTPL
Loans receivable and accrued interest	Amortized cost
Loan payable	Amortized cost
Trade payables and other payables	Amortized cost

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of income (loss) and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of income (loss) and comprehensive income (loss) in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Note 2 Significant Accounting Policies (continued)

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statements of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes financial liabilities when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Accounting standards issued but not yet effective

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

Note 3 Investments Measured at Fair Value Through Profit or Loss

Plank Ventures Ltd.

As at June 30, 2022, the Company held 1,973,611 shares of Plank, of which 789,445 are unrestricted. The fair value of the unrestricted shares is determined by taking the number of unrestricted shares and multiplying by price per share prevailing on the market at the date closest to date of the financial statements. The fair value of the restricted shares is based on number of restricted shares multiplied by the price per share prevailing on the market at the date closest to date of the financial statements and applied by discount for lack of marketability ("DLOM"). The DLOM reflects the impact of the restriction period on fair value of the shares due to time value of money, the

(Expressed in Canadian Dollars)

Note 3 Investments Measured at Fair Value Through Profit or Loss (continued)

risk of trading price fluctuation, and opportunity cost of not being permitted to liquidate the restricted shares and use the proceeds in alternative investment. The DLOM is calculated by rounding the average of the Chaffee and Finnerty put option models and is estimated at $44,406 (June 30, 2021 - $202,493). The measurement of DLOM requires the use of Level 3 estimates, specifically, the annualized volatility of 100% was estimated using the historical volatility of return of comparable companies. The DLOM reduces the value of investment in Plank and is recognized as fair value gain (loss) on investment in statements of income (loss) and comprehensive income (loss).

For the year ended June 30, 2022, the Company recognized fair value loss on its investment in Plank of $591,886 (2020 – gain of $348,600). As at June 30, 2022, the Company held 1,973,611 common shares with a carrying value of $192,427 (June 30, 2021 - 1,973,611 common shares with carrying value of $784,313).

Note 4 Equity Investments

Mobio Technologies Inc.

During the year ended June 30, 2022, the Company recognized its share of Mobio’s net loss of $61,653 (June 30, 2021 - $340,735 net loss) in the statements of income (loss) and comprehensive income (loss).

As of June 30, 2022, the Company held 11,841,668 common shares of Mobio with a carrying value of $138,153 (June 30, 2021 – 11,841,668 shares with carrying value of $199,806). As of June 30, 2022, the value of the shares is $1,184,167 (June 30, 2021 - $1,421,000) based on Mobio’s last quoted market price. The shares of Mobio are considered to be thinly traded and accordingly the quoted market price may not be indicative of fair value.

The purpose of the Company’s investment in Mobio is to provide capital and consultations to support Mobio’s technology development.

		April 30, 2022		June 30, 2021
Current assets	$	71,076	$	96,808
Total assets	$	71,076	$	1,004,885
Current liabilities	$	692,373	$	573,245
Total liabilities	$	721,221	$	1,463,681
Revenue for the period	$	3,839	$	280,562
Net loss for the period	$	156,883	$	1,486,462
Net loss attributable to Lanebury	$	61,653	$	461,398

(Expressed in Canadian Dollars)

Note 5 Loans Receivable and Accrued Interest

Plank Ventures Ltd.

On January 29, 2019, the Company entered into an agreement to loan $700,000 to Plank. The loan is unsecured and bears interest at 10% per annum. The principal balance plus accrued interest was due and payable on January 29, 2021. At initial recognition, a discount of $108,147 was recognized to record the loan at fair value using a discount rate of 20%, which was recorded to the investment in Plank (Note 3). On January 29, 2021 the loan with principal balance of $847,211 was extended to mature on December 31, 2022 at which date the principal balance plus accrued interest was due and payable. On renewal, a discount of $130,326 was recognized to record the loan at fair value using a discount rate of 20%, which was recorded to the investment in Plank (Note 3). During the year ended June 30, 2022, interest and accretion of $154,764 (2021 - $135,228) were earned on the loan.

