

GLANCE TECHNOLOGIES INC.
CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2017

Stated in Canadian dollars

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Glance Technologies Inc.

We have audited the accompanying consolidated financial statements of Glance Technologies Inc. which comprise the consolidated statements of financial position as at November 30, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Glance Technologies Inc. as at November 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Glance Technologies Inc. to continue as a going concern.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

March 29, 2018

Glance Technologies Inc.
Consolidated Statements of Financial Position

(stated in Canadian dollars)

ASSETS	Note	November 30, 2017 \$	November 30, 2016 \$
Current assets			
Cash		10,294,213	360,917
Accounts and other receivables	5,13	179,372	67,575
Prepaid expenses and deposits		683,284	37,242
Total current assets		11,156,869	465,734
Non-current assets			
Property and equipment	6	170,089	111,001
Intangible assets	7	342,745	525,203
Investments	4	1,303,904	-
Total non-current assets		1,816,738	636,204
Total assets		12,973,607	1,101,938
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,13	408,554	142,873
Deferred revenue	4,9	945,000	-
Total liabilities		1,353,554	142,873
SHAREHOLDERS' EQUITY			
Share capital	10	20,273,414	2,988,667
Shares issuable	10	74,249	93,743
Reserves	12	3,717,135	565,577
Deficit		(12,444,745)	(2,688,922)
Total shareholders' equity		11,620,053	959,065
Total liabilities and shareholders' equity		12,973,607	1,101,938

Nature of Operations and Going Concern (Notes 1 and 2)

Commitments (Note 16)

Subsequent Events (Note 21)

“*Desmond Griffin*” _____, Director

“*Kirk Herrington*” _____, Director

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

Glance Technologies Inc.

Consolidated Statements of Operations and Comprehensive Loss

(stated in Canadian dollars)

	Note	For the year ended November 30, 2017 \$	For the year ended November 30, 2016 \$
Revenue	9	1,070,459	8,005
Expenses			
Depreciation	6,7	253,623	71,221
Finance expenses	14	234,402	23,789
Management fees		35,331	34,250
Office and miscellaneous	13,14	620,492	290,112
Professional fees		103,059	180,556
Sales and marketing	13,14	5,158,438	699,980
Software development and information technology	13,14	593,764	378,577
Stock option-based payments	12	3,427,480	479,931
		10,426,589	2,158,416
Loss from operations		(9,356,130)	(2,150,411)
Other income (expense)			
Foreign exchange gain		8,143	-
Gain on disposal of property and equipment		-	266
Loss on settlement of debt		(4,240)	-
Proportionate loss on investments	4	(403,596)	-
		(399,693)	266
Net loss and comprehensive loss for the year		(9,755,823)	(2,150,145)
Net loss per share – basic and diluted		(0.12)	(0.04)
Weighted average number of common shares outstanding		78,816,063	49,259,503

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

Glance Technologies Inc.
Consolidated Statements of Changes in Equity

(stated in Canadian dollars)

	Share capital (Number of shares)	Share capital \$	Shares issuable \$	Reserves \$	Deficit \$	Total \$
Balance, November 30, 2015	46,691,666	1,505,294	-	5,197	(538,777)	971,714
Shares issued during initial public offering	5,290,000	793,500	-	-	-	793,500
Shares issued for private placements	3,635,882	603,469	-	-	-	603,469
Share issuance costs	-	(237,393)	-	7,512	-	(229,881)
Shares issued for cash	720,000	108,000	-	-	-	108,000
Shares issued for services	1,858,221	278,734	93,743	-	-	372,477
Shares issued for settlement of debt	66,666	10,000	-	-	-	10,000
Stock option-based payments	-	(72,937)	-	552,868	-	479,931
Net loss for the year	-	-	-	-	(2,150,145)	(2,150,145)
Balance, November 30, 2016	58,262,435	2,988,667	93,743	565,577	(2,688,922)	959,065
Shares issued during rights offering	8,225,520	1,645,104	-	-	-	1,645,104
Shares issued for private placements	21,874,936	6,533,588	-	-	-	6,533,588
Shares issued for warrants exercised	32,725,098	8,242,302	49,485	(17,745)	-	8,274,042
Shares issued for options exercised	5,268,506	1,761,777	8,900	(765,141)	-	1,005,536
Share issuance costs	-	(1,127,718)	-	506,964	-	(620,754)
Shares issued for services	997,400	228,694	(77,879)	-	-	150,815
Shares issued for settlement of debt	5,000	1,000	-	-	-	1,000
Stock option-based payments	-	-	-	3,427,480	-	3,427,480
Net loss for the year	-	-	-	-	(9,755,823)	(9,755,823)
Balance, November 30, 2017	127,358,895	20,273,414	74,249	3,717,135	(12,444,745)	11,620,053

