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.

MANAGEMENT DISCUSSION AND ANALYSIS

This information is given as of February 27, 2017 under NI Form 51-102F1. As of the date of this report, there are 48,421,510 Glenbriar voting common shares issued and outstanding. There is no other class or series of shares issued, and no warrants or options. 48,421,510 rights are outstanding to acquire up to 24,210,755 common shares on or before May 20, 2017. See "Rights Offering" below.

Description of Business

Glenbriar Technologies Inc. (CSE: GTI) is a leading provider of Cloud-enabled business technology solutions. From its offices in Calgary, Vancouver and Waterloo, Glenbriar's IT professionals and software developers design, manage and support solutions that include IT Services, Cloud Services, Portals & Collaboration, Unified Communications and Software Services.

The 2016 Annual Report was released on January 27, 2017. Glenbriar's 2017 Annual Meeting will be held in Calgary on April 6, 2017. Materials were be mailed on February 23, 2017 to holders of record as of February 21, 2017.

Rights Offering

On February 17, 2017, Glenbriar announced a rights offering to shareholders of record as of February 21, 2017. Glenbriar issued 1 right for each share held. 2 rights entitles the holder to purchase 1 Common Share for $0.02 per share, with an additional subscription privilege to obtain additional Common Shares at the same price per share. These additional shares represent shares not taken up by other rights holders under the basic subscription privilege, and will be allocated on a pro rata basis if the total issue is oversubscribed. No rights certificates are being issued, and the rights will not be listed or posted for trading. The rights are freely transferable. The shares issued upon exercise of the rights will trade on the Canadian Securities Exchange. The rights expire on May 20, 2017.

A Rights Offering Notice was mailed to each shareholder on February 23, 2017. If you did not receive your rights, please send an e-mail to proxy@glenbriar.com or contact Robert Matheson of Glenbriar at (403) 450-7410. Additional details are available in the Rights Offering Circular filed on Glenbriar's profile on Sedar at sedar.com, on the CSE website at thecse.com, and on Glenbriar's website at glenbriar.com.

Products & Services

New Back Office

Glenbriar completed the upgrade of its back office applications and infrastructure in January 2016. This new infrastructure replaces a number of proprietary systems that Glenbriar developed over the years with state of the art industry standard applications.

Cloud Services

Glenbriar has transferred its internal infrastructure to the Cloud infrastructure, and is migrating hosted clients and new Cloud hosted clients as well. By focusing on keeping the data in Canada, new hosting opportunities arise in industries that are sensitive to the location and storage of their data and intellectual property, such as health care, financial services, technology innovation and natural resources. Glenbriar added additional storage capacity to its Cloud data centre in July 2016 to meet current and future demand.

As business technology moves from in-house infrastructure to the Cloud, using public, private or hybrid models, Glenbriar is transitioning its clients to optimize their Cloud strategy to fit their business growth, needs and outcomes to ensure the right mix of Cloud, on premise and hybrid solutions to fulfill their objectives.

Glenbriar is in the process of realigning its services for small business customers to allow them to transition to a more Cloud-centric model. This is expected to allow the adoption of a broader range of clients and services for those customers. The downturn in the business cycle in Alberta has led to the bankruptcy or shutdown of a limited number of Glenbriar's customers in that province. These losses are somewhat offset by new hosting clients.

Portals & Collaboration

Glenbriar is moving its clients to a simplified and automated implementation of the SharePoint development platform that eliminates the need for custom SharePoint development, leaving the design and management of the SharePoint site in the clients' hands. SharePoint changes the way businesses operate, reducing lost productivity and costs that result from organizations not having the resources to efficiently and cost-effectively streamline their business processes.

Unified Communications

Glenbriar completed additional deployments of its inclusive Remote Facility Communications solution in 2016. This solution works over a fixed, wireless or satellite Internet connection, with all major brands of smartphones and wireless devices, and with all national cellphone carriers, making it available virtually anywhere. Typical payout for clients is less than one year for a huge increase in functionality.

Managed Services

New projects are in the design phase for rolling out over the next 2 quarters. Cloud deployments, mobility functionality, managed services and print services will continue to grow in enterprise environments, and bring with them the need for increased emphasis on security. Glenbriar is actively seeking upgraded technologies to meet these new requirements.

Software Services

Glenbriar's MMS has been updated to incorporate industry mandated EDI changes. A number of MMS clients are implementing server upgrades to provide enhanced performance and functionality.

