

**GLANCE TECHNOLOGIES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Nine Months Ended August 31, 2017**

**Stated in Canadian dollars**

**NOTICE OF AUDITOR REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements for the three and nine months ended August 31, 2017 have been prepared by management in accordance with International Financial Reporting Standards and approved by the Board of Directors of the Company. These condensed consolidated interim financial statements have been reviewed by the Company's independent auditors.

**Glance Technologies Inc.**  
**Consolidated Statements of Financial Position**

(stated in Canadian dollars)

<b>ASSETS</b>	Note	<b>August 31, 2017 \$</b>	November 30, 2016 \$
		<i>(unaudited)</i>	<i>(audited)</i>
<b>Current assets</b>			
Cash		<b>869,948</b>	360,917
Accounts and other receivable	4	<b>133,740</b>	67,575
Prepaid expenses and deposits		<b>643,082</b>	37,242
<b>Total current assets</b>		<b>1,646,770</b>	465,734
<b>Non-current assets</b>			
Investment in associate	5	<b>177,297</b>	-
Computer equipment	6	<b>99,139</b>	111,001
Intangible assets	7	<b>386,430</b>	525,203
<b>Total non-current assets</b>		<b>662,866</b>	636,204
<b>Total assets</b>		<b>2,309,636</b>	1,101,938
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	<b>387,464</b>	142,873
Deferred revenue		<b>67,500</b>	-
<b>Total liabilities</b>		<b>454,964</b>	142,873
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	<b>7,235,616</b>	2,988,667
Shares to be issued	10	<b>274,868</b>	93,743
Reserves – options	11	<b>925,753</b>	565,577
Deficit		<b>(6,581,565)</b>	(2,688,922)
<b>Total shareholders' equity</b>		<b>1,854,672</b>	959,065
<b>Total liabilities and shareholders' equity</b>		<b>2,309,636</b>	1,101,938

Nature of Operations (Note 1)

Commitment (Note 15)

Subsequent Events (Note 17)

“Penny Green” \_\_\_\_\_, Director

“Desmond Griffin” \_\_\_\_\_, Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

## Glance Technologies Inc.

### Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(stated in Canadian dollars)

	Note	For the three months ended Aug 31, 2017 \$	For the three months ended Aug 31, 2016 \$	For the nine months ended Aug 31, 2017 \$	For the nine months ended Aug 31, 2016 \$
<b>Revenue</b>	9	<b>240,130</b>	429	<b>383,221</b>	429
<b>Expenses</b>					
Depreciation	6,7	(67,359)	(17,063)	(185,504)	(18,091)
Finance expense		(20,168)	-	(341,990)	-
Management fees	12,13	(8,347)	(11,250)	(28,062)	(29,250)
Office and miscellaneous	12,13	(109,479)	(53,661)	(435,570)	(99,028)
Professional fees	10,12	(14,206)	(65,405)	(51,151)	(135,676)
Sales and marketing expense	10,12,13	(1,433,287)	(191,604)	(2,474,607)	(249,600)
Software development and information technology	12	(125,443)	(97,148)	(388,314)	(252,722)
Stock option-based compensation	11	(25,920)	(117,642)	(143,723)	(334,087)
<b>Total Expenses</b>		<b>(1,804,209)</b>	(553,773)	<b>(4,048,921)</b>	(1,118,454)
<b>Loss from Operations</b>		<b>(1,564,079)</b>	(553,344)	<b>(3,665,700)</b>	(1,118,025)
<b>Other income (expense)</b>					
Proportionate loss from investment in associate	5	(160,467)	-	(222,703)	-
Loss on settlement of debt		-	-	(4,240)	-
Gain on disposal of equipment		-	266	-	266
<b>Net loss and comprehensive loss for the period</b>		<b>(1,724,546)</b>	(553,078)	<b>(3,892,643)</b>	(1,117,759)
<b>Net loss per share</b>					
Basic and diluted		<b>(0.02)</b>	(0.01)	<b>(0.06)</b>	(0.02)
<b>Weighted average number of common shares outstanding</b>		<b>75,623,413</b>	47,343,607	<b>68,154,932</b>	46,909,770

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

# Glance Technologies Inc.

## Consolidated Statements of Changes in Equity

Unaudited

(stated in Canadian dollars)