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

Glance Technologies Inc.
Consolidated Statements of Cash Flows
(stated in Canadian dollars)

	For the year ended November 30, 2017 \$	For the year ended November 30, 2016 \$
Cash flows provided by (used in)		
Operating activities		
Net loss	(9,755,823)	(2,150,145)
Items not affecting cash:		
Depreciation	253,623	71,221
Gain on disposal of property and equipment	-	(266)
Proportionate loss on investment	403,596	-
Loss on settlement of debt	4,240	-
Shares issued for services	147,575	372,477
Stock option-based payments	3,427,480	479,931
Changes in non-cash working capital:		
Accounts and other receivables	(111,797)	(66,678)
Prepaid expenses and deposits	(646,042)	(30,971)
Accounts payable and accrued liabilities	265,681	106,152
Deferred revenue	(362,500)	-
	(6,373,967)	(1,218,279)
Investing activities		
Patent costs	(12,508)	(5,292)
Investments	(400,000)	-
Purchase of property and equipment	(117,745)	(116,521)
Restricted cash	-	329,600
	(530,253)	207,787
Financing activities		
Proceeds from issuance of common shares	6,533,588	1,494,469
Proceeds from rights offering	1,645,104	-
Proceeds from warrants exercised	8,274,042	-
Proceeds from options exercised	1,005,536	-
Financing costs paid	(620,754)	(229,881)
Proceeds from short-term loan	-	150,000
Repayment of short-term loan	-	(150,000)
	16,837,516	1,264,588
Net change in cash	9,933,296	254,096
Cash - beginning of year	360,917	106,821
Cash - end of year	10,294,213	360,917

Supplemental Cash Flow Information (Note 17)

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

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

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 400, 200 Granville Street, Vancouver, British Columbia, V6C 1S4.

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. (formerly, Clover Acquisitions Inc. and Glance Mobile 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 smart-phone 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 acquired 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.

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 during August 2016.

During the year ended November 30, 2017, the Company acquired 8,000,000 shares of Cannapay Financial Inc. (“Cannapay”) at \$0.05 per share for proceeds of \$400,000, in addition to 2,450,000 shares at a fair value of \$0.25 per share for services. Cannapay was incorporated on November 28, 2014 under the laws of the province of British Columbia, Canada. Cannapay combines traditional financial services with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

During the year ended November 30, 2017, the Company acquired 1,000,000 shares of Active Pay Distribution Inc. (“Active Pay”) at a fair value of \$0.10 per share for services. Active Pay was incorporated on August 23, 2017 under the laws of the province of British Columbia, Canada. Active Pay combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the health and wellness industry.

During the year ended November 30, 2017, the Company acquired 8,500,000 shares of Euro Asia Pay Holdings Inc. (“Euro Asia Pay”) at a fair value of \$0.07 per share for services. Euro Asia Pay was incorporated on October 16, 2017 under the laws of the province of British Columbia, Canada. Euro Asia Pay combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the tourism and education industry.

2. Going Concern

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

During the year ended November 30, 2017, the Company incurred a net loss of \$9,755,823 (2016 - \$2,150,145) and used cash of \$6,373,967 (2016 - \$1,218,279) for operating activities. As at November 30, 2017, the Company has an accumulated deficit of \$12,444,745 (2016 - \$2,688,922).

