

**LANEBURY GROWTH CAPITAL LTD.**

Vancouver, BC

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**Financial Statements**

**June 30, 2024 and 2023**

**(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, 2024 and 2023, and the statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (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, 2024 and 2023, 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 a material uncertainty exists 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 matters described below to be the key audit matters 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><b>Allowance for expected credit loss on loans receivable</b></p> <p>We draw attention to Note 5 to the financial statements. As at June 30, 2024, the Company has recognized an expected credit loss allowance of \$451,572 relating to its loan receivable balances of \$4,700,053. 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"> <li>the significant potential impact that the allowance for expected credit loss could have on the Company's total assets and net loss; and</li> <li>the significant management estimates and judgments required to determine the assumptions and inputs used in the Company's expected credit loss model and that these estimates and judgments are subjective.</li> </ul> <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"> <li>Inspected the loan agreements and confirmed with the borrowers the amount owing to the Company;</li> <li>Evaluated the financial information of the borrowers and assessed their ability to repay the loans based on their financial position and nature of operations;</li> <li>Evaluated the possible scenarios, as provided by the Company's senior management and those charged with governance, that could occur to settle the loans;</li> <li>Assessed the credit risk of the borrowers and market data for the probability of default of debt with similar credit risk; and</li> <li>Assessed the adequacy of the Company's financial statement disclosures relating to this matter.</li> </ul>
<p><b>Valuation of Investments</b></p> <p>We draw attention to Note 3 to the financial statements. As at June 30, 2024, the Company has recognized \$2,782,909 as the fair value of the investments held by the Company. The investments are recognized at fair value through profit or loss (FVTPL) and are investments in private companies or shares of public companies that are thinly traded.</p> <p>We considered this a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the significant potential impact that the fair value gains/losses could have on the Company's total assets and net loss; and</li> <li>the significant management estimates and judgments required to determine the assumptions and inputs used in the valuation methods and that some of these assumptions are subjective and the inputs are unobservable to market participants.</li> </ul> <p>This has resulted in a high degree of auditor judgment and audit effort, including the use of valuation specialists, in performing procedures relating to this matter.</p>	<p>Our approach to addressing the matter included the following procedures:</p> <ul style="list-style-type: none"> <li>Inspected the agreements and confirmed with the investees the details of the investments made by the Company;</li> <li>Evaluated the financial information of the investees;</li> <li>With the assistance of valuation specialists: <ul style="list-style-type: none"> <li>Assessed the appropriateness of the valuation methodologies used;</li> <li>Assessed the reasonableness of assumptions applied and inputs used in determining the fair value of the investments;</li> <li>Tested the mathematical accuracy of the calculations;</li> <li>Performed sensitivity analysis; and</li> </ul> </li> <li>Assessed the adequacy of the Company's financial statement disclosures relating to this matter.</li> </ul>

## 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 consolidated 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.



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

October 28, 2024

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

	Note	June 30, 2024	June 30, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 26,539	\$ 151,743
		<b>26,539</b>	<b>151,743</b>
<b>Non-current assets</b>			
Wind assets	6	-	1
Loans receivable and accrued interest	5	4,248,481	4,260,430
Right-of-use asset	8	37,403	67,779
Investments measured at fair value	3	2,782,909	2,664,683
Equity investments	4	-	68,215
		<b>7,068,793</b>	<b>7,061,108</b>
<b>TOTAL ASSETS</b>		<b>\$ 7,095,332</b>	<b>\$ 7,212,851</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	\$ 50,976	\$ 41,045
Current portion of lease liability	8	18,900	18,900
Loans payable	7	5,667,594	4,851,354
		<b>5,737,470</b>	<b>4,911,299</b>
<b>Non-current liabilities</b>			
Lease liability	8	24,180	49,851
<b>TOTAL LIABILITIES</b>		<b>5,761,650</b>	<b>4,961,150</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	5,010,001	5,010,001
Reserve	9	205,239	205,239
Equity portion of debt	7	480,686	415,364
Deficit		(4,362,244)	(3,378,903)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,333,682</b>	<b>2,251,701</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 7,095,332</b>	<b>\$ 7,212,851</b>

*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 28, 2024.

