

**LANEBURY GROWTH CAPITAL LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIOD ENDED**  
**MARCH 31, 2024**

## **INTRODUCTION**

Lanebury Growth Capital Ltd. (“Lanebury” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on August 19, 2011, under the name NU2U Resources Corp. and subsequently changed its name to Lanebury Growth Capital Ltd. on April 25, 2017. On November 21, 2017, the Company’s shares were listed on the Canadian Securities Exchange under the trading symbol “LLL”.

This Management Discussion and Analysis (“MD&A”) supplements but does not form part of the condensed interim financial statements of the Company and notes thereto for the nine months ended March 31, 2024, and consequently should be read in conjunction with the afore-mentioned financial statements and notes thereto and with the Company’s audited financial statements and related notes for the year ended June 30, 2023. This MD&A is dated May 27, 2024, and discloses specified information up to that date.

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

## **THE COMPANY AND BUSINESS**

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

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

The Company’s primary industry focus is as follows:

- I. Internet hardware, systems, and software
- II. Internet media
- III. Internet health
- IV. Internet education
- V. Unique technologies applied in an innovative business model

## RESULTS OF OPERATIONS

	Three months ended March 31,		Nine months ended March 31,	
	2024	2023	2024	2023
<b>Expenses</b>				
Management and consulting fees	\$ 13,709	\$ 13,059	\$ 40,259	\$ 41,241
Office and sundry	243	221	1,065	732
Professional fees	14,150	11,344	48,114	32,597
Amortization	3,206	78,826	6,257	150,883
Transfer agent and filing fees	6,943	3,146	15,838	12,071
	(38,251)	(106,596)	(111,533)	(237,524)
<b>Other items</b>				
Foreign exchange gain (loss)	15,150	(1,849)	7,547	108,874
Interest expense	(169,179)	(112,096)	(480,797)	(272,443)
Accretion expense	(59,769)	(67,268)	(193,680)	(199,282)
Interest income	88,639	164,061	334,393	458,261
Net fair value loss on investments	(1,166,811)	(66,214)	(1,190,124)	(86,444)
Expected credit loss on loans receivable	(21,044)	-	(228,711)	-
Equity loss on investments	(2,119)	(23,100)	(68,215)	(53,933)
<b>Net loss</b>	<b>\$ (1,353,384)</b>	<b>\$ (213,062)</b>	<b>\$ (1,931,120)</b>	<b>\$ (282,491)</b>

### THREE MONTH PERIOD ENDED March 31, 2024 AND 2023

#### Net loss

The net loss for the quarter ended March 31, 2024, was \$1,353,384 compared to net loss of \$213,062 for the quarter ended March 31, 2023, representing an increase of \$1,140,322 compared to the prior period. Material variances over the comparable year are discussed below.

#### Expenses

For the quarter ended March 31, 2024, total expenses were \$38,251 compared to \$106,596 recorded during the same period in 2023, representing a decrease of \$68,345. The difference is mainly related to lower amortization on related party loans receivable from Plank and Mobio.

#### Other items

For the quarter ended March 31, 2024, foreign exchange gain was \$15,150 compared to foreign exchange loss of \$1,849 in the prior year comparative period. The change is mainly due to the Company recognizing no foreign exchange adjustment related to its investment in Finhaven, as the investment is being denominated in Canadian Dollar since its most recent revaluation.

For the quarter ended March 31, 2024, interest expense was \$169,179 compared to \$112,096 during the comparable period. The increase is attributable to accrued interest on the additional loans' payable received from Code Consulting Limited.

For the quarter ended March 31, 2024, interest income was \$88,639 compared to \$164,061 during the comparable period. The decrease is attributable to reclassification of accretion and interest recorded on the additional loans' receivable from Plank Ventures Ltd. from amortization expense to reduction in accretion income.

For the quarter ended March 31, 2024, fair value loss on investments was \$1,166,811 compared to a loss of \$66,214 during the comparable period. The difference is due to \$1,232,695 unrealized loss recognized on Investment in Fission due to the wind-up announcement which was partially offset with the fair value gain on investments in Plank Ventures Ltd. and Recital during the period.

For the quarter ended March 31, 2024, the Company recorded an equity loss of \$2,119 compared to an equity loss of \$23,100 during the comparable period.

### **NINE MONTH PERIOD ENDED MARCH 31, 2024 AND 2023**

#### **Net loss**

The net loss for the nine months ended March 31, 2024, was \$1,931,120 compared to net loss of \$282,491 for the nine months ended March 31, 2023, representing an increase of \$1,648,629 compared to the prior period. Material variances over the comparable year are discussed below.

#### **Expenses**

For the nine months ended March 31, 2024, total expenses were \$111,533 compared to \$237,524 recorded during the same period in 2023, representing a decrease of \$125,991. The difference is mainly related to reduced amortization on related party loans receivable from Plank and Mobio.

#### **Other items**

For the nine months ended March 31, 2024, foreign exchange gain was \$7,547 compared to foreign exchange gain of \$108,874 in the prior year comparative period. The change is mainly due to the Company recognizing no foreign exchange adjustment related to its investment in Finhaven, as the investment is being denominated in Canadian Dollar since its most recent revaluation and less favorable foreign exchange movement compared to prior period.

For the nine months ended March 31, 2024, interest expense was \$480,797 compared to \$272,443 during the comparable period. The increase is attributable to accrued interest on the additional loans' payable received from Code Consulting Limited.