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

2. Going Concern (continued)

The Company is continuing to enhance its mobile payment applications. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to November 30, 2017 is uncertain. These consolidated 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. Significant Accounting Policies

a) Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Board of Directors approved the consolidated financial statements for issuance on March 29, 2018.

b) Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

c) Basis of Consolidation

These consolidated 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 Judgments

The preparation of consolidated 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 receivables, the useful lives and carrying values of property and equipment and intangible assets, the carrying value of investments, the measurement of stock option-based payments, and unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have 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, at least but not limited to, 12 months from the year end of the reporting period.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

3. Significant Accounting Policies (continued)

f) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value to be cash equivalents.

g) Accounts Receivable

Accounts receivable is comprised of amounts due from restaurants and merchants for use of the Company's payment processing mobile application and is recorded net of allowance for doubtful accounts. Factors such as current economic conditions, historical information, and reasons for any accounts being past due are all considered when determining whether to write off accounts receivable.

h) Property and Equipment

Property and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Where the cost of certain components of property and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation commences when the equipment is put into use. Depreciation is recognized in the consolidated statement of operations using the following rates:

Computer equipment	2 years straight-line
Office equipment	3 years straight-line

The Company reviews the depreciation rate and method at each reporting date.

i) Intangible Assets

The Company's finite life and indefinite life intangible assets are recorded at their cost which, for intangible assets acquired in business combinations, represents the fair value at the acquisition date. Indefinite life intangible assets are not subject to depreciation and are inspected for impairment annually or when indicated by changes in events or circumstances. An impairment of an indefinite life intangible asset is recorded when, and to the extent that, the carrying value of an indefinite life intangible asset exceeds the fair value of the related indefinite life intangible assets.

Finite life intangible assets are carried at cost less accumulated depreciation and impairment. The asset is depreciated over three years on a straight-line basis, being its estimated useful life. Finite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable through future discounted net cash flows from the use or disposal of this asset.

j) Revenue Recognition

Revenue is recognized in accordance with IAS 18, *Revenue*, and is derived from multiple sources:

- i) Revenue earned on credit card margins on customers using the mobile application in restaurants to pay for their meal. Restaurants are billed monthly for this service and revenue is recognized when the amount of revenue can be measured reliably, the economic benefits associated with the revenue will flow to the Company, the stage of completion of the transactions at the end of the reporting period can be measured reliably, and the costs incurred for the transaction can be measured reliably.
- ii) Revenue earned on offering digital marketing solutions to restaurants. The restaurants are billed monthly and there is a notice provision in place, so revenue is recognized monthly as it is earned.
- iii) Revenue earned on licensing fees to companies for the right to use proprietary technology. The fees are outlined in an agreement and are recognized when the services has been performed.
- iv) Revenue earned on development services include system and graphic design services rendered to Cannapay, as well as providing marketing and general business material designs and product knowledge. The fees are outlined in an agreement and are recognized when the services has been performed.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

3. Significant Accounting Policies (continued)

k) Foreign Currency Translation

The Company's functional currency and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

Assets and liabilities of the Company's U.S. subsidiary are translated into Canadian dollars at the year-end exchange rates, and revenue and expenses are translated at the average exchange rates during the period. Exchange differences arising on translation are disclosed as a separate component of shareholders' equity.

l) Loss per Share

Basic loss per common share is computed by dividing their respective net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise, or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method. As at November 30, 2017, the Company had 20,835,408 (2016 – 12,759,233) potentially dilutive shares outstanding.

m) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations.

n) Income Taxes

Income tax is recognized in the consolidated statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred income tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred income tax asset or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

o) Share-based Payments

The grant date fair value of share-based payments is recognized as a share-based expense, with a corresponding increase in equity, over the period the recipient becomes entitled to the payments. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet these conditions at the vesting dates. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

All equity-settled share-based payments are reflected in the share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

3. Significant Accounting Policies (continued)

p) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company's financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

Classification choices for financial assets include:

- **Fair value through profit or loss ("FVTPL"):** measured at fair value with changes in fair value on re-measurement recorded in net income or loss;
- **Held to maturity:** non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity and are recorded at amortized cost with gains or losses recognized in net income or loss in the period that the asset is derecognized or impaired;
- **Available-for-sale:** non-derivative financial assets not classified in any other category; and are measured at fair value with changes in fair value recognized in other comprehensive income for the current period until realized through disposal or impairment; and
- **Loans and receivables:** non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortized cost with gains and losses recognized in net income or loss in the period that the financial asset is derecognized or impaired.

