

NOTICE TO READER

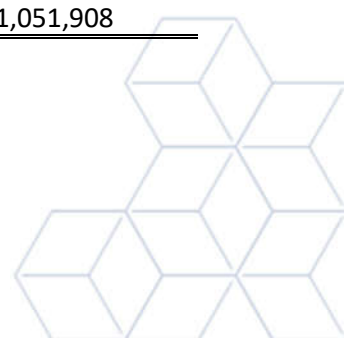
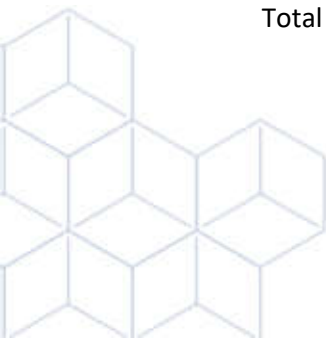
The unaudited interim financial statements and related management discussion and analysis were prepared by management and approved by the board of directors. They have not been reviewed by Glenbriar's external auditors.

2017 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
	2017	2016
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (note 11)	104,438	59,859
Accounts receivable	330,111	362,124
Prepaid expenses	37,421	33,240
Total current assets	471,970	455,223
Non-current		
Property and equipment (note 4)	485,117	596,685
Total assets	957,087	1,051,908
LIABILITIES		
Current		
Bank indebtedness (note 5)	-	165,221
Accounts payable and accrued liabilities	393,020	631,395
Finance leases – current portion (note 7)	48,353	69,080
Finance loans – current portion (note 8)	25,753	25,965
Deferred revenue	86,542	100,560
Deferred rent – current portion	5,971	5,971
Total current liabilities	559,639	998,192
Non-current		
Loans payable (note 6)	83,069	345,000
Finance leases (note 7)	8,051	42,252
Finance loans (note 8)	13,627	34,619
Deferred rent	25,883	28,361
Total liabilities	688,269	1,448,424
SHAREHOLDERS' EQUITY		
Share capital (note 9)	5,009,555	4,279,555
Deficit	(4,740,737)	(4,676,071)
Total shareholders' equity	268,818	(396,516)
Total liabilities and shareholders' equity	957,087	1,051,908

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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue				
Managed information services	2,022,504	2,236,177	732,343	732,707
Equipment and software sales	779,196	1,342,822	208,532	477,164
Other income	18,893	3,427	14,884	1,610
Gross revenue	2,820,593	3,582,426	955,759	1,211,481
Cost of services	1,129,296	1,301,332	362,262	407,410
Cost of goods sold	632,883	1,119,446	153,191	386,477
Gross profit	1,058,414	1,161,648	440,306	417,594
Other (income) expenses				
General and administrative	829,220	837,326	258,629	248,019
Sales and marketing	103,125	156,282	41,748	64,522
Foreign exchange gain	3,783	(4,786)	(274)	1,708
EBITDA	122,286	172,826	140,203	103,345
Depreciation of property and equipment (note 4)	111,568	87,373	37,189	37,310
Income from operations	10,718	85,453	103,014	66,035
Finance expense	75,384	70,400	34,470	27,853
Net (loss) income and comprehensive (loss) income	(64,666)	15,053	68,544	38,182
Net income per share				
Basic and diluted	(0.00)	0.00	0.00	0.00
Weighted average shares outstanding				
Basic and diluted	49,888,663	48,421,510	52,888,177	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)

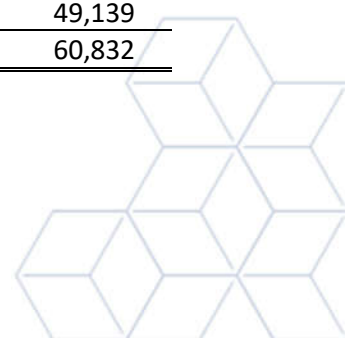
	9 months ended June 30	
	2017	2016
	\$	\$
Common Shares		
Balance, end of period	5,009,555	4,279,555
Deficit		
Balance, beginning of period	(4,676,070)	(4,719,855)
Net income for the period	(64,666)	15,053
Balance, end of period	(4,740,737)	(4,704,802)

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

	9 months ended June 30	
	2017	2016
	\$	\$
Cash flows related to the following activities		
Operating		
Net (loss) income	(64,666)	15,053
Adjustments for:		
Depreciation of property and equipment (note 4)	111,568	83,373
Deferred rent	(4,478)	(4,478)
	42,424	97,948
Changes in non-cash working capital (note 11)	(218,929)	(37,828)
Net cash provided by operating activities	(176,505)	60,120
Financing		
(Repayments) advances of bank indebtedness, net	(165,221)	30,921
Repayments of finance leases	(60,560)	(40,389)
Repayment of finance loans	(21,204)	(21,049)
Repayment of loans payable	(261,931)	-
Net cash used in financing activities	(508,916)	(30,517)
Investing		
Common Shares	730,000	(17,910)
Net cash used in investing activities	730,000	(17,910)
Increase in cash	44,579	11,693
Cash, beginning of period	59,859	49,139
Net change and cash, end of period	104,438	60,832

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 2016 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 2016 annual financial statements.