"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 NET LOSS AND COMPREHENSIVE LOSS**  
*(Expressed in Canadian Dollars)*

	Note	Year ended June 30,	
		2024	2023
<b>Expenses</b>			
Management and consulting fees	10	\$ 57,094	\$ 52,936
Office and sundry		1,408	932
Professional fees		60,614	43,148
Amortization	8	9,463	12,979
Transfer agent and filing fees		22,110	15,083
		(150,689)	(125,078)
<b>Other items</b>			
Foreign exchange gain	3,7	\$ 11,319	\$ 103,016
Interest expense	7,8,10	(650,011)	(388,766)
Accretion expense	7,10	(253,569)	(233,337)
Interest income	5,10	665,479	408,872
Net fair value gain (loss) on investments	3	(231,083)	(1,797,165)
Expected credit loss on loans receivable	5	(306,572)	(145,000)
Equity loss on investments	4	(68,215)	(69,938)
<b>Net loss and comprehensive loss for the year</b>		<b>\$ (983,341)</b>	<b>\$ (2,247,396)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.10)</b>	<b>\$ (0.22)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>10,320,803</b>	<b>10,320,803</b>

*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, 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)	
<b>Balance at June 30, 2023</b>	<b>10,320,803</b>	<b>5,010,001</b>	<b>205,239</b>	<b>415,364</b>	<b>(3,378,903)</b>	<b>2,251,701</b>	
Equity portion of debt	-	-	-	65,322	-	65,322	
Net loss for the year	-	-	-	-	(983,341)	(983,341)	
<b>Balance at June 30, 2024</b>	<b>10,320,803</b>	<b>\$ 5,010,001</b>	<b>\$ 205,239</b>	<b>\$ 480,686</b>	<b>\$ (4,362,244)</b>	<b>\$ 1,333,682</b>	

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



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

	<b>Year ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Net loss for the year	\$ (983,341)	\$ (2,247,396)
Adjustments for non-cash items:		
Expected credit loss on loans receivable	306,572	145,000
Accrued interest income	(665,479)	(408,872)
Interest expense	650,011	388,766
Accretion expense	253,569	233,337
Amortization expense	9,463	12,979
Unrealized foreign exchange gain	(9,682)	(103,016)
Unrealized fair value (gain) loss on investments	231,083	1,797,165
Equity loss on investments	68,215	69,938
Changes in non-cash working capital items:		
Trade payables and other payables	9,931	290
<b>Net cash used in operating activities</b>	<b>(129,658)</b>	<b>(111,809)</b>
<b>Investing activities</b>		
Loans advanced	-	(2,450,000)
Investments made	(329,847)	(1,000,000)
<b>Net cash used in investing activities</b>	<b>(329,847)</b>	<b>(3,450,000)</b>
<b>Financing activities</b>		
Loan proceeds received	353,201	3,700,000
Lease payments made	(18,900)	(14,175)
<b>Net cash provided by financing activities</b>	<b>334,301</b>	<b>3,685,825</b>
Increase (decrease) in cash	(125,204)	124,016
Cash, beginning	151,743	27,727
<b>Cash, ending</b>	<b>\$ 26,539</b>	<b>\$ 151,743</b>

*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, 2024 and 2023

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**Note 1 Nature and Continuance of Operations**

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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.

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**Note 2 Material Accounting Policy Information**

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**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 the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 2 Material Accounting Policy Information (continued)**

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*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.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 2 Material Accounting Policy Information (continued)**

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**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.

**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

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 2 Material Accounting Policy Information (continued)**

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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
Investments measured at fair value	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.

**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 net loss and comprehensive 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 net loss and comprehensive loss in the period in which they arise.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 2 Material Accounting Policy Information (continued)**

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*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 net loss and comprehensive 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.