Financial instruments include cash, accounts and other receivables, and accounts payable and accrued liabilities. Cash is classified as FVTPL, accounts and other receivables is classified as loans and receivable, and accounts payable and accrued liabilities are classified as other financial liabilities.

q) 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, 2017 or later years.

New standard IFRS 9, "Financial Instruments"

New standard IFRS 15, "Revenue from Contracts with Customers"

Amended standard IFRS 2, "Share-based Payment"

The Company has not early adopted these revised standards and is assessing the impact these standards will have on the consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

4. Investments

Euro Asia Pay Holdings Inc.

On October 14, 2017, the Company's subsidiary, Glance Pay signed a licensing agreement with Euro Asia Pay. Pursuant to the licensing agreement, Glance Pay granted Euro Asia Pay a worldwide, non-exclusive license to use Glance Pay's intellectual property in North America to make, market, and sell a mobile payment application.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

4. Investments (continued)

Euro Asia Pay Holdings Inc. (continued)

The licence has an initial term of one year and will automatically renew for up to 50 additional one-year terms upon Euro Asia Pay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Euro Asia Pay providing 90 days' written notice. Under the terms of the agreement, Euro Asia Pay agreed to pay Glance Pay \$1,000,000 as follows:

- \$405,000 for licensing with \$250,000 payable on signing and \$155,000 payable within 90 days of the date of the licensing agreement; plus 3,000,000 shares of Euro Asia Pay;
- \$175,000 for design of the application with a unique user experience, payable within 60 days of the licensing agreement through the issuance of 2,500,000 shares of Euro Asia Pay; and
- \$210,000 within 60 days of marketing and advertising of the new application, payable through the issuance of 3,000,000 shares of Euro Asia Pay.

In October 2017, Euro Asia Pay paid \$250,000 to Glance Pay, as due upon signing, and issued 2,500,000 shares of Euro Asia Pay to Glance Pay with a fair value of \$175,000, pursuant to its obligation to pay for design of the application with a unique user experience. As at November 30, 2017, the Company held 8,500,000 shares of Euro Asia Pay with a fair value of \$595,000. All amounts received to date have been accounted for as deferred revenue. As of November 30, 2017, Glance Pay owns 28% of the issued and outstanding common shares of Euro Asia Pay.

Cannapay Financial Inc.

On May 29, 2017 (and as amended and restated on May 31, 2017), Glance Pay, entered into a licensing agreement with Cannapay. Pursuant to the licensing agreement, Glance Pay granted Cannapay a worldwide, non-exclusive license to use its intellectual property in the marijuana financial technology industry in order to make, market, and sell a mobile payment app designed for legal marijuana purchase and delivery, using the Glance Pay payment platform as its base technology.

The licence has an initial term of one year and will automatically renew for up to 50 additional one year terms upon Cannapay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Cannapay providing written notice at least one month prior to renewal. As consideration for the license, Cannapay agreed to pay Glance Pay a fee of \$2,500 per day for the initial term of one year, for an aggregate fee of \$912,500, which was paid as follows:

- \$100,000 on May 31, 2017;
- \$200,000 on June 20, 2017; and
- \$612,500 from the issuance of 2,450,000 common shares of Cannapay on November 28, 2017.

Pursuant to the terms of the licensing agreement, in conjunction with each cash payment on May 31, 2017 and June 20, 2017, Cannapay issued to Glance Pay 4,000,000 common shares, for an aggregate of 8,000,000 common shares for \$400,000.

