

LANEBURY GROWTH CAPITAL LTD.

Vancouver, BC

Financial Statements

June 30, 2023 and 2022

(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, 2023 and 2022, 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 referred to as 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, 2023 and 2022, 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 audit 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 events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Vancouver

1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey

200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities

700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<p>Allowance for expected credit loss on loans receivable</p> <p>We draw attention to Note 5 to the financial statements. As at June 30, 2023, the Company has recognized an expected credit loss allowance of \$145,000 relating to its loan receivable balance of \$4,260,430. The Company recognizes an allowance for expected credit losses based on an assessment of the risk of the counterparties failing to meet their contractual obligations and the expected loss given in an event of default.</p> <p>We considered this a key audit matter due to:</p> <ul style="list-style-type: none"> the significant potential impact that the allowance for expected credit loss could have on the Company's total assets and net income; and the significant management estimates and judgments required to determine the inputs used in the Company's expected credit loss model and that these estimates and judgments are subjective. <p>This has resulted in a high degree of auditor judgment and audit effort in performing procedures relating to this matter.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> Inspected the loan agreements and confirmed with the borrowers the amount owing to the Company; Evaluated the financial information of the borrowers and assessed their ability to repay the loans based on their financial position and nature of operations; Evaluated the possible scenarios, as provided by the Company's senior management and those charged with governance, that could occur to settle the loans; Assessed the credit rating of the borrowers and market data for the probability of default of similar credits rated debt; and Assessed the adequacy of the Company's financial statement disclosures relating to 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink, consisting of a stylized 'D' followed by 'MCL.' and a period.

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

October 30, 2023

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

	Note	June 30, 2023	June 30, 2022
ASSETS			
Current assets			
Cash		\$ 151,743	\$ 27,727
		151,743	27,727
Non-current assets			
Wind assets	7	1	1
Loans receivable and accrued interest	5	4,260,430	1,515,629
Right-of-use asset	9	67,779	-
Investments measured at fair value through profit or loss	3	76,971	192,427
Equity investments	4	68,215	138,153
Other investments	6	2,587,712	3,166,502
		7,061,108	5,012,712
TOTAL ASSETS		\$ 7,212,851	\$ 5,040,439
LIABILITIES			
Current liabilities			
Trade and other payables	11	\$ 41,045	\$ 40,755
Current portion of lease liability	9	18,900	-
Loans payable	8	4,851,354	792,401
		4,911,299	833,156
Non-current liabilities			
Lease liability	9	49,851	-
TOTAL LIABILITIES		4,961,150	833,156
SHAREHOLDERS' EQUITY			
Share capital	10	5,010,001	5,010,001
Reserve	10	205,239	205,239
Equity portion of debt	8	415,364	123,550
Deficit		(3,378,903)	(1,131,507)
TOTAL SHAREHOLDERS' EQUITY		2,251,701	4,207,283
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 7,212,851	\$ 5,040,439

Nature and continuance of operations (Note 1)

Subsequent events (Note 15)

Approved and authorized for issue by the Company's Board of Directors on October 30, 2023.

"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)*

		Year ended June 30,	
	Note	2023	2022
Expenses			
Management and consulting fees	11	\$ 52,936	\$ 47,778
Office and sundry		932	2,666
Professional fees		43,148	45,045
Amortization	9	12,979	-
Transfer agent and filing fees		15,083	17,119
		(125,078)	(112,608)
Other items			
Foreign exchange gain	5,6,8	103,016	59,944
Interest expense	8,9,11	(388,766)	(69,300)
Accretion expense	8,11	(233,337)	(55,191)
Interest income	5,11	408,872	250,405
Net fair value gain (loss) on investments	3,6	(1,797,165)	26,130
Expected credit loss on loans receivable	5	(145,000)	-
Equity loss on investments	4	(69,938)	(61,653)
Net income (loss) and comprehensive income (loss)			
for the year		\$ (2,247,396)	\$ 37,727
Income (loss) per share – basic and diluted		\$ (0.22)	\$ 0.00
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		Reserve	Equity portion of debt	Deficit	Total
	Number of shares	Amount				
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, 2022	10,320,803	5,010,001	205,239	123,550	(1,131,507)	4,207,283
Equity portion of debt	-	-	-	291,814	-	291,814
Net loss for the year	-	-	-	-	(2,247,396)	(2,247,396)
Balance at June 30, 2023	10,320,803	\$ 5,010,001	\$ 205,239	\$ 415,364	\$ (3,378,903)	\$ 2,251,701

