

**GLENBRIAR TECHNOLOGIES INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)**

**FOR THE THREE MONTHS ENDED DECEMBER 31, 2020
and 2019**

(Unaudited – Prepared by Management)

GLENBRIAR TECHNOLOGIES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)

	December 31, 2020	September 30, 2020
ASSETS		
Current assets		
Cash	\$ 9,224	\$ 13,295
Long-term assets		
Investments (Note 4)	\$ 699,519	\$ 679,743
Total assets	\$ 708,743	\$ 693,038
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 122,044	\$ 116,050
GST liability (Note 5)	13,768	14,076
Total liabilities	135,812	130,126
Shareholders' equity (deficiency)		
Share capital (Note 6)	6,405,755	6,405,755
Deficit	(5,832,824)	(5,842,843)
Total shareholders' equity (deficiency)	572,931	562,912
Total liabilities and shareholders' equity (deficiency)	\$ 708,743	\$ 693,038

Nature of operations (Note 1)

Going concern (Note 2)

Subsequent event (Note 9)

Approved and authorized on behalf of the Board of Directors on February 1, 2021.

<u>“Douglas Taylor”</u>	Director	<u>“Mark Tommasi”</u>	Director
Douglas Taylor		Mark Tommasi	

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

GLENBRIAR TECHNOLOGIES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
EXPENSES		
General and administration	285	576
Professional fees (Note 8)	3,165	8,065
Transfer agent and filing fees	6,307	4,528
Loss for the year	(9,757)	(13,169)
Unrealized gain on investments	19,776	-
Net and comprehensive income (loss) for the period	\$ 10,019	\$ (13,169)
Weighted average number of common shares outstanding – basic and diluted	211,037,508	147,729,508
Loss per common share – basic and diluted	\$ (0.00)	\$ (0.00)

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

GLENBRIAR TECHNOLOGIES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (9,757)	\$ (13,169)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	5,994	(4,535)
GST liability	(308)	(6,838)
Net cash used in operating activities	<u>(4,071)</u>	<u>(24,542)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance of loans receivable	<u>-</u>	<u>(130,000)</u>
Net cash used in investing activities	<u>-</u>	<u>(130,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscription received	<u>-</u>	<u>150,000</u>
Net cash (used in) provided by financing activities	<u>-</u>	<u>150,000</u>
Change in cash for the year	(4,071)	(4,542)
Cash, beginning of the year	<u>13,295</u>	<u>7,461</u>
Cash, end of the year	<u>\$ 9,224</u>	<u>\$ 2,919</u>
Supplemental cash flow information		
Interest paid (received)	\$ -	\$ -
Income taxes paid (received)	\$ -	\$ -

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

GLENBRIAR TECHNOLOGIES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)

	Capital Stock			Total
	Number	Amount	Deficit	equity (deficiency)
Balance as at September 30, 2018	130,421,510	\$ 5,009,555	\$ (5,396,306)	\$ (386,751)
Private placement	17,308,000	865,400	-	865,400
Finder's fees	-	(9,200)	-	(9,200)
Net and comprehensive loss for the year	-	-	(121,407)	(121,407)
Balance as at September 30, 2019	147,729,510	\$ 5,865,755	\$ (5,517,713)	\$ 348,042
Subscriptions received	-	150,000	-	150,000
Net and comprehensive loss for the period	-	-	(13,169)	(13,169)
Balance as at December 31, 2019	147,729,510	\$ 6,015,755	\$ (5,530,882)	\$ 484,873
Private placement	63,308,000	400,000	-	400,000
Finder's fees	-	(10,000)	-	(10,000)
Share adjustment	(2)	-	-	-
Net and comprehensive loss for the period	-	-	(311,961)	(311,961)
Balance as at September 30, 2020	211,037,508	\$ 6,405,755	\$ (5,842,843)	\$ 562,912
Net and comprehensive income for the period	-	-	10,019	10,019
Balance as at December 31, 2020	211,037,508	\$ 6,405,755	\$ (5,832,824)	572,931

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

GLENBRIAR TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

1. NATURE OF OPERATIONS

Glenbriar Technologies Inc. (“Glenbriar” or the “Corporation”) was incorporated under the Alberta Business Corporations Act on July 15, 1994. The Corporation’s common shares are listed on the Canadian Securities Exchange (trading symbol; GTI.X). The Corporation’s head office is located at 1780-355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8.