Cannapay is a partially owned subsidiary of the Company. Glance Pay owns approximately 32% of the issued and outstanding common shares of Cannapay as at November 30, 2017. Pursuant to the licensing agreement, Glance Pay has the right to appoint one director to the board of Cannapay but it has not yet exercised that right. The Company has incorporated its proportion of Cannapay's net loss for the period from May 31 to November 30, 2017 into its consolidated statement of operations.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

4. Investments (continued)

Cannapay Financial Inc. (continued)

Subsequent to November 30, 2017, the licensing agreement with Cannapay was amended to extend the license granted by Glance Pay to two of Cannapay's wholly owned subsidiaries (Super Dope Delivery Inc. and Juve Wellness Inc.). The amendment includes provisions that will terminate the license granted to each Cannapay subsidiary if that subsidiary ceases to be wholly owned by Cannapay. A Cannapay subsidiary that ceases to be wholly owned is granted the option to pay a \$200,000 fee to Glance Pay to maintain the license for a 50 year term with no further royalties due.

Active Pay Distribution Inc.

On August 23, 2017, the Company's subsidiary, Glance Pay Technologies Inc. ("Glance Pay") signed a licensing agreement with Active Pay Distribution Inc. ("Active Pay"). Pursuant to the licensing agreement, Glance Pay granted Active Pay a worldwide, non-exclusive license to use Glance Pay's intellectual property to make, market, and sell a mobile payment application.

The licence has an initial term of one year and will automatically renew for up to ninety nine additional one-year terms upon Active Pay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Active Pay providing 90 days' written notice. Under the terms of the agreement, Active Pay agreed to pay Glance Pay \$1,000,000 as follows:

- \$800,000 for licensing payable by way of 3,200,000 shares of Active Pay at a deemed price of \$0.25 per share;
- \$100,000 for design of the app with a unique user experience, payable within 2 months of the licensing agreement through the issuance of 1,000,000 shares of Active Pay at a deemed price of \$0.10 per share; and
- \$100,000 within 6 months of the licensing agreement for 12 months of marketing and advertising of the new app, payable through the issuance of 400,000 shares of Active Pay at a deemed price of \$0.25.

In November 2017, Active Pay issued 1,000,000 shares of Active Pay to Glance Pay at a deemed price of \$0.10 per share, pursuant to its obligation to pay for design of the app with a unique user experience. All amounts received to date have been accounted for as deferred revenue. As of November 30, 2017, Glance Pay owns 5.2% of the issued and outstanding common shares of Active Pay.

5. Accounts and Other Receivables

Accounts and other receivables consist of the following:

	November 30, 2017	November 30, 2016
	\$	\$
Accounts receivable – Customers	42,783	4,460
Accounts receivable – Merchants	17,262	13,042
GST receivable	116,027	49,050
Other receivables	3,300	1,023
	179,372	67,575

Glance Technologies Inc.
Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

6. Property and Equipment

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

	Computer Equipment	Office Furniture	Total
	\$	\$	\$
Balance, November 30, 2015	2,846	-	2,846
Additions	116,521	-	116,521
Disposal	(2,134)	-	(2,134)
Depreciation	(6,232)	-	(6,232)
Balance, November 30, 2016	111,001	-	111,001
Additions	99,575	18,663	118,238
Disposal	(493)	-	(493)
Depreciation	(57,567)	(1,090)	(58,657)
Balance, November 30, 2017	152,516	17,573	170,089

7. Intangible Assets

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

	Computer Software	Payment Processing Applications	Patent	Total
	\$	\$	\$	\$
Balance, November 30, 2015	554,900	30,000	-	584,900
Additions	-	-	5,292	5,292
Depreciation	(61,656)	(3,333)	-	(64,989)
Balance, November 30, 2016	493,244	26,667	5,292	525,203
Additions	-	-	12,508	12,508
Depreciation	(184,966)	(10,000)	-	(194,966)
Balance, November 30, 2017	308,278	16,667	17,800	342,745

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 applications. The Company amortizes its intangible assets on a straight-line basis over the estimated useful life of three years.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following:

	November 30, 2017	November 30, 2016
	\$	\$
Accounts payable	245,081	47,369
Accrued liabilities	28,681	11,323
Amounts due to related parties	58,371	54,963
Payroll liabilities	76,421	29,218
	408,554	142,873

Glance Technologies Inc.