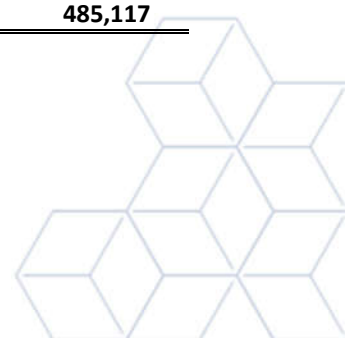
These financial statements have been prepared on the basis that the Corporation will continue as a going concern. As at June 30, 2017, the Corporation had negative working capital of \$87,668 (September 30, 2016 - \$542,969) and had a deficit of \$4,740,737 (September 30, 2016 – \$4,676,071). The Corporation had net income of \$68,544 for the 3 months ended June 30, 2017. The Corporation is not in default of any covenants with any lenders. In order to continue as a going concern, the Corporation will need to continue to generate positive cash flows from operations or obtain additional debt or equity financing. The Corporation believes it can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to June 30, 2017. 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.

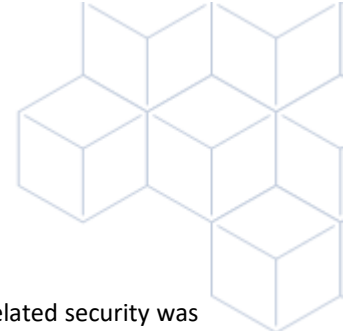
3. USE OF ESTIMATES AND JUDGMENTS

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, 2016	606,494	294,167	389,166	111,443	1,401,270
June 30, 2017	606,494	294,167	389,166	111,443	1,401,270
Accumulated depreciation					
September 30, 2016	571,566	78,443	51,196	103,380	804,585
Additions	7,857	44,125	58,374	1,212	111,568
June 30, 2017	579,423	122,568	109,570	104,592	916,153
Net book value					
September 30, 2016	34,928	215,724	337,970	8,063	596,685
June 30, 2017	27,071	171,599	279,596	6,851	485,117





5. BANK INDEBTEDNESS

The Corporation fully repaid the balance of its facility with the Royal Bank of Canada in May 2017. All related security was discharged.

6. LOANS PAYABLE

Loans payable at June 30, 2017 in the amount of \$83,068 (March 31, 2017 – \$586,000) consist of net advances from officers of the Corporation, secured by a general security agreement which bears interest at 5% annually. The Corporation plans to pay down the balance in the coming months.

7. FINANCE LEASES

Finance leases consist of six 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 2019.

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

	Principal	Imputed interest	Minimum lease payments
2017	\$ 14,152	\$ 5,141	\$ 19,293
2018	34,446	3,110	37,556
2019	7,806	666	8,472
	<u>\$ 56,404</u>	<u>\$ 8,917</u>	<u>\$ 65,321</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:

2017	\$ 3,866
2018	26,484
2019	9,030
	<u>\$39,380</u>

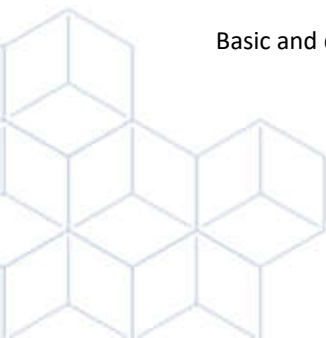
9. SHARE CAPITAL

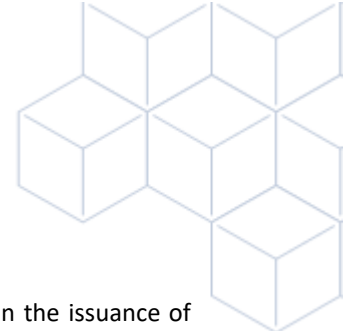
a) Common shares issued and outstanding

	Number of shares	Amount \$
Balance, September 30, 2016	48,421,510	4,279,555
Shares issued on rights offering (see c) below)	2,000,000	10,000
Shares issued on private placement (see d) below)	80,000,000	720,000
Balance, June 30, 2017	<u>130,421,510</u>	<u>5,009,555</u>

b) Weighted average shares outstanding

	As at June 30	
	2017	2016
Basic and diluted	<u>49,888,663</u>	<u>48,421,510</u>





c) *Rights offering*

The Corporation conducted a rights offering from February 17 to May 20, 2017, which resulted in the issuance of 2,000,000 common shares from treasury. The share issuance was recorded at the market price on the date the related obligation covered by the shares was incurred, or \$0.005 per share.

d) *Private placement*

On June 16, 2017, the Corporation announced a private placement of \$800,000 at \$0.01 per common share to Uniserve Communications Corp. (TSX-V: USS) of Vancouver. The Corporation applied for and was granted relief from the CSE's minimum price rule in connection with the transaction. The Corporation announced completion of the private placement on June 26, 2017. This transaction resulted in Uniserve owning 80,000,000 common shares, or 61.3% of the 130,421,510 shares outstanding. Net proceeds to the Corporation of \$720,000 (after a 10 % placement fee paid to Uniserve) were used to reduce outstanding debt and improve working capital.

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, 2017 and September 30, 2016 were entirely comprised of cash on deposit.

Changes in non-cash working capital:

	9 months ended Jun 30	
	2017	2016
	\$	\$
Accounts receivable	32,014	(143,521)
Prepaid expenses	(4,181)	(666)
Accounts payable and accrued liabilities	(232,744)	(47,187)
Deferred revenue	(14,018)	153,546
Total	(218,929)	38,728
Cash interest paid	75,384	62,730