On November 4, 2020, the Corporation entered into an agreement to acquire all of the shares of Kick Pharmaceuticals Inc. (“Kick”), an arms-length private company. Kick was founded in 2020 and is a specialized health and wellness company with exclusive rights/licenses to produce, market, package, sell and distribute 6 pharmaceutical and therapeutic products throughout Europe and the United Kingdom. Kick also holds the rights to a patent application for an alternate delivery system for the FDA-approved drug Nabilone used for treating nausea in chemotherapy patients. The merger agreement contemplates that the Corporation will issue one Glenbriar share for each outstanding share of Kick. This ratio is based on Kick completing a concurrent private placement, among other things. The transaction will be considered a fundamental change pursuant to the policies of the Canadian Securities Exchange, and is subject to shareholder approval and CSE review. Trading in the shares of the Corporation has been halted pending review and approval of the transaction.

During the year ended September 30, 2019, the Corporation announced it had entered into an arm’s length agreement to acquire Eleos Robotics Inc. (“Eleos”), a private company based in British Columbia. The Corporation announced a private placement of up to \$1,500,000 to fund the technology development. On January 27, 2020, the parties decided to terminate the proposed reverse take-over of the Corporation by the Eleos shareholders. In its stead, the Corporation has acquired 18% of Eleos, represented by 744,691 common non-voting shares of Eleos, in return for the cumulative \$655,000 in advances made to the date of termination. See note 4.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these financial statements should be read in conjunction with the Company’s September 30, 2020 audited annual financial statements and notes thereto.

A summary of the Corporation’s significant accounting policies under IFRS is presented in note 3. These policies have been consistently applied.

GLENBRIAR TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

2. BASIS OF PRESENTATION (continued)

Basis of measurement and going concern

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The financial statements have been prepared on an accrual basis except for cash flow information.

These condensed interim financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

As at December 31, 2020, the Corporation has a working capital deficiency of \$126,588 (September 30, 2020 - \$116,831) and has an accumulated deficit of \$5,832,824 (September 30, 2020 - \$5,842,843). The Corporation incurred a net loss during the three months ended December 31, 2020 of \$9,757 (2019 – \$13,169). 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 and/or financing cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to December 31, 2020 is uncertain.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant effects on the world's equity markets and the movement of people and goods has become restricted. Due to market uncertainty, the Corporation may be restricted in its ability to raise additional funding. The impact of these factors on the Corporation is not yet determinable; however, they may have a material impact on the Corporation's financial position, results of operations and cash flows in future periods. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operations in future periods.

Management is aware, in making its going concern assessment, of the material uncertainty created by the aforementioned events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. These financial statements do not give effect to any adjustments which may be necessary should the Corporation be unable to continue as a going concern and therefore realize its assets and discharge its liabilities in other than the normal course of business at amounts different from those reflected in the accompanying financial statements. Such adjustments could be material.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional currency.

Use of estimates and judgements

The preparation of the Corporation's interim condensed financial statements in conformity with 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 expenses and other income (loss) during the periods presented. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from the estimates.

The following discussion sets forth management's most critical estimates and assumptions in determining the carrying amounts of assets, liabilities and equity (deficiency):

Going concern

The assessment of the Corporation's ability to execute its strategy by funding future working capital requirements involves judgment. Factors considered by management are disclosed above.

2. BASIS OF PRESENTATION (continued)

Income taxes

The measurement of income taxes requires management to make judgements in the interpretation and application of relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements. The availability of tax pools is subject to audit and interpretation by taxation authorities. There are no current or deferred income taxes recognized in the financial statements as disclosed in note 8 and management estimates that these items have been fairly valued.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit with banks and short-term deposits with initial maturities of three months or less. The Corporation did not have any cash equivalents as at December 31, 2020 or September 30, 2020.

Income taxes

Income taxes are comprised of current and deferred taxes. Income tax expense (recovery) is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss). Current taxes are the expected taxes payable on the taxable income for the period plus any adjustment to taxes payable in respect of previous periods. Deferred taxes are recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences including carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred taxes are not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred taxes are not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, 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, and they relate to income taxes levied by the same taxation 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.