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(stated in Canadian dollars)

9. Revenue

The breakdown of revenue for the years ended November 30, 2017 and 2016, is as follows:

	November 30, 2017 \$	November 30, 2016 \$
License fee	912,500	-
Application, development, and service fees	137,359	8,005
Marketing and promotion	20,600	-
	1,070,459	8,005

Over the course of the next year, the Company expects to recognize a significant portion of the deferred revenue balance, upon completion of services. This balance is made up of:

	\$
Euro Asia Pay Holdings Inc.	845,000
Active Pay Distribution Inc.	100,000
	945,000

10. Share Capital

Common Shares:

Authorized: unlimited number of common shares, without par value

Issued share capital during the year ended November 30, 2016

- a) On August 31, 2016, the Company completed an initial public offering of 5,290,000 units at \$0.15 per unit for gross proceeds of \$793,500. 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 \$0.25 per share for a period of one year. The agent was paid a commission of 8% of the gross proceeds of the offering, totaling \$63,480 and a corporate finance fee of \$35,000. In addition, the Company granted 423,200 stock options with a fair value of \$39,708 to the agent, equaling 8% of the number of units sold. The agent's options are exercisable at \$0.15 per share for a period of two years. The Company also incurred additional consulting costs and other expenses directly related to the initial public offering of \$35,564 for total share issuance costs of \$173,752.
- b) On August 31, 2016, the Company completed a private placement of 1,666,330 units at \$0.15 per unit for gross proceeds of \$249,950. 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 \$0.25 per share for a period of one year. The agent was paid a commission of \$15,996 and was also issued 106,640 finder's warrants with a fair value of \$7,512. The agent's warrants are exercisable at \$0.15 per share for a period of one year.
- c) On September 6, 2016, the Company completed a private placement of 33,333 units at \$0.15 per unit for proceeds of \$5,000. 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 \$0.15 per share for a period of one year.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

10. Share Capital (continued)

Issued share capital during the year ended November 30, 2016 (continued)

- d) On November 29, 2016, the Company completed a private placement of 1,936,219 units at \$0.18 per unit for gross proceeds of \$348,519. 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 \$64,852 and was also issued 193,621 stock options with a fair value of \$33,229, vesting immediately at \$0.18 per share, valid for a period of two years. The Company also incurred additional legal costs and other expenses directly related to the private placement of \$14,989, for total share issuance cost of \$113,070.

Issued share capital during the year ended November 30, 2017

- e) On December 30, 2016, the Company completed a non-brokered 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 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 agent was paid a commission of \$46,430, incurred legal expenses of \$6,946, and was issued 257,944 agent's options with a fair value of \$39,806. Each agent's option vests immediately and entitles the holder to purchase a unit at \$0.18 per unit. Each agent unit will consist 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 from the date of exercise.
- f) On January 25, 2017, the Company completed a non-brokered 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 share purchase warrant, with each full share purchase warrant entitles the holder to purchase one common share of the Company at an price of \$0.33 per share for a period of two years from the exercise date. The agent was paid a commission of \$10,172, incurred other expenses of \$1,643, and was issued 56,511 agent's options with a fair value of \$11,156. Each agent's option vests immediately and entitles the holder to purchase a unit at \$0.18 per agent unit. Each agent unit will consist of one common share and one-half share purchase warrant, with each full share purchase warrant entitling the holder to purchase one common share of the Company at a price of \$0.33 per share for a period of two years from the date of exercise.
- g) 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 share purchase warrant, with each full share purchase warrant entitling the holder to purchase an additional common share of the Company at an exercise price of \$0.33 per share for a period of two years from the exercise date. Finder's fees were paid in connection with the financing of \$15,263, and issued 84,800 share purchase warrants with a fair value of \$11,790. Each finder's warrant is exercisable at a price of \$0.18 per share for a period of one year.
- h) On February 28, 2017, the Company issued 269,722 common shares with a fair value of \$64,734 for the settlement of outstanding debt of \$64,734 due to officers and consultants of the Company.
- i) On March 3, 2017, the Company issued 423,958 common shares with a fair value of \$105,990 for the settlement of outstanding debt of \$101,750 due to the CEO and COO of the Company.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