On September 16, 2020, the Company entered into an agreement to loan $526,720 (USD$400,000) to Plank. The loan is unsecured and bears interest at 10% per annum. The principal balance plus accrued interest is due and payable on September 16, 2021. At initial recognition, a discount of $43,893 (USD$33,333) was recognized to record the loan at fair value using a discount rate of 20%, which was recorded to the investment in Plank (Note 3). As of March 12, 2021, the loan was extended to mature on December 31, 2022 at which date the principal balance plus accrued interest is due and payable. On renewal, an additional discount of $50,734 (USD$43,016) was recognized to record the loan at fair value using a discount rate of 20%, which was recorded to the investment in Plank (Note 3). During the year ended June 30, 2022, the Company earned $95,641 (2021 - $71,148) in interest and accretion on the loan and recognized a $20,395 gain (2021 – $32,232 loss) in foreign exchange on translation.

The loans receivable are made up as follows:

		June 30, 2022		June 30, 2021
Balance, beginning	$	1,244,829	$	768,919
Fair value of additional loan		-		432,093
Fair value on amendment of loan receivable		-		(130,326)
Foreign exchange translation adjustments		20,395		(32,232)
Interest and accretion		250,405		206,376
Balance, ending	**$**	**1,515,629**	**$**	**1,244,829**

Note 6 Other Investments

Finhaven Technology Inc.

On July 24, 2018, the Company made $1,321,000 (US$1,000,000) investment in Finhaven Technology Inc. (“Finhaven”) pursuant to the Simple Agreement for Future Equity (the “SAFE”). The SAFE provided an automatic conversion into common shares at a price equal to USD $33,000,000 divided by the capitalization of Finhaven no later than 90 days past September 30, 2021.

(Expressed in Canadian Dollars)

Note 6 Other Investments (continued)

During the year ended June 30, 2022, the SAFE was terminated and Finhaven issued 452,143 common shares to the Company in accordance with the SAFE formula. During the year ended June 30, 2022, the Company recognized a fair value gain on investment of $618,016 (2021 - $Nil) and a foreign exchange gain of $51,366 (2021 – loss of $123,400). As at June 30, 2022, the carrying value of the investment is $1,908,782 (June 30, 2021 - $1,239,400).

		June 30, 2022		June 30, 2021
Balance, beginning	$	1,239,400	$	1,362,800
Fair value gain on investments		618,016		-
Foreign exchange translation adjustments		51,366		(123,400)
Balance, ending	**$**	**1,908,782**	**$**	**1,239,400**

The fair value of the investment was determined based on level 2 valuation data, using the data from the recent capital raise with arm's length third party investors.

Fission Internet Software Services for Open Networks Inc.

On August 15, 2019, the Company subscribed for 640,000 common shares of Fission Internet Software Services for Open Networks Inc. ("Fission") for cash consideration of $266,000 (US$200,000).

On November 26, 2020, the Company made a $325,000 investment in Fission pursuant to the Simple Agreement for Future Equity (the "SAFE2"). The SAFE2 provides that the investment will be converted into number of preferred shares upon closing of the next equity financing round. The number of preferred shares upon conversion is to be the greater of the invested amount divided by either the post-money valuation cap of $8,000,000 divided by capitalization of Fission, or preferred shares price set in equity financing multiplied by discount rate of 80%.

On October 5, 2021, the Company made further $675,000 investment in Fission pursuant to the Simple Agreement for Future Equity (the "SAFE3"). The SAFE3 provides that the investment will be converted into number of preferred shares upon closing of the next equity financing round. The number of preferred shares upon conversion is to be the greater of the invested amount divided by either the post-money valuation cap of $8,000,000 divided by capitalization of Fission, or preferred shares price set in equity financing multiplied by discount rate of 80%.

During the year ended June 30, 2022, the Company recognized a foreign exchange gain of $9,840 (2021 – loss of $24,680). As at June 30, 2022, the carrying value of the investment in Fission is $1,257,720 (June 30, 2021 - $572,880).

(Expressed in Canadian Dollars)

Note 6 Other Investments (continued)

		June 30, 2022		June 30, 2021
Balance, beginning	$	572,880	$	272,560
Additional investment		675,000		325,000
Foreign exchange translation adjustments		9,840		(24,680)
Balance, ending	**$**	**1,257,720**	**$**	**572,880**

The fair value of the investment was determined to be cost because there is insufficient more recent information to measure fair value after taking into account internally generated financial reports as well as qualitative factors with respect to the development of Fission's technology.