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves -options \$	Deficit \$	Total \$
Balance, November 30, 2015	46,691,666	1,505,294	-	5,197	(538,777)	971,714
Shares offered during initial public offering	5,290,000	793,500	-	-	-	793,500
Shares issued for private placement	1,666,330	249,950	-	-	-	249,950
Share issuance cost	-	(150,040)	-	-	-	(150,040)
Shares issued for cash	720,000	108,000	-	-	-	108,000
Shares issued for services	1,738,221	260,734	14,175	-	-	274,909
Shares issued in settlement of debt	66,666	10,000	-	-	-	10,000
Stock-options based compensation	-	(39,708)	-	373,795	-	334,087
Net loss for the period	-	-	-	-	(1,117,759)	(1,117,759)
<b>Balance, August 31, 2016</b>	<b>56,172,883</b>	<b>2,737,730</b>	<b>14,175</b>	<b>378,992</b>	<b>(1,656,536)</b>	<b>1,474,361</b>

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves -options \$	Deficit \$	Total \$
Balance, November 30, 2016	58,262,435	2,988,667	93,743	565,577	(2,688,922)	959,065
Shares issued for private placement	10,719,936	1,961,587	-	-	-	1,961,587
Share issuance costs	-	(296,907)	-	216,453	-	(80,454)
Shares issued for rights offering	8,225,520	1,645,104	-	-	-	1,645,104
Shares issued for services	982,400	222,694	(71,875)	-	-	150,819
Shares issued in settlement of debt	5,000	1,000	-	-	-	1,000
Shares issued from warrant exercise	3,700,899	713,471	-	-	-	713,471
Shares subscriptions	-	-	253,000	-	-	253,000
Stock-options based compensation	-	-	-	143,723	-	143,723
Net loss for the period	-	-	-	-	(3,892,643)	(3,892,643)
<b>Balance, August 31, 2017</b>	<b>81,896,190</b>	<b>7,235,616</b>	<b>274,868</b>	<b>925,753</b>	<b>(6,581,565)</b>	<b>1,854,672</b>

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

# Glance Technologies Inc.

## Consolidated Statements of Cash Flows

Unaudited

(stated in Canadian dollars)

	For the nine months ended August 31, 2017 \$	For the nine months ended August 31, 2016 \$
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Net loss	(3,892,643)	(1,117,759)
Items not affecting cash:		
Depreciation	185,504	18,091
Gain on settlement of debt	4,240	-
Proportionate loss from investment in associate	222,703	-
Stock option based compensation	143,723	334,087
Shares issued for services	147,579	274,909
Gain on transfer of equipment	-	(266)
Changes in non-cash working capital:		
Accounts and other receivable	(66,165)	(42,600)
Prepaid expenses and deposits	(605,840)	(386)
Accounts payable and accrued liabilities	244,591	(4,278)
Deferred revenue	67,500	-
	<b>(3,548,808)</b>	<b>(538,202)</b>
<b>Investing activities</b>		
Purchase of computer equipment	(27,417)	(21,137)
Investment in associate	(400,000)	-
Patent cost	(7,452)	(5,292)
Restricted cash	-	329,600
	<b>(434,869)</b>	<b>303,171</b>
<b>Financing activities</b>		
Proceeds from share issuances	4,320,162	990,910
Proceeds from shares to be issued	253,000	150,000
Repayment of short-term loan	-	(150,000)
Financing cost paid	(80,454)	-
	<b>4,492,708</b>	<b>990,910</b>
<b>Net change in cash</b>	<b>509,031</b>	<b>755,879</b>
Cash - beginning of period	360,917	106,821
<b>Cash - end of period</b>	<b>869,948</b>	<b>862,700</b>

### Supplemental Cash Flow Information (Note 16)

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

### August 31, 2017

*Unaudited*

*(stated in Canadian dollars)*

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#### 1. Nature of Operations

Glance Technologies Inc. (“Glance Technologies” or the “Company”) was incorporated under the laws of the province of British Columbia, Canada, on October 24, 2014. The Company’s registered office is located at Suite 200-1238 Homer Street Vancouver, B.C., V6B 2Y5.

The Company’s common stock is quoted on the Canadian Securities Exchange under the symbol 'GET' and began trading on September 7, 2016.

On August 28, 2015, the Company completed a share exchange agreement (the “Transaction”) with Glance Pay Inc. (“Glance Pay”). Glance Pay was incorporated on November 12, 2014 under the laws of the province of British Columbia, Canada. Glance Pay is a Canadian financial technology company involved in the business of developing and operating mobile payment processing software and smartphone applications.

Under the terms of the Transaction, the shareholders of Glance Pay each received one common share of Glance Technologies (“Glance Technologies Shares”) in exchange for one common share of Glance Pay (“Glance Pay Shares”). As a result, the shareholders of Glance Pay obtained 75.4% of Glance Technologies. Glance Technologies' board of directors and senior management were reconstituted and consist of directors and senior management of Glance Pay. The Transaction was accounted as a reverse acquisition and the comparative information in these condensed interim consolidated financial statements represent the financial statements of Glance Pay.

