

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.

2016 Q3 FINANCIAL STATEMENTS

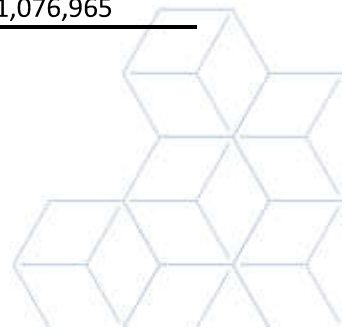
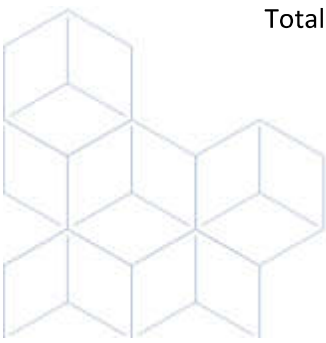
GLENBRIAR TECHNOLOGIES INC.

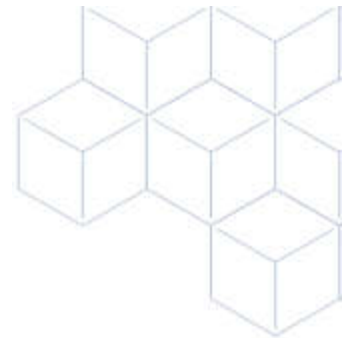
Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	<i>(unaudited)</i>	<i>(audited)</i>
	June 30	September 30
	2016	2015
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (note 11)	60,832	49,139
Accounts receivable	484,241	340,720
Prepaid expenses	30,142	29,476
Total current assets	575,215	419,335
Non-current		
Property and equipment (note 4)	615,388	657,630
Total assets	1,190,603	1,076,965
LIABILITIES		
Current		
Bank indebtedness (note 5)	223,283	192,362
Accounts payable and accrued liabilities	579,319	626,507
Finance leases – current portion (note 7)	60,821	46,714
Finance loans – current portion (note 8)	25,634	25,470
Deferred revenue	260,698	107,152
Deferred rent – current portion	5,971	5,971
Total current liabilities	1,155,726	1,004,176
Non-current		
Loans payable (note 6)	345,000	345,000
Finance leases (note 7)	44,485	71,759
Finance loans (note 8)	40,785	61,998
Deferred rent	29,854	34,332
Total liabilities	1,615,850	1,517,265
SHAREHOLDERS' EQUITY		
Share capital (note 9)	4,279,555	4,279,555
Deficit	(4,704,802)	(4,719,855)
Total shareholders' equity	(425,247)	(440,300)
Total liabilities and shareholders' equity	1,190,603	1,076,965

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

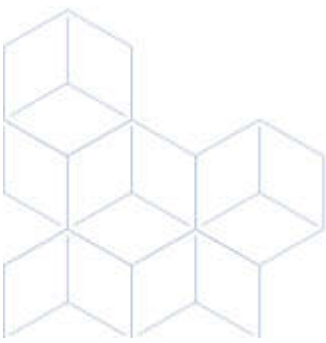


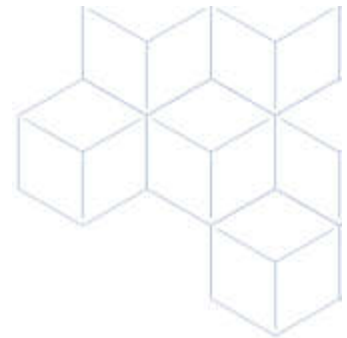


GLENBRIAR TECHNOLOGIES INC.
Interim Statements of Income and Comprehensive Income
(Expressed in Canadian Dollars) (unaudited)

	9 months ended June 30		3 months ended June 30	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue				
Managed information services	2,236,117	2,170,679	732,707	675,086
Equipment and software sales	1,342,822	1,039,549	477,164	311,362
Other income	3,427	22,859	1,610	15,126
Gross revenue	3,582,426	3,233,087	1,211,481	1,001,574
Cost of services	1,301,332	1,498,296	407,410	437,843
Cost of goods sold	1,119,446	831,230	386,477	302,806
Gross profit	1,161,648	903,561	417,594	260,926
Other (income) expenses				
General and administrative	837,326	697,276	248,019	243,627
Sales and marketing	156,282	245,498	64,522	82,337
Foreign exchange gain (loss)	(4,786)	-	1,708	-
EBITDA	172,826	(39,213)	103,345	(65,039)
Depreciation of property and equipment (note 4)	87,373	15,000	37,310	5,000
Income from operations	85,453	(54,213)	66,035	(70,039)
Finance expense	70,400	33,172	27,853	13,690
Net (loss) income and comprehensive income	15,053	(87,385)	38,182	(83,729)
Net income per share				
Basic and diluted	0.00	0.00	0.00	0.00
Weighted average shares outstanding				
Basic and diluted	48,421,510	48,421,510	48,421,510	48,421,510