For the nine months ended March 31, 2024, interest income was \$334,393 compared to \$458,261 during the comparable period. The decrease is attributable to reclassification of accretion and interest recorded on the additional loans' receivable from Plank Ventures Ltd. from amortization expense to reduction in accretion income.

For the nine months ended March 31, 2024, fair value loss on investments was \$1,190,124 compared to a loss of \$86,444 during the comparable period. The difference is due to \$1,232,695 unrealized loss recognized on Investment in Fission due to the wind-up announcement which was partially offset with the fair value gain on investments in Plank Ventures Ltd. and Recital during the period.

For the nine months ended March 31, 2024, the Company recorded an equity loss of \$68,215 compared to an equity loss of \$53,933 during the comparable period.

## SUMMARY OF QUARTERLY INFORMATION

Fiscal quarter ended	Revenues <sup>1</sup>	Net Income	Comprehensive	Earnings (Loss) from
		(Loss)	Income (Loss)	Continuing Operations
		\$	\$	– Per Share <sup>2</sup>
				\$
March 31, 2024	Nil	(1,353,384)	(1,353,384)	(0.13)
December 31, 2023	Nil	(403,989)	(403,989)	(0.04)
September 30, 2023	Nil	(173,747)	(173,747)	(0.02)
June 30, 2023	Nil	(1,964,905)	(1,964,905)	(0.19)
March 31, 2023	Nil	(213,062)	(213,062)	(0.02)
December 31, 2022	Nil	(157,880)	(157,880)	(0.02)
September 30, 2022	Nil	88,451	88,451	0.01
June 30, 2022	Nil	434,393	434,393	0.04

Note 1: Revenues exclude interest income.

Note 2: Loss per share is rounded to the nearest whole cent

## LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2024, the Company had current assets of \$31,836 and current liabilities of \$5,750,989 compared to current assets of \$151,743 and current liabilities of \$4,911,299 as of June 30, 2023. On March 31, 2024, the Company had a working capital deficit of \$5,719,153 compared to working capital deficit of \$4,759,556 on June 30, 2023.

Cash and cash equivalents on March 31, 2024, were \$30,458 compared to \$151,743 on June 30, 2023.

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

## OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

### Balances

Other receivables represent \$1,378 owned from Plank, a publicly traded company in which Lance Tracy and his wholly owned company “Code” are the major shareholders. Included in trade and other payables is \$1,079 (June 30, 2023 - \$875) owing to a company controlled by the CFO of the Company.

Loans payable represent \$5,584,203 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 \$4,308,251 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 are summarized in the tables below:

### Management compensation

	Nine months ended March 31,	
	2024	2023
Consulting, legal, and administration fees paid to a company controlled by the CFO	\$ 13,027	\$ 12,075
Consulting fees paid to a company with common director	\$ 30,713	\$ 25,987
Lease payments made to a company with common director	\$ 14,175	\$ 9,450
Interest accrued to a company with common director	\$ 12,152	\$ 1,485

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

### Transactions with related parties

	Nine months ended March 31,	
	2024	2023
Principal balance of loans received from Code	\$ 5,584,203	\$ 5,879,341
Principal balance of loans made to Plank	\$ 4,308,251	\$ 5,573,028
Principal balance of loans made to Mobio	\$ 200,000	\$ -
Interest and accretion expense on loan payable to Code	\$ 662,325	\$ 470,240
Interest and accretion income on loans receivable from Plank and Mobio	\$ 334,393	\$ 458,261

## 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 \$4,366,114. 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 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 \$228,711 (June 30, 2023 - \$145,000) 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 March 31, 2024, the Company had a cash balance of \$30,458 (June 30, 2023 - \$151,743) to settle current liabilities of \$5,750,989 (June 30, 2023 - \$4,911,299). 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 Recital 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 March 31, 2024, 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 \$63,472.

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

### **Fair Value of Financial Instruments**

The Company’s financial instruments measured at fair value consist of cash and cash, convertible note, SAFE investment and other investments. The fair value of marketable securities is based on the closing trading price of the security adjusted for discount for lack of marketability. The fair value of convertible note and other investments was determined based on level 2 and Level 3 valuation data: information available from the recent capital raise with arm’s length third party investors, internally generated financial reports, and qualitative assessment of operations and technology development.

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., convertible notes, the SAFE investments and other investments are classified as Level 3, which use valuation techniques, including Black-Scholes option pricing model, DLOM, internally generated, and comparable public companies’ data to determine the fair value.

### **SHARE CAPITAL**

The total number of common shares outstanding on March 31, 2024, and the date of this MD&A is 10,320,803.

As at March 31, 2024 and date of this report, there were 400,000 stock options and no warrants outstanding.

<b>Options outstanding</b>	<b>Exercise Price</b>	<b>Expiry date</b>	<b>Options exercisable</b>
400,000 \$	0.25	May 19, 2025	400,000

The weighted average remaining contractual life of outstanding options at March 31, 2024 is 1.13 years.

### **RISK FACTORS**

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

#### Risk of Loss of Entire Investment

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

#### Return on Investment is Not Guaranteed

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

#### Delay in Return on Investment

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

#### Liquidity Risk

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

#### Dilution Risk of the Investment

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

#### Risk of Inaccurate Valuation of the Investment

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

#### Risk of Failure of the Startup

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

#### Risk of Profitability of Startup Companies

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

#### Funding risk

A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional



funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing, and expansion efforts and, if it continues to experience losses, potentially cease operations.

#### Disclosure risks

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

#### Personnel risks

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

#### Growth risk

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

#### Competition risk

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

#### Market demand risk

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

#### Control risks

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

### Cyber Security Risks

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

### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).