The Company aims to enhance the payment process for both consumers and merchants online, and brick-and-mortar environments, using proprietary technology that combines mobile technologies and traditional payment processing. The Company launched its applications in August 2016.

During the nine months ended August 31, 2017, the Company acquired 8,000,000 shares of CannaPay Financial Inc. (“CannaPay”) at \$0.05 each for proceeds of \$400,000. CannaPay was incorporated on November 28, 2014 under the laws of the province of British Columbia, Canada. The Company combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

#### 2. Basis of Presentation

##### a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended November 30, 2016, which include the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

The Board of Directors approved the condensed interim consolidated financial statements for issuance on October 26, 2017.

**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**August 31, 2017**

*Unaudited*

*(stated in Canadian dollars)*

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**2. Basis of Presentation (continued)**

**b) Basis of Measurement**

These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Canadian dollars, which is the functional currency of the Company. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information.

**c) Basis of Consolidation**

These consolidated condensed interim financial statements incorporate the financial statements of the Company and entities controlled by the Company - Glance Pay Inc. and Glance Pay USA Inc. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated upon consolidation.

**d) Reclassifications**

Certain of the prior period figures have been reclassified to conform to the current year's presentation.

**e) Significant Accounting Estimates and Judgements**

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the collectability of accounts and other receivable, the useful life and carrying value of computer equipment and intangible assets, the measurement of share-based payments, and unrecognized deferred income tax assets. Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the fair value of stock-based compensation and the application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the reporting period.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended November 30, 2016.



**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**August 31, 2017**

*Unaudited*

*(stated in Canadian dollars)*

**3. Significant Accounting Policies**

New Accounting Standards and Interpretations

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after December 1, 2016 or later years.

New standard IFRS 15, “Revenue from Contracts with Customers”

The Company has not early adopted these revised standards and is the adoption of the standard is not expected to have a significant impact on the Company’s condensed interim consolidated financial statements. . All other significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual consolidated financial statements. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as at the date the Board of Directors approved and authorized to issue these condensed interim consolidated financial statements.

**4. Accounts and Other Receivable**

Accounts and other receivable balance consists for the following:

	<b>August 31, 2017</b>	<b>November 30 2016</b>
	\$	\$
	<i>(unaudited)</i>	
Accounts receivable – Customers	13,503	4,460
Accounts receivable – Merchant	19,212	13,042
GST receivable	101,025	49,050
Other receivables	-	1,023
	<b>133,740</b>	<b>67,575</b>

**5. Investment in Associate**

On May 29, 2017, as amended on May 31, 2017, the Company entered into a License Agreement with CannaPay Financial Inc. (“CannaPay”), a company with common officers, whereby CannaPay has been granted a non-exclusive, worldwide license to white label the Company’s mobile payment processing platform and its proven anti-fraud technology, for legal business to business and business to consumer mobile payments in the marijuana industry.

The license will have an initial term of 1 year and will be renewable for 50 additional 1 year periods at a renewal fee of \$10,000 per year. As consideration for the license, CannaPay paid the Company an initial fee of \$100,000 (paid) for initial design work, and a \$912,500 license fee, payable in one payment of \$100,000 in cash on May 31, 2017 (paid), a second payment of \$200,000 in cash (paid) in June 2017, and a third payment of \$612,500 in cash or in common shares of CannaPay, due within 1 year of signing the license agreement. There is an exception that if CannaPay completes an initial public offering (“IPO”) at a price per offered security of \$0.25 or higher, then CannaPay will issue to the Company, contemporaneously with closing the IPO at a price per security equal to the price per security under the IPO, as many voting shares in payment towards the \$612,500 fee as results in the Company’s holding, in the aggregate, a maximum of 49% of CannaPay’s issued and outstanding voting shares immediately after closing the IPO.

**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**August 31, 2017**

Unaudited

(stated in Canadian dollars)

**5. Investment in Associate (continued)**

Any outstanding amounts to bring the full payment to \$612,500 will be due and payable within 1 year of the date of the licence in cash or in common shares of CannaPay. The Company will also receive a 50% royalty on the revenue from all sub-licences and will receive additional fees for any development work required for customization and operation of the Cannapay payment platform.

In conjunction with the first two payments under the licence agreement, the Company purchased an aggregate of 8,000,000 common shares of the Company at a price of \$0.05 per share for a total investment of \$400,000.