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,	
	2023	2022
Operating activities		
Net income (loss) for the year	\$ (2,247,396)	\$ 37,727
Adjustments for non-cash items:		
Expected credit loss on loans receivable	145,000	-
Accrued interest income	(408,872)	(250,405)
Interest expense	388,766	69,300
Accretion expense	233,337	55,191
Amortization expense	12,979	-
Unrealized foreign exchange gain	(103,016)	(59,944)
Unrealized fair value loss (gain) on investments	1,797,165	(26,130)
Equity loss on investments	69,938	61,653
Changes in non-cash working capital items:		
Trade payables and other payables	290	8,779
Net cash used in operating activities	(111,809)	(103,829)
Investing activities		
Loans advanced	(2,450,000)	-
Other investments	(1,000,000)	(675,000)
Net cash used in investing activities	(3,450,000)	(675,000)
Financing activities		
Loan proceeds received	3,700,000	200,000
Lease payments made	(14,175)	-
Net cash provided by financing activities	3,685,825	200,000
Increase (decrease) in cash	124,016	(578,829)
Cash, beginning	27,727	606,556
Cash, ending	\$ 151,743	\$ 27,727

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

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

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 seeking profitable long-term investment opportunities and obtaining additional financing as required. 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.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

*(Expressed in Canadian Dollars)*For the years ended June 30, 2023 and 2022

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 incorporates its assessment of the expected credit losses on the carrying value 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.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

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.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 2 Significant Accounting Policies (continued)

Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both the lessee and the lessor. It follows a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

At inception of the lease term, the Company recognized a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated over the earlier of the end of useful life of the right-of-use asset or the lease term on the straight-line method as this most closely reflects the expected pattern of the consumption of the future economic benefits.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at the amortized cost using the effective interest method. For low value leases or leases with a term of less than twelve months, lease payments are recognized as an expense on a straight-line basis over the lease term.

Financial instruments

The following table shows the classification under IFRS 9:

Cash	FVTPL
Marketable securities and other investments	FVTPL
Wind assets	FVTPL
Loans receivable and accrued interest	Amortized cost
Loans 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.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 2 Significant Accounting Policies (continued)

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.

Equity investments at FVTOCI

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.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

*(Expressed in Canadian Dollars)*For the years ended June 30, 2023 and 2022

Note 2 Significant Accounting Policies (continued)

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, 2023, the Company held 1,973,611 shares of Plank, of which 592,082 are unrestricted. The fair value of shares is determined by taking the number of restricted and unrestricted shares and multiplying by price per share prevailing on the market at the date closest to date of the financial statements and applying discount for lack of marketability ("DLOM").

The DLOM reflects the lack of liquidity in the market on the fair value for Plank's shares due to time value of money, the risk of trading price fluctuation, and opportunity cost of not being permitted to liquidate the restricted and unrestricted shares and use the proceeds in alternative investments. The DLOM is calculated by rounding the average of the Chaffee and Finnerty put option models and is estimated at \$41,446 (June 30, 2022 - \$44,406). 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 the statements of income (loss) and comprehensive income (loss).

For the year ended June 30, 2023, the Company recognized a fair value loss on its investment in Plank of \$115,456 (2022 – loss of \$591,886). As at June 30, 2023, the Company held 1,973,611 common shares with a carrying value of \$76,971 (2022 - 1,973,611 common shares with carrying value of \$192,427).

Note 4 Equity Investments

Mobio Technologies Inc.

During the year ended June 30, 2023, the Company recognized its share of Mobio's net loss of \$69,938 (2022 - net loss of \$61,653) in the statements of income (loss) and comprehensive income (loss).

As of June 30, 2023, the Company held 11,841,668 common shares of Mobio representing 28% ownership share with a carrying value of \$68,215 (2022 – 11,841,668 shares with carrying value of \$138,153). The purpose of the Company's investment in Mobio is to provide capital and consultations to support Mobio's technology development.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 4 Equity Investments (continued)

Financial Information related to Mobio	April 30, 2023		April 30, 2022	
Current assets	\$	152,806	\$	71,076
Total assets	\$	152,806	\$	71,076
Current liabilities	\$	723,781	\$	692,373
Total liabilities	\$	753,781	\$	721,221
Revenue for the period	\$	5,391	\$	3,839
Net loss for the period	\$	187,570	\$	156,883
Net loss attributable to Lanebury	\$	52,160	\$	48,509

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. 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 is 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. During the year ended June 30, 2023, the company earned interest and accretion of \$89,391 (2022 - \$154,764) on the loan. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$1,017,976 with other loans to Plank into a new promissory note.