GLENBRIAR TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Net income (loss) per common share

The Corporation follows the treasury stock method to determine the dilutive effect of stock options or other potentially dilutive instruments. Under this method, basic net income (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted income per share is calculated on the basis of the weighted average number of common shares outstanding during the period plus the additional incremental common shares that would have been outstanding for any potentially dilutive stock options or other dilutive instruments using the treasury stock method. Diluted loss per share is equal to basic loss per share, as the effect of potentially dilutive stock options or other instruments would be anti-dilutive to the calculation.

Share capital

When units are issued, which include shares and warrants, the warrants are valued using the residual value method where proceeds are allocated to the common shares up to their fair value as determined by the current quoted trading price on the announcement date, and the balance, if any, to contributed surplus.

(i) Share issue costs

Share issue costs that are directly attributable to issuing new shares are deducted from equity.

Costs that are not incremental and directly attributable to issuing new shares, are recorded as an expense in profit or loss.

(ii) Equity instruments issued as consideration

Other equity instruments issued in non-cash transactions as purchase consideration are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration is based upon the quoted trading price of those shares on the date of grant to issue shares as determined by the Board of Directors.

Provisions and contingencies

A provision is recognized on the statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the rate of exchange in effect at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are recorded at rates of exchange in effect at the statement of financial position date and any resulting gains or losses are recorded in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

Financial assets

The Corporation classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Corporation's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At initial recognition, the Corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Corporation classifies its financial assets:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The effective interest method is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. Cash and loan receivable are classified in this category.

Fair value through OCI (FVOCI): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest method. The Corporation has no assets classified in this category.

FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises. Investments are classified in this category.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred.

The fair value changes to financial liabilities at FVTPL are presented as follows: where the Corporation optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Corporation does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Corporation classifies accounts payable and accrued liabilities as held at amortized cost. These financial liabilities are classified as current liabilities as the payment is due within 12 months.

4. INVESTMENTS AND LOAN RECEIVABLE

During the three months ended September 30, 2019, the Corporation advanced \$525,000 to Eleos, pursuant to the terms of the arm's length agreement (note 1). During the year ended September 30, 2020, the Corporation advanced a further \$130,000. The loan bears interest at 10% per annum, waived for the first 18 months, calculated and compounded semi-annually on unpaid principal and interest balance from the date of the advance until the loan is repaid in full. The loan is secured by a general security agreement, including technology patents, and was repayable on February 26, 2020. A termination agreement was reached January 27, 2020.

On January 27, 2020, the parties decided to terminate the proposed reverse take-over of the Corporation by the Eleos shareholders. In its stead, the Corporation has acquired 18% of Eleos, represented by 744,691 common non-voting shares of Eleos, in return for the cumulative \$655,000 in advances made to the date of termination. As at September 30, 2020, in accordance with the guidance in IFRS 9 regarding when cost may be the best estimate of fair value, the investment in Eleos was recorded at cost.

On March 24, 2020, the Corporation entered an agreement to lend up to \$225,000 to World High Life PLC ("WHL") as a short-term convertible loan, repayable on November 1, 2020 with a 5% annual interest rate. During the year ended September 30, 2020, the Corporation advanced \$221,571. On June 25, 2020, the Corporation signed a Debt Settlement Agreement and accepted 1,483,967 shares of WHL for a total value of \$224,374 (principal \$221,571 and interest \$2,803). As at September 30, 2020, the shares of WHL were valued at \$24,743 and the Corporation recognized an unrealized loss of \$199,631. As at December 31, 2020, the shares of WHL were valued at \$44,519.

5. GST LIABILITY

During the year ended September 30, 2018, the Corporation received notice from the Canada Revenue Agency ("CRA") that the Corporation's GST claims from October 2014 to August 2017 were denied. As a result of CRA's assessment, they are requesting the Corporation repay all refunds received. As a result of the CRA's notice, at September 30, 2018 the Corporation recognized a liability of \$272,366, which represented the full amount of GST refunds to be repaid including interest. The Corporation appealed the CRA notice during fiscal 2019 and was successful in having the liability reduced to \$51,766, offset by current GST receivable of \$12,123. During the year ended September 30, 2020, this amount has been reduced further to \$14,076 by a \$32,000 payment and the first, second, third and fourth quarters GST tax credits of \$1,838, \$1,713, \$1,605 and \$535, respectively. During the three months ended December 31, 2020, this amount has been reduced further to \$13,768 by the first quarter GST tax credits of \$308.