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**Note 3 Investments**

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**Plank Ventures Ltd.**

As at June 30, 2024, the Company held 1,973,611 shares of Plank. The shares are traded in an inactive market and therefore the fair value was estimated based on the weighted average price of trades for the period from January 1, 2024 to June 30, 2024.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 3 Investments (continued)**

For the year ended June 30, 2024, the Company recognized a fair value loss on its investment in Plank of \$38,289 (June 30, 2023 – fair value loss of \$115,456). As at June 30, 2024, the Company held 1,973,611 common shares with a carrying value of \$38,682 (June 30, 2023 - 1,973,611 common shares with carrying value of \$76,971).

**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, 2024, the Company recognized a fair value gain on investment of \$1,045,788 (June 30, 2023 – loss of \$1,681,709) and foreign exchange gain of \$nil (June 30, 2023 - \$95,839).

	<b>June 30,</b>		<b>June 30,</b>
	<b>2024</b>		<b>2023</b>
Balance, beginning	\$ 322,912	\$	1,908,782
Fair value gain (loss) on investments	1,045,788		(1,681,709)
Foreign exchange translation adjustments	-		95,839
<b>Balance, ending</b>	<b>\$ 1,368,700</b>	<b>\$</b>	<b>322,912</b>

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 investor and applying professional judgment.

**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%.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 3 Investments (continued)**

During the year ended June 30, 2024, Fission has announced its decision to wind up operations due to prolonged financial difficulties and inability to secure additional funding. Following the announcement, the Company recorded an realized loss of \$1,271,000 on its statements of net loss and comprehensive loss related to its investment in Fission.

During the year ended June 30, 2024, the Company also recognized a foreign exchange gain of \$6,200 (June 30, 2023 – gain of \$7,080).

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Balance, beginning	\$ 1,264,800	\$ 1,257,720
Fair value loss on investments	(1,271,000)	-
Foreign exchange translation adjustments	6,200	7,080
<b>Balance, ending</b>	<b>\$ -</b>	<b>\$ 1,264,800</b>

The fair value of the investment was determined based on level 3 valuation data, using the data from internally generated financial reports and taking into account seniority of stakeholder's claims on net assets of Fission.

**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, 2024, 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 a combination of level 3 valuation data, using the data from reasonably comparable companies as well as internally generated reports.

**Recital Software Corp.**

On July 14, 2023, the Company invested \$250,000 USD (\$329,847 CAD) in a convertible promissory note issued by Recital Software Corp. ("Recital"). The note matures on July 14, 2025 and carries a 10% annual interest rate. The note is eligible to be converted into equity of Recital at a 15% discount to the next round of qualified equity financing by Recital as well as at a predetermined conversion value upon maturity.

As at June 30, 2024, the fair value of the convertible note was determined by adding the fair values of the loan component and conversion feature. The value of the loan component was measured at \$350,435 using the appropriate market discount rate of 17.5%. The value of the equity component was measured at \$25,092 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 8.58%, expected life of 1.04 years, risk-free interest rate of 4.44% and expected dividends of Nil. During the year ended June 30, 2024, the Company



**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 3 Investments (continued)**

recognized a fair value gain of \$32,419 (June 30, 2023 - \$Nil) and \$13,261 (June 30, 2023 - \$Nil) in foreign exchange gain on translation due to favorable exchange rate movement related to the note.

	June 30, 2024	June 30, 2023
Balance, beginning	\$ -	\$ -
Investment made	329,847	-
Fair value gain on investment	32,419	-
Foreign exchange translation adjustments	13,261	-
<b>Balance, ending</b>	<b>\$ 375,527</b>	<b>\$ -</b>

**Note 4 Equity Investments****Mobio Technologies Inc.**

During the year ended June 30, 2024, the Company did not recognize all of its share as loss was limited to bring carrying value to \$nil (June 30, 2023 - net loss of \$69,938) in the statements of loss and comprehensive loss.

As of June 30, 2024, the Company held 11,841,668 common shares of Mobio representing 28% ownership share with a carrying value of \$nil (June 30, 2023 – 11,841,668 shares with carrying value of \$68,215). The purpose of the Company's investment in Mobio is to provide capital and consultations to support Mobio's technology development.

