

**NOTICE TO READER**

The unaudited interim financial statements and related management discussion and analysis were prepared by management and approved by the board of directors. They have not been reviewed by Glenbriar's external auditors.

## 2013 Q1 FINANCIAL STATEMENTS

**GLENBRIAR TECHNOLOGIES INC.**  
**Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars) (unaudited)**

	December 31	September 30
	2012	2012
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 10)	52,945	75,345
Marketable securities (note 6)	32,204	38,645
Accounts receivable (note 10)	788,978	677,611
Inventory	16,431	15,780
Prepaid expenses	22,653	22,653
Total current assets	<u>913,211</u>	<u>830,034</u>
<b>Non-current</b>		
Property and equipment (note 5)	44,855	48,856
Total assets	<u>958,066</u>	<u>878,890</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 10)	696,202	714,639
Deferred revenue	203,279	162,364
Deferred rent – current portion	6,078	6,078
Total current liabilities	<u>905,559</u>	<u>883,081</u>
<b>Non-current</b>		
Loans payable (note 7)	330,000	330,000
Deferred rent	49,153	50,645
Total liabilities	<u>1,284,711</u>	<u>1,263,726</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	4,273,197	4,269,462
Deficit	(4,599,842)	(4,654,298)
Total shareholders' equity	<u>(326,645)</u>	<u>(384,836)</u>
Total liabilities and shareholders' equity	<u>958,066</u>	<u>878,890</u>

The accompanying notes are an integral part of these financial statements



**GLENBRIAR TECHNOLOGIES INC.**  
**Interim Statements of Income and Comprehensive Income**  
**(Expressed in Canadian Dollars) (unaudited)**

	<b>3 months ended Dec 31</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Managed information services	<b>1,061,549</b>	972,367
Equipment and software sales	<b>429,970</b>	696,335
Other income	<b>2,019</b>	1,032
<b>Gross revenue</b>	<b>1,493,538</b>	1,669,734
Direct salaries and benefits	<b>776,675</b>	722,209
Cost of goods sold	<b>295,485</b>	487,793
<b>Gross profit</b>	<b>421,378</b>	459,732
<b>Other (income) expenses</b>		
General and administrative	<b>215,269</b>	289,758
Sales and marketing	<b>116,768</b>	89,556
Research and development	<b>15,180</b>	15,180
Depreciation of property and equipment	<b>4,000</b>	4,500
Stock-based compensation (note 8(b))	<b>3,735</b>	1,058
Gain on sale of interest in related entities (note 4)	-	(25,000)
Unrealized loss on marketable securities (note 6)	<b>6,441</b>	-
<b>Income from operations</b>	<b>59,984</b>	84,680
Finance expense	<b>5,528</b>	5,186
<b>Net income and comprehensive income</b>	<b>54,456</b>	79,494
<b>Net income per share</b>		
Basic and diluted	<b>0.00</b>	0.00
<b>Weighted average shares outstanding</b>		
Basic and diluted	<b>47,512,290</b>	47,314,060

The accompanying notes are an integral part of these financial statements





**GLENBRIAR TECHNOLOGIES INC.**  
**Interim Statements of Changes in Equity**  
**(Expressed in Canadian Dollars) (unaudited)**

	<b>3 months ended Dec 31</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Common Shares</b>		
Balance, beginning of period	4,269,462	4,263,639
Employee share purchase plan (note 8(b))	3,735	1,058
<b>Balance, end of period</b>	<b>4,273,197</b>	<b>4,264,697</b>
<b>Deficit</b>		
Balance, beginning of period	(4,654,298)	(4,702,908)
Net income for the period	54,456	79,494
<b>Balance, end of period</b>	<b>(4,599,842)</b>	<b>(4,623,414)</b>

**Interim Statements of Cash Flows**  
**(Expressed in Canadian Dollars) (unaudited)**

	<b>3 months ended Dec 31</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows related to the following activities</b>		
<b>Operating</b>		
Net income	54,456	79,494
Adjustments for:		
Depreciation	4,000	4,500
Stock-based compensation expense	3,735	1,058
Deferred rent	(1,493)	44,616
Unrealized loss on marketable securities	6,441	-
Gain on sale of interest in related entities (note 4)	-	(25,000)
	<b>67,139</b>	<b>104,668</b>
Changes in non-cash working capital (note 10)	<b>(89,540)</b>	<b>(100,878)</b>
	<b>(22,401)</b>	<b>3,790</b>
<b>Financing</b>		
Change in loans and credit facility	-	(46,138)
	-	(46,138)
<b>Investing</b>		
Capital expenditures	1	-
Net proceeds on sale of related entities	-	25,000
	<b>1</b>	<b>25,000</b>
Increase in cash	<b>(22,400)</b>	<b>(17,348)</b>
Cash, beginning of period	<b>75,345</b>	<b>118,854</b>
<b>Net change and cash, end of period</b>	<b>52,945</b>	<b>101,506</b>

The accompanying notes are an integral part of these financial statements



## Notes to Interim Financial Statements

### 1. BASIS OF PRESENTATION

These interim financial statements for Glenbriar Technologies Inc. ("Corporation") have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2012 Annual Report.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of interim financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires the Corporation's management to exercise judgment in applying the Corporation's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3. The Corporation applies the same accounting policies and methods of computation in its interim financial statements as in its 2012 annual financial statements. None of the new standards, interpretations or amendments, effective for the first time from October 1, 2012, have had a material effect on the financial statements.