On May 31, 2017, the Company and CannaPay closed the first tranche of the licence agreement through the payment by CannaPay of the initial development fee of \$100,000 and initial licence fee of \$100,000. In addition, there was the purchase by the Company of 4,000,000 common shares of CannaPay at a price of \$0.05 per share. On June 20, 2017, the Company entered into a subscription agreement to purchase a further 4,000,000 units in CannaPay at \$0.05 per unit for gross proceeds of \$200,000, obtaining a 43.3% shareholding in CannaPay. At August 31, 2017, CannaPay incurred a net loss of \$514,327. The Company has incorporated its proportion of that loss into its consolidated statement of operations.

**6. Computer Equipment**

A continuity of the Company's computer equipment is as follows:

	<b>Total</b>
	<b>\$</b>
Balance, November 30, 2016	111,001
Additions	27,910
Disposals	(493)
Depreciation	(39,279)
<b>Balance, August 31, 2017</b>	<b>99,139</b>

**7. Intangible Assets**

A continuity of the Company's intangible assets is as follows:

	<b>Computer Software</b>	<b>Payment Processing Applications</b>	<b>Patent</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, November 30, 2016	493,244	26,667	5,292	525,203
Additions	-	-	7,452	7,452
Depreciation	(138,725)	(7,500)	-	(146,225)
<b>Balance, August 31, 2017</b>	<b>354,519</b>	<b>19,167</b>	<b>12,744</b>	<b>386,430</b>

On March 31, 2016, the Company filed a provisional application in the United States to patent its wireless electronic transaction system.

In August 2016, the Company launched its payment processing application and began amortizing its acquired computer software and payment processing application. The Company amortizes its intangible assets on a straight-line basis over the estimated useful life of three years.

**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**August 31, 2017**

*Unaudited*

*(stated in Canadian dollars)*

**8. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities consists of the following:

	<b>August 31, 2017</b>	<b>November 30, 2016</b>
	\$	\$
	<i>(unaudited)</i>	
Accounts payable	320,019	47,369
Accrued liabilities	10,774	11,323
Amounts due to related parties (Note 12)	37,250	54,963
GST payable	15,108	-
Payroll liabilities	4,313	29,218
	<b>387,464</b>	<b>142,873</b>

**9. Revenue**

The breakdown of revenue for the nine months ended August 31, 2017, is as follows:

	<b>August 31, 2017</b>	<b>August 31, 2016</b>
	\$	\$
	<i>(unaudited)</i>	
Licence fee	232,500	-
Application, development & service fees	130,161	429
Advertising & promotion	20,560	-
	<b>383,221</b>	<b>429</b>

Development fees include system and graphic design services rendered to CannaPay, as well as providing marketing and general business material designs and product knowledge.

The Company has developed and is executing digital marketing plans for merchants. The Company's industry knowledge and success with developing an online presence allows Glance Pay to provide this service to restaurants and merchants.

**10. Share Capital**

Common Shares:

Authorized: unlimited number of common shares, without par value

- a) On December 30, 2016, the Company completed a private placement of 2,579,438 units at \$0.18 per unit for gross proceeds of \$464,298. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years. The agent was paid a commission of \$46,430, incurred legal expenses of \$6,946, and was issued 257,944 agent options. Each agent option vests immediately and entitles the holder to purchase a unit (the "Agent Unit") at \$0.18 per unit. Each Agent Unit consists of one common share and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years.

**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**August 31, 2017**

*Unaudited*

*(stated in Canadian dollars)*

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**10. Share Capital**

*Common Shares (continued):*

- b) On January 25, 2017, the Company completed a private placement of 565,111 units at \$0.18 per unit for gross proceeds of \$101,720. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years. The agent was paid a commission of \$10,172, incurred other expenses of \$1,643, and was issued 56,511 agent options. Each agent option vests immediately and entitles the holder to purchase a unit (the "Agent Unit") at \$0.18 per unit. Each Agent Unit consists of one common share and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years.
- c) On February 24, 2017, the Company completed a non-brokered private placement of 2,669,665 units at \$0.18 per unit for gross proceeds of \$480,539. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each full share purchase warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years. The finders were paid a commission of \$15,263, and were issued 84,800 share purchase warrants exercisable at a price of \$0.18 per share for a period of one year.
- d) On February 28, 2017, the Company issued 269,722 common shares at \$0.24 per share for the conversion of outstanding debt of \$64,734 owing to officers and consultants of the Company.
- e) On March 3, 2017, the Company issued 423,958 common shares at \$0.24 per share for the conversion of outstanding debt of \$101,750 owed to the CEO and COO of the Company.
- f) On April 27, 2017, the Company closed its rights offering. Under the rights offering, 8,225,520 units of the Company were distributed at a price of \$0.20 per unit for gross proceeds to the Company of \$1,645,104. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on April 27, 2019. In accordance with the terms of the soliciting dealer agreement with Mackie Research Capital Corporation, with Leede Jones Gable Inc acting as co-lead, the soliciting dealers were paid a commission of \$164,510, incurred other expenses and fees of \$84,064, and were issued 1,572,552 soliciting dealer options exercisable, for a period of 24 months, to purchase units under the same terms as the units under the rights offering.
- g) On April 28, 2017, the Company completed a private placement of 850,000 units at \$0.20 per unit for gross proceeds of \$170,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on April 28, 2019.
- h) On April 28, 2017, the Company issued 5,000 units at \$0.20 per unit for the conversion of outstanding debt of \$1,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on April 28, 2019.
- i) On May 1, 2017, the Company completed a private placement of 250,000 units at \$0.20 per unit for gross proceeds of \$50,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on May 1, 2019.