<b>Financial Information related to Mobio</b>	<b>April 30, 2024</b>	<b>April 30, 2023</b>
Current assets	\$ 51,317	\$ 152,806
Total assets	\$ 51,317	\$ 152,806
Current liabilities	\$ 1,121,669	\$ 723,781
Total liabilities	\$ 1,121,669	\$ 753,781
Revenue for the period	\$ 3,440	\$ 5,391
Net loss for the period	\$ 392,067	\$ 187,570
Net loss attributable to Lanebury	\$ 109,027	\$ 52,160

**Note 5 Loans Receivable and Accrued Interest****Plank Ventures Ltd.**

On January 1, 2023, the Company entered into an agreement to combine all previously outstanding loans receivable from Plank with total outstanding balance of \$3,673,028 into a single promissory note. The loan is

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 5 Loans Receivable and Accrued Interest (continued)**

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unsecured and bears interest at 10% per annum. The principal balance plus accrued interest was 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, 2024, the Company earned interest and accretion of \$92,580 on the loan (June 30, 2023 - \$295,755). On September 30, 2023, the Company consolidated the outstanding balance of the loan of \$3,946,744 with other loans to Plank into a new promissory note.

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 was 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%. During the year ended June 30, 2024, the Company earned interest and accretion of \$10,586 on the loan (June 30, 2023 - \$1,250). On September 30, 2023, the Company consolidated the outstanding balance of the loan of \$361,507 with other loans to Plank into a new promissory note.

On September 30, 2023, the Company entered into an agreement to combine all previously outstanding loans receivable from Plank with total outstanding balance of \$4,308,251 into a single promissory note. 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 \$46,493 was recognized against the balance of the loan to record the loan at fair value using a discount rate of 17.5%. On January 1, 2024, the loan was extended to mature on June 30, 2024. Due to the extended term, the Company recognized an equity component of \$95,684 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%. On June 30, 2024, the loan was again extended to mature on December 31, 2024. Due to the extended term, the Company recognized an equity component of \$218,342 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 23.5%. During the year ended June 30, 2024, the Company earned interest and accretion of \$537,345 on the loan (June 30, 2023 - \$Nil).

**Mobio Technologies Inc.**

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%. On January 1, 2024, the loan was extended to mature on June 30, 2024. Due to the extended term, the Company recognized an equity component of \$4,584 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%. On June 30, 2024, the loan was extended to further mature on December 31, 2024. Due to the extended term, the Company recognized an equity component of \$10,336 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 23.5%. During the year ended June 30, 2024, the Company earned interest and accretion of \$24,966 on the loan (June 30, 2023 - \$720).

As at June 30, 2024, the Company assessed estimated credit losses on loans receivable to be \$451,572 (June 30, 2023 - \$145,000), 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.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 5 Loans Receivable and Accrued Interest (continued)**

A continuity of the loans receivable is as follows:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Balance, beginning	\$ 4,260,430	\$ 1,515,629
Loans advanced and reissued	9,236,982	6,123,028
Loans combined	(9,236,982)	(3,673,028)
Expected credit loss	(306,572)	(145,000)
Foreign exchange translation adjustments	-	30,929
Interest and accretion	294,623	408,872
<b>Balance, ending</b>	<b>\$ 4,248,481</b>	<b>\$ 4,260,430</b>

Expected credit loss allowance is as follows:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Plank Ventures Ltd	431,069	125,248
Mobio Technologies Inc.	20,503	19,752
<b>Balance, ending</b>	<b>\$ 451,572</b>	<b>\$ 145,000</b>

**Note 6 Wind Assets**

The wind assets consist of an investment in Katabatic Power Corp. comprised of various debt instruments and a minority equity interest. The investment was written off during the year ended June 30, 2024 (June 30, 2023 - \$1).