Note 7 Wind Assets

The wind assets consist of an investment in Katabatic Power Corp. comprised of various debt instruments and a minority equity interest, recorded at its fair value of $1 (2021 - $1).

Note 8 Loans Payable

On September 16, 2020, the Company entered into an agreement to borrow $526,720 (USD$400,000) from a company controlled by an officer and majority shareholder. The loan is unsecured and bears interest at 10% per annum. The principal balance plus accrued interest was due and payable on September 16, 2021. The Company recognized an equity component of $43,893 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest.

On September 16, 2021, the loan was extended to mature on December 31, 2022. Upon extension the Company recognized an equity component of $59,227 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 20%.

During the year ended June 30, 2022, the Company recorded interest and accretion of $98,121 (2021 - $73,155) on the loan and recognized $21,654 in foreign exchange loss (2021 – gain of $30,068) on translation due to unfavorable exchange rate movement.

On October 5, 2021, the Company entered into an agreement to borrow $200,000 from a company controlled by an officer and majority shareholder. The loan is unsecured and bears interest at 10% per annum. The principal balance plus accrued interest is due and payable on December 31, 2022. Upon initial recognition the Company recognized an equity component of $20,430 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 20%.

(Expressed in Canadian Dollars)

Note 8 Loans Payable (continued)

During the year ended June 30, 2022, the Company recorded interest and accretion of $26,370 (2021 - $Nil) on the loan.

Loans payable balance is as follows:

		June 30, 2022		June 30, 2021
Balance, beginning	$	525,913	$	-
Fair value of additional loan		179,570		482,827
Fair value on amendment of loan receivable		(59,227)		-
Interest and accretion		124,491		73,155
Foreign exchange translation adjustments		21,654		(30,068)
Balance, ending	**$**	**792,401**	**$**	**525,913**

Note 9 Share Capital and Reserve

Share Capital

Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares with a par value of $100 per share.

The total number of common shares outstanding at June 30, 2022, is 10,320,803 (June 30, 2021 - 10,320,803).

Stock Options

The number of shares available for purchase pursuant to options granted under the stock option 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.

(Expressed in Canadian Dollars)

Note 9 Share Capital and Reserve (continued)

There was no stock option activity for the years ended June 30, 2022 and 2021. Stock options outstanding and exercisable at June 30, 2022, are as follows:

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

The weighted average remaining contractual life of outstanding options at June 30, 2022 is 2.12 years.

Note 10 Related Party Transactions

Balances

Included in trade and other payables is $1,714 (June 30, 2021 - $1,468) owing to a company controlled by the CFO of the Company.

Loans payable represent $526,720 (USD$400,000) and $200,000 loans from Code Consulting Limited ("Code"), the majority shareholder of the Company. Code is a Canadian private investment corporation located and operating out of Vancouver, it is wholly owned and controlled by Lance Tracey, a director and officer of the Company. Loans receivable represent $700,000 and $526,720 (USD$400,000) loans to Plank Venture Capital ("Plank"), a publicly traded company in which Code is also the majority shareholder. The Company and Plank are therefore under common control of Code.

Transactions with related parties

Transactions with related parties are summarized in the tables below:

		Year ended June 30, 2022		2021
Principal balance of loans received from Code	$	726,720	$	526,720
Principal balance of loans made to Plank	$	1,226,720	$	1,226,720
Interest and accretion expense on loan payable to Code	$	124,491	$	73,155
Interest and accretion income on loans receivable from Plank	$	250,405	$	206,376

(Expressed in Canadian Dollars)

Note 10 Related Party Transactions (continued)

Management compensation

		Year ended June 30, 2022		2021
Management and consulting fees paid to a company controlled by the CFO	$	8,460	$	18,982
Management and consulting fees paid to a company with common director	$	28,100	$	4,500

All amounts due to related parties are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted. Transactions with related parties are also disclosed in Notes 3, 5 and 8.

Note 11 Capital Management

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

In order to carry out future projects and pay for administrative costs, the Company will raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year ended June 30, 2022.