### 3. USE OF ESTIMATES AND JUDGMENTS

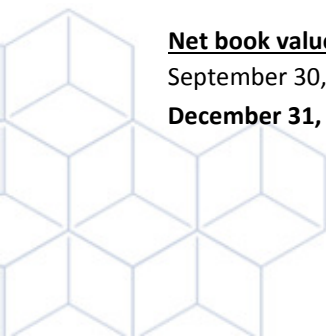
There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the 2012 annual financial statements.

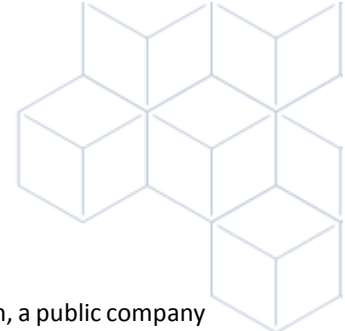
### 4. GLENBRIAR LIMITED PARTNERSHIP

Glenbriar Limited Partnership ("GLP") was an Alberta limited partnership that carried on the business of developing and extending the market for information technology solutions created or supported by the Corporation until the Corporation disposed of its interest in GLP effective October 1, 2011 for \$5,000. An independent director of the Corporation is CEO, a director and a minority shareholder of the purchaser of Corporation's interest in GLP. The General Partner of GLP was Glenbriar Solutions Inc. ("GSI"), which exercised control over GLP's operations. The Corporation disposed of its shares in GSI effective October 1, 2011 for \$20,000. An independent director of the Corporation controls the purchaser of GSI. With nil cost, these dispositions make up the gain on sale of related entities in the statement of income.

### 5. PROPERTY AND EQUIPMENT

	Computers \$	Office Equipment \$	Total \$
<b><u>Cost</u></b>			
September 30, 2012	542,835	108,397	651,232
Additions	-	-	-
<b>December 31, 2012</b>	<b>542,835</b>	<b>108,397</b>	<b>651,232</b>
<b><u>Accumulated depreciation</u></b>			
September 30, 2012	508,894	93,482	602,376
Depreciation	3,000	1,000	4,000
Disposals	1	-	1
<b>December 31, 2012</b>	<b>511,895</b>	<b>94,482</b>	<b>606,377</b>
<b><u>Net book value</u></b>			
September 30, 2012	33,941	14,915	48,856
<b>December 31, 2012</b>	<b>30,940</b>	<b>13,915</b>	<b>44,855</b>





## 6. MARKETABLE SECURITIES

Marketable securities are comprised of 322,038 common shares of Platinum Communications Corporation, a public company traded on the TSX Venture Exchange.

## 7. LOANS PAYABLE

Loans payable at December 31, 2012 in the amount of \$330,000 (September 30, 2012 - \$330,000) consist of net advances from officers of the Corporation secured by a general security agreement which bear interest at the rate of interest charged from time to time by the Bank of Montreal to its personal line of credit customers. The advances are repayable 12 months after the officers provide written request for payment. As at December 31, 2012, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

## 8. SHARE CAPITAL

### a) *Common shares issued and outstanding*

	Number of shares	Amount \$
Balance, September 30, 2012	47,737,510	<b>4,269,462</b>
Employee share purchase plan	249,000	<b>3,735</b>
Balance, December 31, 2012	<u>47,986,510</u>	<u><b>4,273,197</b></u>

### b) *Employee share purchase plan*

During the 3 months ended December 31, 2012, the Corporation recorded \$3,375 (2012 - \$1,058) of stock-based compensation expense.

## 9. RELATED PARTY TRANSACTIONS

General and administrative expense includes remuneration of the key management personnel, which includes directors and officers of the Corporation. See also notes 4 and 8.

## 10. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents at December 31 and September 30, 2012 were entirely comprised of cash on deposit.

### Changes in non-cash working capital:

	2012 \$	2011 \$
Accounts receivable	<b>(111,367)</b>	(127,030)
Inventory	<b>(651)</b>	39,607
Accounts payable and accrued liabilities	<b>(18,437)</b>	(30,654)
Deferred revenue	<b>40,915</b>	17,199
Total	<u><b>(89,540)</b></u>	<u>(100,878)</u>
Cash interest paid	<u><b>5,528</b></u>	5,186