**Note 7 Loans Payable**

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, 2024, the Company recorded interest and accretion of \$60,019 (June 30, 2023 - \$100,252) on the loan. On January 1, 2024, the Company consolidated the outstanding balance of the loan of \$689,058 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*For the years ended June 30, 2024 and 2023

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**Note 7 Loans Payable (continued)**

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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 discounting the balance of the loan at an appropriate market rate of interest of 17.5%. During the year ended June 30, 2024, the Company recorded interest and accretion of \$42,529 (June 30, 2023 - \$57,945) on the loan. On January 1, 2024, the Company consolidated the outstanding balance of the loan of \$561,757 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

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 was 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, 2024, the Company recorded interest and accretion of \$120,143 (June 30, 2023 - \$235,063) on the loan. On September 30, 2023, the Company consolidated the outstanding balance of the loan of \$3,136,825 with the other loan from a company controlled by an officer and majority shareholder into a new promissory note.

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, 2024, the Company recorded interest and accretion of \$58,010 (June 30, 2023 - \$2,837) on the loan. On January 1, 2024, the Company consolidated the outstanding balance of the loan of \$744,416 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

On July 13, 2023, the Company entered into an agreement to borrow \$250,000 USD (\$328,200 CAD) 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 was due and payable on September 30, 2023. Upon initial recognition the Company recognized an equity component of \$3,026 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, 2024, the Company recorded interest and accretion of \$11,827 (June 30, 2023 – \$Nil) and recognized a foreign exchange loss of \$9,780 (June 30, 2023 – \$Nil) on the loan. On September 30, 2023, the Company consolidated the outstanding balance of the loan of \$346,779 with the other loan from a company controlled by an officer and majority shareholder into a new promissory note.

On September 30, 2023, the Company entered into an agreement to combine all outstanding loans with maturity date of September 30, 2023 payable to a company controlled by an officer and majority shareholder into a single promissory note with total outstanding balance of \$3,483,604. 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 \$37,594 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%.

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 7 Loans Payable (continued)**

During the year ended June 30, 2024, the Company recorded interest and accretion of \$142,961 (June 30, 2023 - \$Nil) on the loan. On January 1, 2024, the Company consolidated the outstanding balance of the loan of \$3,588,971 with other loans from a company controlled by an officer and majority shareholder into a new promissory note.

On January 1, 2024, the Company entered into an agreement to combine all outstanding loans with maturity date of December 31, 2023 payable to a company controlled by an officer and majority shareholder into a single promissory note with total outstanding balance of \$5,584,203. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on June 30, 2024. Upon initial recognition the Company recognized an equity component of \$119,539 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%. On June 30, 2024, the loan was extended to mature on December 31, 2024. Upon extension the Company recognized an equity component of \$274,741 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 23.5%. During the year ended June 30, 2024, the Company recorded interest and accretion of \$453,673 (June 30, 2023 - \$Nil) on the loan.

On June 11, 2024, the Company entered into an agreement to borrow \$25,000 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, 2024. Upon initial recognition the Company recognized an equity component of \$1,278 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 23.5%. During the year ended June 30, 2024, the Company recorded interest and accretion of \$276 (June 30, 2023 - \$Nil) on the loan.

Loans payable balance is as follows:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Balance, beginning	\$ 4,851,354	\$ 792,401
Fair value of additional loans	14,903,167	6,287,527
Loans combined and reissued	(14,986,144)	(2,879,342)
Interest and accretion	889,437	619,936
Foreign exchange translation adjustments	9,780	30,832
<b>Balance, ending</b>	<b>\$ 5,667,594</b>	<b>\$ 4,851,354</b>

**Note 8 Lease**

On October 1, 2022, the Company entered into an office lease agreement with the company with the common director 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 the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 8 Lease (continued)**

The Company's right-of-use asset as at June 30, 2024:

<b>Balance, June 30, 2022</b>	\$	-
Addition of right-of-use asset		80,758
Amortization		(12,979)
<b>Balance, June 30, 2023</b>	\$	<b>67,779</b>
Adjustment of right-of-use asset		(20,913)
Amortization		(9,463)
<b>Balance, June 30, 2024</b>	\$	<b>37,403</b>

The Company's lease liability as at June 30, 2024:

<b>Balance, June 30, 2022</b>	\$	-
Addition of right-of-use asset		80,758
Payments made		(14,175)
Interest accrued		2,168
<b>Balance, June 30, 2023</b>	\$	<b>68,751</b>
Adjustment of right-of-use asset		(20,913)
Payments made		(18,900)
Interest accrued		14,142
<b>Balance, June 30, 2024</b>	\$	<b>43,080</b>

Current portion	\$	18,900
Long term portion		24,180
	\$	<b>43,080</b>

**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, 2024 is 10,320,803 (June 30, 2023 - 10,320,803).

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**Note 9 Share Capital and Reserve (continued)****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.