Note 12 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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on the loans receivable from Plank with a carrying value of $1,515,629. The Company considered the nature of the related party relationship between Plank and Lanebury and assessed qualitative information available to date in its evaluation of collectability of these

Note 12 Financial Instruments (continued)

loans. The Company determined that the loans are collectable based on the assets that are held by Plank and no credit loss was recorded.

Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Company had a cash balance of $27,727 (June 30, 2021 - $606,556) to settle current liabilities of $833,156 (June 30, 2021 - $557,886). The Company is in communication with its investors and lenders and expects to increase liquidity via additional debt issuance subsequent to year end.

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 significant investments in Finhaven and Fission that are 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, 2022, 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 $216,650.

The Company's financial instruments measured at fair value consist of cash and cash equivalents, SAFE investment, other investments, and trade and other payables.

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.

Investment in the shares of Plank Ventures Ltd., the SAFE investments and other investments are classified as Level 3, which use valuation techniques, including DLOM, internally generated, and comparable public companies' data to determine the fair value.

Loan payable to Code Consulting Limited and loans receivable from Plank Ventures Ltd. are measured at amortized cost. Upon recognition, the fair values of the loans are estimated by discounting cash flows using interest rates of debt instruments with similar terms, maturities, and risk profile. The carrying values approximate the fair value of the loans.

(Expressed in Canadian Dollars)

Note 13 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 income (loss) and comprehensive income (loss) for the years ended June 30, 2022 and 2021:

		June 30, 2022		June 30, 2021
Net income (loss) before taxes	$	37,727	$	(87,525)
Statutory tax rate		27%		27%
Expected income tax (recovery)		10,186		(23,632)
Non-deductible items		21,510		642
Change in deferred tax assets not recognized		(31,696)		22,989
Total income tax expense (recovery)	$	-	$	-

The unrecognized deductible temporary differences are as follows:

		June 30, 2022		June 30, 2021
Non-capital loss carryforwards	$	245,016	$	205,914
Impairment provision on loan receivable		378,435		378,435
Other investments		(531,142)		87,420
Marketable securities		704,420		50,881
Loans receivable & payable (net)		75,025		205,836
Unrecognized deductible temporary differences	$	871,754	$	928,486

As at June 30, 2022, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of approximately $245,016 (2021 - $205,914) which may be carried forward to apply against future year income tax for Canadian tax purposes, subject to final determination by taxation authorities, expiring in the following years:

Expiry		
2034	$	1,486
2035		50,889
2036		30,834
2037		71,716
2038		23,814
2040		27,168
2042		39,109
Total	$	245,016

Note 14 Subsequent Events

On July 12, 2022, the Company entered into an agreement to borrow $1,300,000 from a company controlled by the officer. The loan bears interest at 10% per annum and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 31, 2022.

On July 12, 2022, the Company entered into an agreement to loan $1,300,000 to Plank. The loan bears interest at 10% per annum and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 31, 2022.

On July 19, 2022, the Company entered into an agreement to borrow $600,000 from a company controlled by the officer. The loan bears interest at 10% per annum and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 31, 2023.

On July 19, 2022, the Company made $500,000 investment in Premium Sound Inc. pursuant to the Simple Agreement for Future Equity (the "SAFE4"). The SAFE4 provides that the Investment will be converted into shares of Premium Sound Inc. at a price equal to the greater of the number of standard preferred shares equal to the investment divided by the lowest price per share of the standard preferred shares; or the number of SAFE preferred shares equal to the Investment divided by the post-money valuation cap of $24,000,000 divided by the Premium Sound Inc. capitalization upon closing of the next equity financing round.

On September 2, 2022, the Company entered into an agreement to borrow $600,000 from a company controlled by the officer. The loan bears interest at 10% per annum and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 31, 2022.

On September 2, 2022, the Company entered into an agreement to loan $600,000 to Plank. The loan bears interest at 10% per annum and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 31, 2022.

On October 20, 2022, the Company entered into an agreement to borrow $500,000 from a company controlled by the officer. The loan bears interest at 10% per annum and is secured by a promissory note. The principal balance plus accrued interest is due and payable on December 31, 2023.

On October 20, 2022, the Company made an additional $500,000 investment in Premium Sound Inc. pursuant to the SAFE4 disclosed above.