GLENBRIAR TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares
Unlimited number of preferred shares of one or more series

b) Common shares issued and outstanding

	Number of shares	Amount
Balance, September 30, 2019	147,729,510	5,865,755
Subscription received	-	150,000
Balance, December 31, 2019	147,729,510	6,015,755
Private placement	23,308,000	-
Private placement	40,000,000	400,000
Share adjustment	(2)	-
Issuance costs	-	(10,000)
Balance, September 30 and December 31, 2020	211,037,508	\$ 6,405,755

During the year ended September 30, 2019, the Corporation announced a private placement financing of up to \$1,500,000 by issuance of units at \$0.05. Each unit to be comprised of one common share and one warrant to purchase a common share with an exercise price of \$0.10 in the first year and \$0.15 in the second year. The terms of the financing provide that the units will not be adjusted for the 2 for 1 consolidation that has been proposed but not yet completed.

The first tranche raised \$429,700 through the issuance of 8,594,000 units. Units were priced at \$0.05 each, with each unit consisting of one share and one warrant exercisable for 2 years from closing at an exercise price of \$0.10 in the first year and \$0.15 in the second year. No finder fees were paid on this tranche.

The second tranche raised \$435,700 through the issuance of 8,714,000 units. Units were priced at \$0.05 each, with each unit consisting of one share and one warrant exercisable for 2 years from closing at an exercise price of \$0.10 in the first year and \$0.15 in the second year. Cash finder's fees of \$9,200 were paid and 184,000 finder's warrants, valued at \$Nil, were issued on this tranche.

GLENBRIAR TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

6. SHARE CAPITAL (continued)

b) Common shares issued and outstanding (continued)

On March 20, 2020, the Corporation issued 23,308,000 units in favor of the holders to an early private placement at a subscription price of \$0.05 per share on a 2 for 1 consolidation basis. As the consolidation was not completed, the shares were issued at a deemed price of \$0.025. Each unit consists of one common share and one common shares purchase warrant. Each purchase warrant entitles the holder to acquire one additional common share up until March 20, 2022, at an exercise price of \$0.05 per common share in year one and \$0.075 in year two. The Corporation issued 184,000 finder's warrants, valued at \$Nil, in connection with this private placement.

On March 20, 2020 the Corporation issued 40,000,000 units at a subscription price of \$0.01 per unit for total consideration of \$400,000. Each unit consists of one common share and one common share purchases warrant. Each purchase warrant entitles the holder to acquire one additional common share up until March 20, 2022, at an exercise price of \$0.05 per common share. Cash finder's fees of \$10,000 were paid and 1,000,000 finder's warrants, valued at \$Nil, were issued in connection with this private placement.

On November 4, 2020, the Corporation entered into an agreement to acquire all of the shares of Kick. The agreement contemplates that the Corporation will issue one common share for each outstanding share of Kick. The transaction is subject to exchange approval, further due diligence and shareholder approval. The transaction will be considered a Fundamental Change pursuant to the policies of the Canadian Securities Exchange, subject to shareholder and CSE review. Trading in the shares of the Corporation has been halted pending review and approval of the transaction.

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price
Outstanding September 30, 2018	-	\$ -
Granted	17,492,000	0.10
Outstanding September 30 and December 31, 2019	17,492,000	0.10
Granted	64,492,000	0.05
Outstanding September 30 and December 31, 2020	81,984,000	\$ 0.07

Finder's warrants granted during the year ended September 30, 2019 were valued at \$Nil calculated using the Black-Scholes Option Pricing Model using the following assumptions: share price: \$0.01, expected volatility: 100%, expected life: 2 years, dividend yield rate: 0%, and risk-free interest rate: 1.38%.

Finder's warrants granted during the year ended September 30, 2020 were valued at \$Nil calculated using the Black-Scholes Option Pricing Model using the following assumptions: share price: \$0.01, expected volatility: 100%, expected life: 2 years, dividend yield rate: 0%, and risk-free interest rate: 0.56%.