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. On 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 \$53,740 (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. During the year ended June 30, 2023, the Company earned \$56,719 (2022 - \$95,641) in interest and accretion on the loan and recognized \$30,930 (2022 - \$20,395) in foreign exchange gain on translation due to favorable exchange rate movement. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$674,693 with other loans to Plank into a new promissory note.

On July 12, 2022, the Company entered into an agreement to loan \$1,300,000 to Plank. The loan was unsecured and bore interest at 10% per annum. The principal balance plus accrued interest was due and payable on December 31, 2022. At initial recognition, a discount of \$50,810 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 20%. The discount is amortized on the straight-line basis. During the year ended June 30, 2023, the Company earned interest and accretion of \$112,071.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 5 Loans Receivable and Accrued Interest (continued)

On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$1,361,260 with other loans to Plank into a new promissory note.

On September 2, 2022, the Company entered into an agreement to loan \$600,000 to Plank. The loan was unsecured and bore interest at 10% per annum. The principal balance plus accrued interest was due and payable on December 31, 2022. At initial recognition, a discount of \$16,921 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 20%. During the year ended June 30, 2023, the Company earned interest and accretion of \$36,019. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$619,099 with other loans to Plank into a new promissory note.

On January 1, 2023, the Company entered into an agreement to combine all outstanding loans receivable from Plank with total outstanding balance of \$3,673,028 into a single promissory note. The loan is unsecured and bears interest at 10% per annum. The principal balance plus accrued interest is due and payable on September 30, 2023. At initial recognition, a discount of \$173,203 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 17.5%. During the year ended June 30, 2023, the Company earned interest and accretion of \$295,755 on the loan.

On June 22, 2023, the Company entered into an agreement to loan \$350,000 to Plank. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on September 30, 2023. At initial recognition, a discount of \$4,118 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 17.5%. The discount is amortized on the straight-line basis. During the year ended June 30, 2023, the company earned interest and accretion of \$1,250 on the loan.

On June 22, 2023, the Company entered into an agreement to loan \$200,000 to Mobio. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2023. At initial recognition, a discount of \$4,669 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 17.5%. During the year ended June 30, 2023, the Company earned interest and accretion of \$720 on the loan.

As at June 30, 2023, the Company assessed estimated credit losses on loans receivable to be \$145,000 (2022 - \$Nil), the reason for the increase in loss allowance is due to management's assessment of expected credit losses considering capital structure and lack of marketability of Plank's shares.

A continuity of the loans receivable is as follows:

	June 30, 2023	June 30, 2022
Balance, beginning	\$ 1,515,629	\$ 1,244,829
Loans advanced	6,123,028	-
Loans combined	(3,673,028)	-
Expected credit loss allowance	(145,000)	-
Foreign exchange translation adjustments	30,929	20,395
Interest and accretion	408,872	250,405
Balance, ending	\$ 4,260,430	\$ 1,515,629

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 6 Other Investments**Finhaven Technology Inc.**

On July 24, 2018, the Company completed a \$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. 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, 2023, the Company recognized a fair value loss on investment of \$1,681,709 (June 30, 2022 – gain of \$618,016) and foreign exchange gain of \$95,839 (June 30, 2022 – gain of \$51,366).

		June 30, 2023		June 30, 2022
Balance, beginning	\$	1,908,782	\$	1,239,400
Fair value gain (loss) on investments		(1,681,709)		618,016
Foreign exchange translation adjustments		95,839		51,366
Balance, ending	\$	322,912	\$	1,908,782

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, 2023, the Company recognized a foreign exchange gain of \$7,080 (June 30, 2022 – gain of \$9,840).

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 6 Other Investments (continued)

		June 30, 2023		June 30, 2022
Balance, beginning	\$	1,257,720	\$	572,880
Additional investment		-		675,000
Foreign exchange translation adjustments		7,080		9,840
Balance, ending	\$	1,264,800	\$	1,257,720

The fair value of the investment was determined to be at transaction cost adjusted for market conditions, after taking into account internally generated financial reports as well as qualitative factors with respect to the development of Fission's technology.

Premium Sound Inc.

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 SAFE4 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. The SAFE4 allowed for a follow-on investment of \$500,000 on the same terms, which the Company completed on October 20, 2022. As of June 30, 2023, the value of investment in Premium Sound Inc. is at cost of \$1,000,000.

The fair value of the investment was determined based on combination of level 3 valuation data, using the data from reasonably comparable companies as well as internally generated reports.