10. Share Capital (continued)

Issued share capital during the year ended November 30, 2017 (continued)

- j) On April 27, 2017, the Company completed a shareholder rights offering. Under the rights offering, 8,225,520 units of the Company were issued at a price of \$0.20 per unit for gross proceeds to the Company of \$1,645,104. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase an additional common share in the Company at a price of \$0.23 per common share at a price until October 27, 2018 and thereafter at a price of \$0.25 per share until the warrants expire on April 27, 2019. In accordance with the terms of the soliciting dealer agreement, the Company paid commissions of \$164,510, other expenses and fees of \$111,958, and issued 1,572,552 agent's options with a fair value of \$153,701. Each agent's option is exercisable under the same terms as the rights offering warrants for a period of 24 months.
- k) On April 28, 2017, the Company completed a private placement of 850,000 units at \$0.20 per unit for proceeds of \$170,000. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.23 per share until October 28, 2017 and thereafter at a price of \$0.25 per share until April 28, 2019.
- l) On April 28, 2017, the Company issued 5,000 units with a fair value of \$1,000 for the settlement of outstanding debt of \$1,000. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.23 per share for the first six months and \$0.25 per share thereafter until the warrants expire on April 28, 2019.
- m) On May 1, 2017, the Company completed a private placement of 250,000 units at \$0.20 per unit for proceeds of \$50,000. Each unit consisted of one common share and one common share purchase 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.
- n) On June 16, 2017, the Company completed a private placement of 500,000 units at \$0.20 per unit for proceeds of \$100,000. Each unit consisted of one common share and one common share purchase warrant, exercisable into one common share at a price of \$0.23 per share until the warrants expire on December 16, 2017.
- o) On July 24, 2017, the Company completed a private placement of 1,650,000 units at \$0.18 per unit for proceeds of \$297,000. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.18 per share until the warrants expire on October 24, 2017.
- p) 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 certain warrants was reduced to \$0.20 per warrant, and each eligible warrant exercised during this time was exercisable for a unit, comprised of one common share and one common share purchase warrant, exercisable at a price of \$0.30 per common share for 24 months from issuance. 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, were extended until September 30, 2017. There were 9,863,373 warrants exercised under this warrant incentive program for gross proceeds to the Company of \$1,972,675. The Company paid consulting fees of \$98,634 and issued 493,634 finder's units in connection with the warrant incentive program. Each finder's unit is exercisable at \$0.30 per unit. Each unit consisted of one common share and one non-transferable share purchase warrant for the purchase of an additional common share at a price of \$0.30 per share for a period of one year.
- q) On August 23, 2017, the Company completed a private placement of 1,655,722 units at \$0.18 per unit for proceeds of \$298,030. Each unit consisted of one common share and one common share purchase warrant which entitles the holder to acquire an additional share at a price of \$0.18 per share until the warrant expires on November 23, 2017.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

10. Share Capital (continued)

Issued share capital during the year ended November 30, 2017 (continued)