**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**August 31, 2017**

*Unaudited*

*(stated in Canadian dollars)*

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**10. Share Capital**

*Common Shares (continued):*

- j) On June 16, 2017, the Company completed a private placement of 500,000 units at \$0.20 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one common share at a price of \$0.23 per share until the warrants expire on December 16, 2017.
- k) On July 24, 2017, the Company completed a private placement of 1,650,000 units at \$0.18 per unit for gross proceeds of \$297,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.18 per share until the warrants expire on October 24, 2017.
- l) On August 15, 2017, the Company temporarily reduced the exercise price of 9,971,513 outstanding warrants issued from August 31, 2015 to February 24, 2017 as part of a program to incentivize warrant exercise. From August 15, 2017 to September 30, 2017, the exercise price of the warrants was reduced to \$0.20 per warrant, and each eligible warrant exercised during this time will be exercisable for a unit, comprised of one common share and one common share purchase warrant, each warrant exercisable to purchase an additional common share at a price of \$0.30 per share for 24 months. Further, the expiry date of 5,948,998 warrants set to expire on August 31, 2017 and 16,666 warrants set to expire on September 6, 2017, will be extended until September 30, 2017. During the nine months ended August 31, 2017, the Company issued 1,341,166 units for proceeds of \$268,233 pursuant to the exercise of share purchase warrants under the amended warrant incentive program.
- m) On August 23, 2017, the Company completed a private placement of 1,655,722 units at \$0.18 per unit for gross proceeds of \$298,030. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.18 per share until the warrants expire on November 23, 2017.
- n) On August 23, 2017, the Company issued 288,720 units at \$0.18 per unit for the conversion of outstanding debt of \$51,970 owed to the Chief Marketing Officer and the Vice President of Restaurant Relations of the Company. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.18 per share until the warrants expire on November 23, 2017.
- o) During the nine months ended August 31, 2017, the Company incurred consulting, marketing, and professional fees of \$147,577, which will be settled in common shares of the Company. At August 31, 2017, there were still fees of \$21,868 to be settled.
- p) During the nine months ended August 31, 2017, the Company issued 2,359,733 common shares for proceeds of \$445,239 pursuant to the exercise of share purchase warrants.
- q) As at August 31, 2017, the Company received proceeds of \$253,000 for 632,500 units at \$0.40 per unit. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.75 per share until the warrants expire on September 27, 2018. The units were issued on September 27, 2017. Refer to Note 17(b).

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**10. Share Capital**

*Share Purchase Warrants:*

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2016	7,040,412	0.26
Issued pursuant to private placements	17,673,230	0.24
Issued as finders' warrants	84,800	0.18
Exercised	(3,700,899)	0.20
<b>Outstanding, August 31, 2017</b>	<b>21,097,543</b>	<b>0.24</b>

Additional information regarding share purchase warrants outstanding as at August 31, 2017 is as follows:

Number of warrants outstanding	Exercise price \$	Expiry date
4,761,498	0.20	September 29, 2017
106,640*	0.15	August 31, 2018
968,108	0.33	November 29, 2018
1,289,716	0.33	December 30, 2018
282,555	0.33	January 25, 2019
1,197,831	0.33	February 24, 2019
84,800*	0.18	February 24, 2018
8,065,787**	0.23(a)	April 27, 2019
605,000	0.23(a)	April 28, 2019
250,000	0.23(a)	May 1, 2019
500,000	0.23	December 16, 2017
1,644,442	0.18	November 23, 2017
766,666	0.30	August 30, 2019
574,500	0.30	August 31, 2019
<b>21,097,543</b>		

\* These warrants relate to agent warrants issued as finder's fees pursuant to private placements.