Glenbriar continues to develop its multivalue application database consulting and production line control products for manufacturers.

Financial Review

Selected Financial Information

Selected Quarterly Financial Information ($)	Quarter ended							
	2016				2015			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Revenue	790,846	1,113,124	1,211,482	1,288,708	1,082,238	951,143	1,001,574	1,214,292
EBITDA	(96,261)	91,884	103,138	114,916	(45,435)	(847)	(65,039)	52,587
Income (loss) from operations	(133,450)	52,173	66,035	83,744	(64,326)	(28,149)	(70,039)	47,858
-per share (basic and diluted)	(0.00)	0.00	0.00	0.00	(0.00)	(0.00)	(0.00)	0.00
Net income (loss)	(157,601)	28,731	38,182	63,634	(86,763)	(104,244)	(83,729)	34,272
-per share (basic and diluted)	(0.00)	0.00	0.00	0.00	(0.00)	(0.00)	(0.00)	0.00

Revenue decreased 27% for the quarter ended December 31, 2016 from the prior year period, made up of a 7% decrease in services and a 59% decrease in equipment and software sales. These changes reflect some large projects that are underway with new clients, who are building new facilities that will be placed under managed services with Glenbriar and moved into Glenbriar's Cloud data centre in the third quarter of 2016. Project revenue was negatively impacted by continued reduced economic activity in Alberta. Net loss increased to $157,601 from $86,763 for the prior year period, due to timing differences of $50,000 in audit fees (2016 - $20,000) and legal fees relating to litigation of $23,810 (2016 - $nil), lower hardware sales due to a lack of big projects, bankruptcies of some Alberta clients, and higher foreign exchange expenses. It is expected that revenue and income will recover substantially in the second quarter of 2017.

Glenbriar has not paid dividends and has no current intention of doing so.

Liquidity and Capital Resources

As of December 31, 2016, Glenbriar had a working capital deficiency of $449,728, a decrease from $542,969 at September 30, 2016. This reduction reflects a $241,800 increase in loans payable during the quarter, which is classified as non-current obligation. This increase was provided to assist with the transition away from the bank line and to provide additional liquidity over the coming year. Deferred revenue rose to $149,443 due to an increase in deposits for hardware purchases. Deferred rent reflects rent-free allowances on the Calgary office lease. This amount is amortized over the term of the lease. Both deferred revenue and deferred rent are noncash items that do not impact liquidity over the short term.

The financial statements have been prepared on the basis that the Corporation will continue as a going concern. 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 December 31, 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.

Glenbriar extended the terms of its forbearance agreement with the bank in December 2016, with payments continuing at the rate of $20,000 per month until April 20, 2017, with the balance due in May 2017. The bank holds the first secured charge over existing and after acquired property. The outstanding balance on December 31, 2016 was $112,968, which is a reduction from $292,000 in April 2016.

Loans payable at December 31, 2016 in the amount of $586,800 (September 30, 2016 - $345,000) consist of net advances from directors and an employee 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 December 31, 2016, the holders had not requested payment, and consequently, the advances have been classified as non-current liabilities.

Finance leases of $91,145 as of December 31, 2016 (original balance - $202,370) were incurred to facilitate the new Cloud infrastructure. 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.

The financing loans of $54,197 as of December 31, 2016 (original balance - $99,388) 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.

Glenbriar may be required to seek additional equity or debt financing, reduce its operations or to limit its growth in order to maintain liquidity. In addition, Glenbriar does not have adequate surplus capital on hand to pursue its capital investment at an optimal rate, to establish and implement a robust marketing and sales programs, and to make strategic acquisitions. Accordingly, Glenbriar may reasonably be expected to issue additional equity or take on more debt in order to obtain the additional resources which it believes are necessary to enable it to seek to achieve the growth rates which are sought by investors and shareholders. If additional equity is issued, existing shareholders may experience dilution of their shareholdings. If additional debt is taken on, the business could be put at greater risk of not being able to survive downturns in business cycles, the loss of major accounts, or other negative events. Glenbriar will continue to take steps to improve its working capital position, which may include injection of capital, loans or renegotiation of credit facilities, but there is no assurance that these efforts will be successful.