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 (2022 - \$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 of 20%. On September 16, 2021, the

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

*(Expressed in Canadian Dollars)*For the years ended June 30, 2023 and 2022

Note 8 Loans Payable (continued)

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, 2023, the Company recorded interest and accretion of \$56,633 (June 30, 2022 - \$98,121) on the loan and recognized \$30,832 (June 30, 2022 - \$21,654) in foreign exchange loss on translation due to unfavorable exchange rate movement. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$673,928 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

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%. During the year ended June 30, 2023, the Company recorded interest and accretion of \$19,115 (June 30, 2022 - \$26,370) on the loan. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$225,055 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

On July 12, 2022, the Company entered into an agreement to borrow \$1,300,000 from a company controlled by 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 \$50,810 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, 2023, the Company recorded interest and accretion of \$112,071 on the loan. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$1,361,260 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

On July 19, 2022, the Company entered into an agreement to borrow \$600,000 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, 2023. Upon initial recognition the Company recognized an equity component of \$71,214 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, 2023, the Company recorded interest and accretion of \$100,252 on the loan.

On September 2, 2022, the Company entered into an agreement to borrow \$600,000 from a company controlled by an officer and majority shareholder. The loan was unsecured and bore interest at 10%. The principal balance plus accrued interest was due and payable on December 31, 2022. Upon initial recognition the Company recognized an equity component of \$16,921 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, 2023, the Company recorded interest and accretion of \$36,019 on the loan. On January 1, 2023, the Company consolidated the outstanding balance of the loan of \$619,099 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

On October 20, 2022, the Company entered into an agreement to borrow \$500,000 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, 2023. Upon initial recognition the Company recognized an equity component of \$38,716 against the balance of the loan. The equity value was determined by

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Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 8 Loans Payable (continued)

discounting the balance of the loan at an appropriate market rate of interest of 17.5%. During the year ended June 30, 2023, the Company recorded interest and accretion of \$57,945 on the loan.

On January 31, 2023, the Company entered into an agreement to combine all outstanding loans with maturity date of December 31, 2022 payable to a company controlled by an officer and majority shareholder into a single promissory note with total outstanding balance of \$2,879,342. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on September 30, 2023. Upon initial recognition the Company recognized an equity component of \$97,722 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 17.5%. During the year ended June 30, 2023, the Company recorded interest and accretion of \$235,063 on the loan.

On June 21, 2023, the Company entered into an agreement to borrow \$700,000 from a company controlled by an officer and majority shareholder. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2023. Upon initial recognition the Company recognized an equity component of \$16,431 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 17.5%. During the year ended June 30, 2023, the Company recorded interest and accretion of \$2,837 on the loan.

Loans payable balance is as follows:

	June 30, 2023	June 30, 2022
Balance, beginning	\$ 792,401	\$ 525,913
Fair value of additional loan	6,287,527	179,570
Loans combined and reissued	(2,879,342)	-
Fair value on amendment of loan receivable	-	(59,227)
Interest and accretion	619,936	124,491
Foreign exchange translation adjustments	30,832	21,654
Balance, ending	\$ 4,851,354	\$ 792,401

Note 9 Lease

On October 1, 2022, the Company entered into an office lease agreement for a term of three years and four months with the option to extend it for a further 16 months until May 31, 2027. In accordance with IFRS 16, the Company recorded a right-of-use asset and a lease liability with a fair value of \$80,758. Fair value was determined by discounting future lease payments at a discount rate of 20% per annum.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 9 Lease (continued)

The Company's right-of-use asset as at June 30, 2023:

Balance, June 30, 2022	\$	-
Addition of right-of-use asset		80,758
Amortization		(12,979)
Balance, June 30, 2023	\$	67,779

The Company's lease liability as at June 30, 2023:

Balance, June 30, 2022	\$	-
Addition of right-of-use asset		80,758
Payments made		(14,175)
Interest accrued		2,168
Balance, June 30, 2023	\$	68,751
Current portion	\$	18,900
Long term portion		49,851
	\$	68,751

Note 10 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, 2023 is 10,320,803 (June 30, 2022 - 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.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 10 Share Capital and Reserve (continued)

There was no stock option activity for the years ended June 30, 2023 and 2022. Stock options outstanding and exercisable at June 30, 2023 and 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, 2023 is 1.12 years. Subsequent to year end 300,000 options with exercise price of \$0.50 have expired unexercised.

Note 11 Related Party Transactions

Balances

Included in trade and other payables is \$875 (June 30, 2022 - \$1,714) owing to a company controlled by the CFO of the Company.

Loans payable represent \$4,679,341 face value of 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 \$4,023,028 face value of loans to Plank, a publicly traded company in which Code is also the majority shareholder, and \$200,000 in loans to Mobio.