\*\* These warrants relate to agent warrants issued as broker's fees pursuant to a rights offering.

(a) Each warrant will entitle the holder to acquire one share at a price of \$0.23 for the first 6 months after the closing date and \$0.25 per share thereafter.

**11. Stock Options**

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of stock options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors.

During the nine month period ended August 31, 2017, the Company granted 314,455 stock options to agents in relation to its private placements, with an exercise price of \$0.18 per common share of the Company. The Company also granted 1,572,552 stock options to agents in relation to its rights offering, with an exercise price of \$0.20 per common share of the Company. These options vested immediately with a term of two years.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 11. Stock Options (continued)

A further 500,000 stock options were granted during the nine month period, to consultants and a director, with exercise prices ranging from \$0.18 to \$0.25. All options have a term of five years and vest over various dates over the next 18 months. In accordance with the Company's stock option plan, options will terminate 90 days after a consultant or employee ceases to work for the Company. During the nine month period ended August 31, 2017, a total of 87,000 stock options were cancelled due to termination of employee contracts or no services rendered for several months. During the nine month period ended August 31, 2017, 25,000 stock options expired.

A continuity schedule of the incentive stock options is as follows:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2016	5,718,821	0.16
Granted	2,387,007	0.20
Expired	(25,000)	0.15
Cancelled	(87,000)	0.15
<b>Outstanding, August 31, 2017</b>	<b>7,993,828</b>	<b>0.17</b>

Additional information regarding stock options outstanding as at August 31, 2017 is as follows:

Range of exercise prices \$	Number of options outstanding	Number of options vested	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.10	150,000	90,000	3.16	0.10
0.15	4,808,200	3,505,700	3.49	0.15
0.18	608,076	558,076	1.86	0.18
0.20	1,672,552	1,622,552	1.83	0.20
0.25	300,000	75,000	4.52	0.25
0.28	455,000	187,500	4.09	0.28
	7,993,828	6,038,828	3.09	0.17

The fair value of options granted during the period was estimated on the date of grant using the Black-Scholes option pricing model assuming no expected dividends and the following assumptions:

	2017	2016
Expected stock price volatility	96%	125%
Risk-free interest rate	1.28%	0.72%
Expected life of options (years)	2.51	4.61
Expected forfeiture rate	0%	0%

The weighted average fair value of options granted was \$0.11 (2016 - \$0.12) per option. During the nine months ended August 31, 2017, the Company recognized stock options-based payment of \$204,662 (2016 - \$nil) for options granted to agents in connection with private placements.

In the same period, the Company recognized stock options-based payment of \$143,723 (2016 - \$334,087) for options previously granted to directors, officers, employees and consultants, which are unvested.

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**12. Related Party Transactions**

During the nine month periods ended August 31, 2017 and 2016, compensation of key management personnel and related parties were as follows:

	<b>August 31, 2017</b>	<b>August 31, 2016</b>
	<b>\$</b>	<b>\$</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration and fees	719,655	259,550
Share-based compensation	76,281	233,821
	<b>795,936</b>	<b>493,371</b>

The remuneration and fees were allocated to sales and marketing, general and administrative, and research and development expenses.

- a) During the nine months ended August 31, 2017, the Company incurred software development and information technology costs of \$72,388 (2016 - \$71,500), sales and marketing expense of \$9,660 (2016 - \$nil) and management fees of \$28,062 (2016 - \$11,250) to the CEO of the Company. The Company had an agreement with the CEO of the Company for fees of \$15,000 per month, of which \$5,000 per month is to be settled in common shares of the Company. Commencing March 1, 2017, the CEO of the Company moved to salary and no longer receives common shares as part of his remuneration. As at August 31, 2017, the Company owed the CEO of the Company \$6,947 (November 30, 2016 - \$17,808), which has been included in accounts payable and accrued liabilities. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- b) During the nine months ended August 31, 2017, the Company incurred software development and information technology expenses of \$93,971 (2016 - \$95,500) to the Chief Technical Officer (CTO) of the Company. As at August 31, 2017, the Company owed \$11,331 (November 30, 2016 - \$20,434) to the CTO and \$612 to a company controlled by the CTO of the Company, which has been included in accounts payable and accrued liabilities.
- c) During the nine months ended August 31, 2017, the Company incurred sales and marketing expenses of \$80,000 (2016 - \$55,000) to the Chief Operating Officer (COO) of the Company. The Company has an agreement with the COO of the Company for fees of \$10,000 per month, which were settled in common shares of the Company. Commencing March 1, 2017, the COO was paid in cash. On July 1, 2017, the COO's monthly fee was reduced to \$5,000 per month. As at August 31, 2017, the Company owed \$150 (November 30, 2016 - \$12,266) to the COO of the Company, which is included in accounts payable and accrued liabilities. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- d) The Company was party to a services agreement with a company owned by the COO of the Company for \$12,500 per month. During the nine months ended August 31, 2017, the Company incurred accounting fees of \$4,500 (2016 - \$nil), marketing expense of \$3,000 (2016 - \$nil), and rent of \$40,000 (2016 - \$nil) to a company controlled by the COO of the Company, of which \$40,000 was settled in cash. This agreement was terminated on March 31, 2017.