Warrants outstanding as at December 31, 2020 are as follows:

Number of warrants	Exercise price	Grant date	Expiry date
8,594,000	\$0.15 ¹	April 30, 2019	April 30, 2021
8,898,000	\$0.15 ¹	June 6, 2019	June 6, 2021
41,000,000	\$0.05 ¹	March 20, 2020	March 20, 2022
23,492,000	\$0.05 ²	March 20, 2020	March 20, 2022
81,984,000	\$0.07		

¹\$0.10 in year 1 and \$0.15 in year 2

²\$0.05 in year 1 and \$0.075 in year 2

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation’s activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Corporation’s exposure to each of the above risks, the Corporation’s objectives, policies and processes for measuring and managing risk, and the Corporation’s management of capital. Further quantitative disclosures are included throughout these financial statements. The Corporation employs risk management strategies and polices to ensure that any exposure to risk complies with the Corporation’s business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation’s risk management framework, the Corporation’s management has the responsibility to administer and monitor these risks.

Fair value of financial instruments

The Corporation’s financial instruments are comprised of cash, investments, and accounts payable and accrued liabilities. The carrying values of the Corporation’s cash, and accounts payable and accrued liabilities approximate their respective fair values due to their short term to maturity.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 reflects valuation based on quoted prices observed in active markets for identical assets or liabilities.
- Level 2 reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 reflects valuation techniques with significant unobservable market inputs.

The Corporations investment in Eleos is classified as Level 3 and its investment in WHL is classified as Level 1.

Credit risk

Credit risk is the risk of potential loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. The Corporation’s credit risk is limited to the carrying value of its financial instruments shown on the statements of financial position and arises from the Corporation’s cash. As cash is held in a reputable financial institution, credit risk is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its obligations as they become due. For the three months ended December 31, 2020, the Corporation had a net loss of \$9,757, cash used in operating activities of \$4,071, and at December 31, 2020 had a working capital deficiency of \$ 126,588.

Management believes that the Corporation will require funding from shareholder advances or equity financings in order to satisfy its current and future obligations. The Corporation is assessing various options to raise funding.

A contractual maturity analysis of the Corporation’s financial liabilities is as follows:

Financial liabilities	2020	2021	Total
Accounts payable and accrued liabilities	\$ 122,044	-	\$ 122,044
GST liability	13,768	-	13,768
	<u>\$ 135,812</u>	<u>-</u>	<u>\$ 135,812</u>

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk and other price risk. Glenbriar's investment in WHL is subject to market risks.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. There is exchange risk associated with the Corporation's investment in WHL which is traded in the United Kingdom and traded in British Pound Sterling ("GBP"). A 10% change in the CAD/GBP exchange rate would have a \$4,452 impact on net loss for the year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. It is management's opinion that the Corporation is not subject to significant interest risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. There is other price risk associated with the Corporation's investment in WHL. A 10% change in the market price of WHL shares would have a \$4,452 impact on net loss for the year.

Capital management

The Corporation's goal is to develop a strong capital base to meet its growth objectives, while maintaining the ability to fulfill its financial obligations, finance internal growth and fund potential acquisitions. The Corporation may be required to seek additional equity or debt financing, reduce its operations or to limit its growth to maintain liquidity. The Corporation does not have adequate surplus capital on hand to make strategic acquisitions. Accordingly, the Corporation may reasonably be expected to issue additional equity or obtain more debt to achieve the additional resources which it believes are necessary to enable it to seek new business opportunities 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 or other negative future events.

The Corporation's capital consists of the Corporation's shareholders' equity and debt that it may issue. The Corporation's capital management objectives, evaluation measures and targets have remained unchanged over the periods presented. The Corporation is not subject to any external restriction.

GLENBRIAR TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 and 2019

8. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or have significant influence over the other party by making financial or operation decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel includes officers and directors.

For the three months ended December 31, 2020, total compensation for key management personnel was \$Nil (December 31, 2019 - \$ Nil).

Subsequent to entering into the loan agreement and share purchase agreement dated March 11, 2019 with Eleos (note 4), a director and officer of Eleos joined the Board of Directors of the Corporation and subsequently resigned effective December 2019.

As at December 31, 2020, accounts payable and accrued liabilities included \$9,444 (September 30, 2020 - \$9,444) due to key management personnel.

9. SUBSEQUENT EVENTS

The Corporation has received exchange approval to complete a private placement of up to \$200,000 by the issue of units at \$0.03 per unit, each unit consisting of one common share and one common share warrant entitling the holder to subscribe for an additional common share for a period of 2 years at \$0.05.

The Corporation has received an interest free loan in the amount of \$30,000 from Kick Pharmaceuticals Inc. as of March 15, 2021. The loan is due in full on November 1, 2021.