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)*

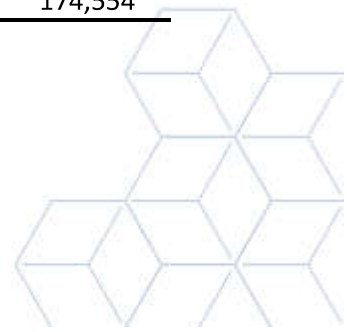
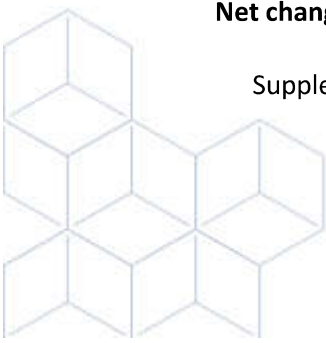
	9 months ended June 30	
	2016	2015
	\$	\$
Common Shares		
Balance, beginning and end of period	4,279,555	4,279,555
Deficit		
Balance, beginning of period	(4,719,855)	(4,528,226)
Net income for the period	15,053	(87,385)
Balance, end of period	(4,704,802)	(4,615,611)

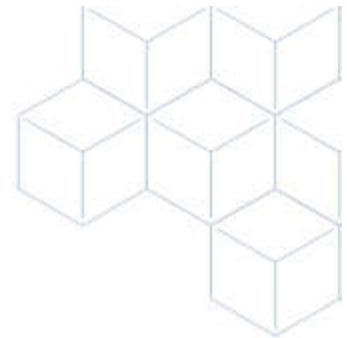
Interim Statements of Cash Flows
(Expressed in Canadian Dollars) *(unaudited)*

	9 months ended June 30	
	2016	2015
	\$	\$
Cash flows related to the following activities		
Operating		
Net income	15,053	(87,385)
Adjustments for:		
Depreciation of property and equipment (note 4)	87,373	15,000
Deferred rent	(4,478)	(4,478)
	97,948	(76,863)
Changes in non-cash working capital (note 11)	(37,828)	110,004
Net cash provided by operating activities	60,120	33,141
Financing		
(Decrease) increase in bank indebtedness	30,921	90,000
(Repayment) advances of finance leases - net	(40,389)	155,412
Repayment of finance loans	(21,049)	(29,893)
Net cash (used in) provided by financing activities	(30,517)	215,519
Investing		
Capital expenditures	(17,910)	(292,603)
Net cash provided by (used in) investing activities	(17,910)	(292,593)
(Decrease) increase in cash	11,693	(43,943)
Cash, beginning of period	49,139	218,497
Net change and cash, end of period	60,832	174,554

Supplementary cash flow information (note 11)

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 2015 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 2015 annual financial statements. None of the new standards, interpretations or amendments, effective for the first time from October 1, 2015, have had a material effect on the financial statements.

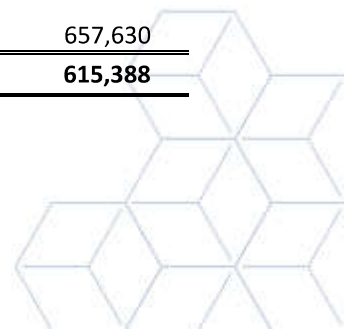
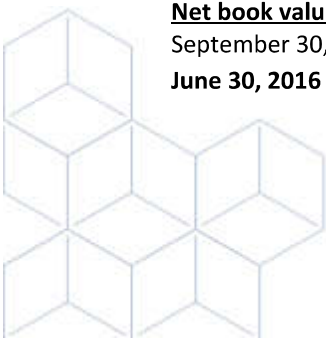
These financial statements have been prepared on the basis that the Corporation will continue as a going concern. As at June 30, 2016, the Corporation has negative working capital of \$580,511 and has a deficit of \$4,704,802. The Corporation generated net income during the 9 months ended June 30, 2016 of \$15,053, and \$38,133 for the 3 months ended June 30, 2016. The Corporation is repaying its bank credit facility and over 4 months (note 5). In order to continue as a going concern, the Corporation will need to generate positive cash flows from operations or obtain additional debt or equity financing. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to June 30, 2016 is uncertain. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