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**12. Related Party Transactions** (continued)

- e) During the nine months ended August 31, 2017, the Company incurred sales and marketing expenses of \$22,500 (2016 - \$14,550) to the Chief Marketing Officer (CMO) of the Company, and sales and marketing expenses of \$90,000 (2016 - \$50,000) to a company controlled by the CMO of the Company. As at August 31, 2017, the Company owed \$4,232 (November 30, 2016 - \$nil) to the CMO of the Company and \$4,911 (November 30, 2016 - \$nil) to a company controlled by the CMO of the Company, which is included in accounts payable and accrued liabilities. The amounts due are unsecured, non-interest bearing, due on demand, and to be settled in cash. The contract with the CMO was terminated on August 29, 2017.
- f) During the nine months ended August 31, 2017, the Company incurred office and miscellaneous expense of \$69,219 (2016 - \$nil) to the Chief Financial Officer (CFO) of the Company. As at August 31, 2017, the Company owed \$3,070 (November 30, 2016 - \$3,839) to the CFO of the Company, which has been included in accounts payable and accrued liabilities.
- g) During the nine months ended August 31, 2017, the Company incurred sales and marketing expenses of \$128,996 (2016 - \$nil) to the Vice President of Business and Client Development. As at August 31, 2017, the Company owed \$6,609 (November 30, 2016 - \$5,722) to the Vice President of Business and Client Development, which is included in accounts payable and accrued liabilities. The amounts due are unsecured, non-interest bearing, due on demand, and to be settled in cash.
- h) During the nine months ended August 31, 2017, the Company incurred sales and marketing expenses of \$31,500 (2016 - \$nil) to the Vice President of Restaurant Relations and Implementation. As at August 31, 2017, the Company owed \$nil (November 30, 2016 - \$1,567) to the Vice President of Restaurant Relations and Implementation.
- i) During the nine months ended August 31, 2017, the Company incurred \$48,568 (2016 - \$20,425) of sales and marketing expenses to the Vice President of Investor Relations. As at August 31, 2017, the Vice President of Investor Relations owed the Company \$618 for expenses (November 30, 2016 - \$4,496 owed to the Vice President of Investor Relations), which has been included in accounts receivables. The amount was deducted from September fees.
- j) During the nine months ended August 31, 2017, the Company was party to a services agreement with an associate. During the nine months ended August 31, 2017, the Company received licensing fee revenue of \$232,500 (2016 - \$nil) and development revenue of \$102,000 (2016 - \$nil). As at August 31, 2017, the Company held \$67,500 (2016 - \$nil), for amounts prepaid by the associate, which has been included as deferred revenue.

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**13. Operating Expenses**

Office and miscellaneous costs consist of the following:

	Three months ended August 31, 2017 \$	Three months ended August 31, 2016 \$	Nine months ended August 31, 2017 \$	Nine months ended August 31, 2016 \$
Office expenses	38,163	31,266	176,697	54,393
Rent	16,687	15,000	65,958	36,074
Salaries	53,013	5,255	157,994	5,255
Travel	1,616	2,140	34,921	3,306
	<b>109,479</b>	<b>53,661</b>	<b>435,570</b>	<b>99,028</b>

Software development and information technology expenses consist of the following:

	Three months ended August 31, 2017 \$	Three months ended August 31, 2016 \$	Nine months ended August 31, 2017 \$	Nine months ended August 31, 2016 \$
Computer expenses	23,993	53,944	63,646	53,944
Salaries & management fee	101,450	43,204	324,668	97,204
Software & development consultancy	-	-	-	101,574
	<b>125,443</b>	<b>97,148</b>	<b>388,314</b>	<b>252,722</b>

Sales and marketing expenses consist of the following:

	Three months ended August 31, 2017 \$	Three months ended August 31, 2016 \$	Nine months ended August 31, 2017 \$	Nine months ended August 31, 2016 \$
Salaries & management fee	101,892	43,831	333,358	43,831
Sales and marketing	284,270	108,773	746,188	160,258
Corporate communication & investor media	916,755	-	1,195,918	-
Consulting	130,370	39,000	199,143	45,511
	<b>1,433,287</b>	<b>191,604</b>	<b>2,474,607</b>	<b>249,600</b>