Glenbriar's long-term financial commitments for office leases were as follows as of December 31, 2016:

	$
2017	198,515
2018	217,253
2019	197,086
2020	197,086
2021	197,086
2022	65,695
Total	1,072,721

Results from Operations

Net loss increased to $157,601 from $86,783 for the first quarter of fiscal 2016 from the similar 2015 period, while revenue decreased 27% over the same periods.

Managed services revenue includes all professional services and consulting revenue. Cost of services includes the salaries of those employees who directly earn managed services revenue. Margins on managed services are based on a comparison of managed services revenue to cost of services. Salaries for administrative and support staff are included in general and administrative expenses, while salaries for sales and marketing staff are included in sales and marketing expense.

Equipment and software revenue includes all revenue from the sale of those items, and cost of goods sold is made up of the cost of equipment and software sales. Both accounts include shipping and an allocation of salaries for procurement staff. Margins on equipment and software sales are based on a comparison of equipment and software revenue to cost of goods sold.

Revenue. Revenue decreased 27% for the quarter ended December 31, 2016 from the prior year period, made up of an 7% decrease in services and a 59% decrease in equipment and software sales. These changes reflect the continued reduced economic activity in Alberta, which reduces the number of projects and resulted in the loss of some clients due to bankruptcies.

Expense. Margins on managed services remained steady at 37% in the first quarter of fiscal 2017 from the prior year period. Margins on equipment and third party software sales increased to 16% from 11% over the same periods. General and administrative operating expense fell by 14% in the first quarter of 2017 from the similar 2016 period. Professional fees rose to $73,810 in the first quarter of 2017 from the prior year period due to one-time increases related to legal fees and timing of audit fees. Sales and marketing expenses remained steady at 4% of sales in the same periods of 2017 over 2016.

Accounts receivable. The balance for December 31, 2016 reflects 41 days of sales, which is down from 28 days of sales for the year end fiscal 2016, and from the prior year period of 24 days.

Accounts payable and accrued liabilities. This account increased to $736,787 at December 31, 2016 from $631,395 at the end of fiscal 2016, but decreased from $744,061 from the prior year period.

Deferred revenue. The balance of $149,434 as of December 31, 2016, is up substantially from $100,560 at year end 2016 because of hardware deposits. This is a noncash item.

Forward Looking Statements

This MD&A may contain forward-looking statements. These forward-looking statements do not guarantee future events or performance and should not be relied upon. Actual outcomes may differ materially due to any number of factors and uncertainties, many of which are beyond Glenbriar's control. Some of these risks and uncertainties may be described in Glenbriar's corporate filings (posted at www.sedar.com). Glenbriar has no intention or obligation to update or revise any forward looking statements due to new information or events, except as required by securities legislation.

Risk Factors

Glenbriar is in the information technology business, which is a rapidly changing and competitive environment. Glenbriar must stay abreast of several new technologies and be ready to quickly and effectively deploy them for its customers. Glenbriar serves the automotive, recreational, energy and mining sectors, all of which were challenged by the global recession and the effects of globalization on their business cycles. The pace of change keeps quickening, and Glenbriar and its clients must adapt promptly, but carefully, to choose the right technologies and strategies to optimize their business technology processes and infrastructure. The consumerization of end user devices, increased mobility, and changing workplaces will continue to place a heavy burden on businesses to remain secure and to keep their data safe but accessible. Glenbriar will have to continue to reliably identify, evaluate, optimize and support these new technologies for its clients in order to remain successful in the coming periods.

Glenbriar filed a statement of claim in Alberta Court of Queen's Bench in September 2015 against IT service providers and former senior managers and employees for breach of contract, fiduciary and various common law duties in connection with certain activities in 2014 and 2015. As of December 31, 2016, Glenbriar had settled the claim with eight individual defendants. In February 2017, Glenbriar settled with the last individual defendant, leaving only one corporate defendant.

Critical Accounting Estimates

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting periods presented. Significant estimates include the assessment of recoverability of carrying values of Glenbriar's accounts receivable, software and other capital assets. Actual results will differ from the estimates.

Related Party Transactions

Management loan advances of $586,800 as of December 31, 2016 are up from $345,000 as at September 30, 2016. See "Liquidity and Capital Resources" above.

Additional Information

Additional information about Glenbriar is available from Glenbriar's website at www.glenbriar.com, the CSE website at www.thecse.com, the Sedar website at www.sedar.com, or by request from Glenbriar's head office at 1100, 736 – 8 Ave SW, Calgary, AB T2P 1H4 (Phone 403-233-7300 x117).