Transactions with related parties

Transactions with related parties are summarized in the tables below:

	Year ended June 30,	
	2023	2022
Principal balance of loans received from Code	\$ 6,579,341	\$ 726,720
Principal balance of loans made to Plank and Mobio	\$ 6,123,028	\$ 1,226,720
Interest and accretion expense on loan payable	\$ 619,936	\$ 124,491
Interest and accretion income on loans receivable	\$ 408,872	\$ 250,405

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 11 Related Party Transactions (continued)

Management compensation

		Year ended June 30,	
		2023	2022
Consulting fees paid to a company controlled by the CFO	\$	14,211	\$ 8,460
Consulting fees paid to a company with common director	\$	36,225	\$ 28,100
Lease payments made to a company with common director	\$	14,175	\$ -
Interest accrued to a company with common director	\$	2,168	\$ -

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, 4, 5, 8 and 9.

Note 12 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, 2023.

Note 13 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 and Mobio with a carrying value of \$4,260,430. The Company considered the nature of the related party relationship between Mobio, Plank and Lanebury and assessed qualitative information available to date in its evaluation of collectability

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 13 Financial Instruments (continued)

of these loans. The Company determined that the loans are collectable based on the all available information about future prospects and investment assets held by investees and recorded expected credit loss of \$145,000 (2022 - \$Nil) on the loans.

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, 2023, the Company had a cash balance of \$151,743 (June 30, 2022 - \$27,727) to settle current liabilities of \$4,911,299 (June 30, 2022 - \$833,156). The Company is in communication with its investors and lenders and expects to continue to attract capital via additional debt issuance.

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, 2023, 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 \$26,480.

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

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 and loans receivable from Plank and Mobio 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. Loans receivable are further impaired based on the estimated credit loss. The carrying values approximate the fair value of the loans.

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 14 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, 2023 and 2022:

	June 30, 2023	June 30, 2022
Net income (loss) before taxes	\$ (2,247,396)	\$ 37,727
Statutory tax rate	27%	27%
Expected income tax (recovery)	(606,797)	10,186
Non-deductible items	29,366	21,510
Change in deferred tax assets not recognized	577,431	(31,696)
Total income tax expense	\$ -	\$ -

The unrecognized deductible temporary differences are as follows:

	June 30, 2023	June 30, 2022
Non-capital loss carryforwards	\$ 601,305	\$ 245,016
Impairment provision on loan receivable	378,435	378,435
Other investments	1,047,648	(531,142)
Marketable securities	889,814	704,420
Loans receivable & payable (net)	148,477	75,025
Unrecognized deductible temporary differences	\$ 3,065,679	\$ 871,754

As at June 30, 2023, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of approximately \$601,305 (2022 - \$245,016) which may be carried forward to apply against future years 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
2043	356,289
Total	\$ 601,305

LANEBURY GROWTH CAPITAL LTD.

Notes to Financial Statements

(Expressed in Canadian Dollars)

For the years ended June 30, 2023 and 2022

Note 15 Subsequent Events

On July 13, 2023, the Company entered into an agreement to borrow \$328,200 (\$250,000 USD) from a company controlled by the officer. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on September 30, 2023.

On July 26, 2023, the Company made a \$330,500 (\$250,000 USD) investment in Recital Software Corp. pursuant to an unsecured convertible note (the "Note"). The Note bears interest at an annual rate of 10% and matures on July 14, 2025. Recital provides software as a service for in-house legal council that organizes and accelerates contract negotiations through the use of its contract lifecycle management solution.

On September 30, 2023, the Company combined and extended the maturity of existing loans with Code and Plank as follows:

The Company has entered into an agreement with Code to combine the following existing loans, as of September 30th, 2023, into a single new promissory note:

- Loan with the principal amount of \$2,879,341 CAD carrying 12% interest originally entered on January 1, 2023
- Loan with the principal amount of \$250,000 CAD carrying 12% interest originally entered on July 13th, 2023

The maturity date of these loans was September 30th, 2023. The due date of the new combined loan shall be December 31, 2023.

The Company has entered into an agreement with Plank to combine the following existing loans, as of September 30th, 2023, into a single new promissory note:

- Loan with the principal amount of \$3,673,028 CAD carrying 10% interest originally entered on January 1, 2023
- Loan with the principal amount of \$350,000 CAD carrying 12% interest originally entered on June 22, 2023

The maturity date of these loans was September 30th, 2023. The due date of the new combined loan shall be December 31, 2023.