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**13. Operating Expenses (continued)**

Financing expenses consist of the following:

	<b>Three months ended August 31, 2017 \$</b>	<b>Three months ended August 31, 2016 \$</b>	<b>Nine months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2016 \$</b>
Interest and Bank Charges	9,904	-	39,671	-
Transfer agent fees	10,264	-	25,850	-
Financing costs	-	-	276,469	-
	<b>20,168</b>	<b>-</b>	<b>341,990</b>	<b>-</b>

**14. Segmented Information**

The Company's business consists of one reportable segment and all of the Company's assets are located in Canada. During the period ended August 31, 2017, the Company's revenue recognized pertains to fees charged to a total of 93 restaurants for payment processing through the Company's Glance Pay application. There was also revenue recognised for a digital marketing contract with a partner restaurant, whereby the marketing and social media was managed. In May 2017, the Company entered into an agreement with CannaPay to licence its proprietary technology to them. Refer to Note 9 for the breakdown in revenue.

**15. Commitment**

On October 5, 2016, the Company entered into a consulting agreement with a consultant to assume the role of the Vice President of Restaurant Relations and Implementation. The consultant is to be compensated with a monthly fee of \$3,500, which is payable in the Company's common shares. The consultant has also received 400,000 incentive stock options as compensation, which are exercisable at a price of \$0.28 per share for a period of 5 years from the date of grant. 20% of the stock options vests upon grant date, and an additional 20% of the stock options vests every 6 months thereafter.

**16. Supplemental Cash Flow Information**

	<b>For the nine months ended August 31, 2017 \$</b>	<b>For the nine months ended August 31, 2016 \$</b>
<b>Non-cash investing and financing activities</b>		
Share purchase warrants issued as finder's fee	11,790	-
Common shares issued to settle accounts payable	1,000	10,000
Computer equipment transferred to settle accounts payable	-	2,400
Stock options granted as finder's fee	204,663	39,708

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**16. Supplemental Cash Flow Information (continued)**

	<b>For the nine months ended August 31, 2017 \$</b>	For the nine months ended August 31, 2016 \$
<b>Supplemental disclosures:</b>		
Interest paid	-	-
Income taxes paid	-	-

**17. Subsequent Events**

- a) On September 15, 2017, 930,000 stock options were granted to employees, directors and consultants with an exercise price of \$0.295. All options have a term of five years and vest over various dates over the next 12 months. In accordance with the Company's stock option plan, options will terminate 90 days after a consultant or employee ceases to work for the Company.
- b) On September 27, 2017, the Company completed a private placement of 3,000,000 units at \$0.40 per unit for gross proceeds of \$1,200,000, of which \$253,000 was received as at August 31, 2017. Refer to Note 10(p). Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.75 per share until the warrants expire on September 27, 2018.
- c) On October 2, 2017, 100,000 stock options were granted to consultants with an exercise price of \$0.47. All options have a term of five years and vest over various dates over the next 18 months. In accordance with the Company's stock option plan, options will terminate 90 days after the consultant ceases to work for the Company.
- d) On October 14, 2017, the Company signed a licensing agreement with Euro Asia Pay Holdings Inc, with contractual revenue streams of \$1 million in the next 12 months.
- e) On October 17, 2017, 680,000 stock options were granted to employees and consultants with an exercise price of \$0.72. All options have a term of five years and vest over various dates over the next 12 months. In accordance with the Company's stock option plan, options will terminate 90 days after the employee or consultant ceases to work for the Company.
- f) On October 18, 2017, 50,000 stock options were granted to employees and consultants with an exercise price of \$0.72. All options have a term of five years and vest over various dates over the next 12 months. In accordance with the Company's stock option plan, options will terminate 90 days after the employee or consultant ceases to work for the Company.
- g) On October 19, 2017, the Company completed a private placement of 7,950,000 units at \$0.40 per unit for gross proceeds of \$3,180,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.75 per share until the warrants expire on October 19, 2018.

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**17. Subsequent Events (continued)**

- h) Subsequent to August 31, 2017, the Company issued 24,187,955 common shares pursuant to the exercise of share purchase warrants. Included in this were 9,969,013 warrants exercised in connection with the amended warrant incentive program. Refer to Note 10(l). Under the terms of the program, the Company issued an additional warrant at an exercise price of \$0.30 per share for 24 months from the issuance.
- i) Subsequent to August 31, 2017, the Company issued 3,812,965 common shares pursuant to the exercise of stock options by employees and consultants of the Company.