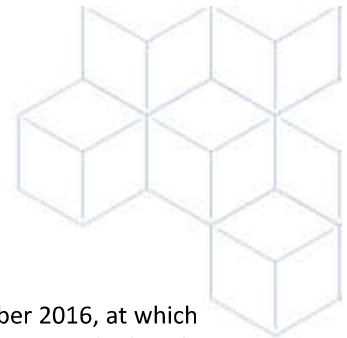
3. USE OF ESTIMATES AND JUDGMENTS

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

4. PROPERTY AND EQUIPMENT

	Computer Hardware \$	Office Operating Systems \$	Data Centre Equipment \$	Office Equipment \$	Total \$
Cost					
September 30, 2015	606,494	294,167	324,346	110,333	1,335,340
Additions	-	-	44,021	1,110	45,131
June 30, 2016	606,494	294,167	368,367	111,443	1,380,471
Accumulated depreciation					
September 30, 2015	556,596	19,611	-	101,503	677,710
Additions	11,228	44,125	30,697	1,323	83,373
June 30, 2016	567,822	63,736	30,697	102,826	765,083
Net book value					
September 30, 2015	49,898	274,556	324,346	8,830	657,630
June 30, 2016	38,670	240,431	337,670	8,617	615,388





5. BANK INDEBTEDNESS

Glenbriar's credit facility with the Royal Bank of Canada is being repaid at \$20,000 per month until October 2016, at which point the balance will become payable. The total borrowings are secured by a general security agreement over Glenbriar's current and after acquired assets, and postponement of loans payable (see note 6). The outstanding balance on June 30, 2016 under this facility was \$223,283.

6. LOANS PAYABLE

Loans payable at June 30, 2016 in the amount of \$345,000 (September 30, 2015 - \$345,000) consist of net advances from officers of the Corporation secured by a general security agreement which bear interest at the rate of interest charged on the bank indebtedness (note 5). The advances are repayable 12 months after the officers provide written request for payment. As at June 30, 2016, the officers had not requested payment, and consequently, the advances have been classified as non-current liabilities.

7. FINANCE LEASES

Glenbriar entered into an additional finance lease in the first quarter of fiscal 2016 to facilitate its new cloud infrastructure. Finance leases consisted of five equipment leases. The equipment leases bear interest ranging between 12.33% and 16.52% annually and require blended monthly payments of interest and principal. The final payments are due between November 2017 and September 2018.

Minimum lease payments related to the finance leases are as follows:

	Principal	Imputed interest	Minimum lease payments
2016	\$14,373	\$3,777	\$18,150
2017	63,112	9,488	72,600
2018	27,789	1,532	29,321
	<u>\$105,274</u>	<u>\$14,797</u>	<u>\$120,071</u>

8. FINANCE LOANS

The financing loans relate to the purchase of two office operating systems. The financing loans are non-interest bearing and unsecured. The final payments are due on December 1, 2018 and February 1, 2019. The payments on the financing loans are as follows:

2016	\$ 6,409
2017	25,634
2018	25,634
2019	8,742
	<u>\$66,419</u>

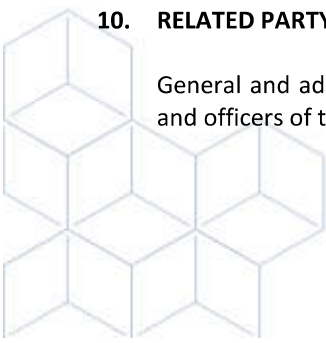
9. SHARE CAPITAL

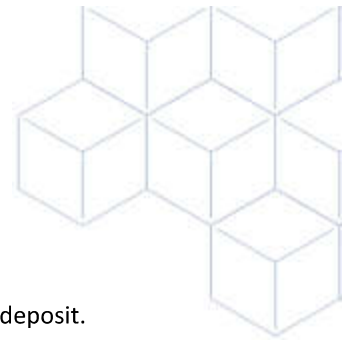
a) Common shares issued and outstanding

	Number of shares	Amount \$
Balance, June 30, 2016 and September 30, 2015	48,421,510	<u>4,279,555</u>

10. RELATED PARTY TRANSACTIONS

General and administrative expense includes remuneration of the key management personnel, which includes directors and officers of the Corporation.





11. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents at June 30, 2016 and September 30, 2015 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	9 months ended June 30	
	2016	2015
	\$	\$
Accounts receivable	(143,521)	128,475
Inventory	-	8,197
Prepaid expenses	(666)	(1,957)
Accounts payable and accrued liabilities	(47,187)	(28,738)
Deferred revenue	153,546	(4,027)
Total	38,728	110,004
Cash interest paid	62,730	33,172