There was no stock option activity for the years ended June 30, 2024 and 2023. Stock options outstanding and exercisable at June 30, 2024, are as follows:

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

The weighted average remaining contractual life of outstanding options at June 30, 2024 is 0.88 years.

**Note 10 Related Party Transactions****Balances**

Included in trade and other payables is \$595 (June 30, 2023 - \$875) owing to a company controlled by the CFO of the Company.

Loans payable represent \$5,943,337 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 \$4,703,419 face value of loans to Plank, a publicly traded company in which Code is also the majority shareholder, and \$225,312 in loans to Mobio.

**Transactions with related parties**

Transactions with related parties are summarized in the tables below:

	Year ended June 30,	
	2024	2023
Principal balance of loans received from Code	\$ 5,943,337	\$ 6,579,341
Principal balance of loans made to Plank	\$ 4,703,419	\$ 5,923,028
Principal balance of loans made to Mobio	\$ 225,312	\$ 200,000
Interest and accretion expense on loan payable to Code	\$ 889,437	\$ 619,936
Interest and accretion income on loans receivable from Plank and Mobio	\$ 665,479	\$ 408,872

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 10 Related Party Transactions (continued)**

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**Management compensation**

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	Year ended June 30,	
	2024	2023
Consulting, legal, and administration fees paid to a company controlled by the CFO	\$ 16,593	\$ 14,211
Consulting fees paid to a company with common director	\$ 40,950	\$ 36,225
Lease payments made to a company with common director	\$ 18,900	\$ 14,175

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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, 7 and 8.

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**Note 11 Capital Management**

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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, 2024.

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**Note 12 Financial Instruments**

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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 \$4,248,481. 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.



**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 12 Financial Instruments (continued)**

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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 an increase in expected credit loss of \$306,572 (June 30, 2023 increase - \$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 June 30, 2024, the Company had a cash balance of \$26,539 (June 30, 2023 - \$151,743) to settle current liabilities of \$5,737,470 (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 June 30, 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 \$174,423.

The Company's financial instruments measured at fair value consist of cash, SAFE investment, convertible notes 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., 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.

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 the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

**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 net loss and comprehensive loss for the years ended June 30, 2023 and 2024:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Net loss before taxes	\$ (983,341)	\$ (2,247,396)
Statutory tax rate	27%	27%
Expected tax recovery	(265,502)	(606,797)
Non-deductible items	143,889	29,366
Change in deferred tax assets not recognized	121,613	577,431
Total income tax expense	\$ -	\$ -

The unrecognized deductible temporary differences are as follows:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Non-capital loss carryforwards	\$ 2,115,726	\$ 601,305
Impairment provision on loan receivable	-	378,435
Other investments	(51,580)	1,047,648
Marketable securities	996,318	889,814
Loans receivable & payable (net)	404,351	97,195
Unrecognized deductible temporary differences	\$ 3,464,815	\$ 3,014,397

As at June 30, 2024, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of approximately \$2,115,726 (2023 - \$601,305) 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	165,043
2043	172,264
2044	1,572,512
Total	\$ 2,115,726

**LANEBURY GROWTH CAPITAL LTD.**

Notes to the Financial statements

*(Expressed in Canadian Dollars)*

For the years ended June 30, 2024 and 2023

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**Note 14 Subsequent Events**

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On July 10, 2024, the Company entered into an agreement to borrow \$140,000 from a company controlled by an officer of the Company. The loan is unsecured and bears interest at 12% per annum. The principal balance plus accrued interest is due and payable on December 31, 2024.