- r) On August 23, 2017, the Company issued 288,720 units with a fair value of \$51,970 for the settlement of outstanding debt of \$51,970 owed to the Chief Marketing Officer and the Vice President of Restaurant Relations of the Company. Each unit consisted of one common share and one common share purchase warrant which entitles the holder to acquire an additional share at a price of \$0.18 per share until the warrants expire on November 23, 2017.
- s) On September 27, 2017, the Company completed a private placement of 3,000,000 units at \$0.40 per unit for proceeds of \$1,200,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.75 per share until September 27, 2018.
- t) On October 19, 2017, the Company completed a non-brokered private placement of 7,935,000 units at \$0.40 per unit for gross proceeds of \$3,174,000. Each unit consisted of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.75 per share until the warrants expire on October 19, 2018. In connection with this financing, the Company paid finder's fees of \$263,830 and issued 659,575 finder's warrants. Each finder's warrant is exercisable into units, with each unit consisting of one common share and one non-transferable share purchase warrant, at an exercise price of \$0.40 per unit. Each common share purchase warrant is exercisable at \$0.75 per share for a period of one year.
- u) On October 19, 2017, the Company issued 15,000 units at \$0.40 per unit in settlement of outstanding debt of \$6,000. Each unit consists of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.75 per share until the warrants expire on October 19, 2018.
- v) On November 1, 2017, the Company completed a non-brokered private placement of 220,000 units at \$0.90 per unit for gross proceeds of \$198,000. Each unit consists of one common share and one common share purchase warrant exercisable into one common share at a price of \$1.10 per share until the warrants expire on November 1, 2018.
- w) During the year ended November 30, 2017, the Company incurred consulting, marketing, and professional fees of \$146,575, which will be settled in common shares of the Company. As at November 30, 2017, there was \$15,864 of outstanding fees to be settled, which was recorded as shares issuable.
- x) As at November 30, 2017, the Company received proceeds of \$49,485 for the exercise of warrants and \$8,900 for the exercise of stock options. Refer to Note 21.
- y) As at November 30, 2017, the Company had 36,366,000 (2016 – 40,498,500) common shares held in escrow.

Glance Technologies Inc.
Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

11. Share Purchase Warrants

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2015	2,470,833	0.25
Issued pursuant to initial public offering	2,645,000	0.25
Issued pursuant to the private placements	1,817,939	0.26
Issued to agents in connection with the private placements	106,640	0.30
Balance, November 30, 2016	7,040,412	0.26
Issued pursuant to the private placements	39,793,897	0.40
Issued as finders' warrants	744,375	0.37
Exercised	(32,725,098)	0.25
Over-exercised	10,000	0.30
Expired	(3,500)	0.20
Outstanding, November 30, 2017	14,860,086	0.61

Additional information regarding share purchase warrants outstanding as at November 30, 2017 is as follows:

Number of warrants outstanding	Exercise price \$	Expiry date
11,200	0.18	February 24, 2018
1,573,287	0.25	April 27, 2019
5,000	0.25	April 28, 2019
493,169	0.30	October 28, 2018
10,000	0.30	August 30, 2019
37,500	0.30	August 31, 2019
194,750	0.30	September 6, 2019
6,500	0.30	September 7, 2019
32,000	0.30	September 13, 2019
300,000	0.30	September 14, 2019
603,275	0.30	September 22, 2019
489,527	0.30	September 25, 2019
120,027	0.30	September 28, 2019
164,166	0.30	September 29, 2019
6,954	0.33	December 30, 2018
76,298	0.33	January 25, 2019
16,858	0.33	November 29, 2019
659,575	0.40	October 19, 2018
2,000,000	0.75	September 27, 2018
7,840,000	0.75	October 19, 2018
220,000	1.10	November 1, 2018
<u>14,860,086</u>		

During the year ended November 30, 2017, the Company issued 32,725,098 common shares for proceeds of \$8,274,042 pursuant to the exercise of share purchase warrants. The fair value of the share purchase warrants exercised of \$17,745 was reallocated from reserves to share capital.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

12. Stock Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of 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 year ended November 30, 2016, the Company granted 5,117,000 stock options. The exercise price ranged from \$0.15 to \$0.28 per common share of the Company, with terms ranging between one and five years to certain of its directors, officers, employees, and consultants. Also, during the year ended November 30, 2016, the Company granted 616,821 stock options with an exercise price of \$0.15 per common share of the Company, with a term of two years, to its agent in connection with the initial public offering and private placement completed. A total of 3,112,154 of these stock options vested during the year ended November 30, 2016, while a further 2,016,667 stock options vest in their entirety between one and five years. The remaining 605,000 stock options were granted pursuant to certain marketing and design contracts, the vesting of which depends on specific performance conditions, such as a target for the number of the restaurant sign-ups for the use of the Company's payment processing application. The Company expects these performance conditions and the related vesting of the stock options to be completed by the end of fiscal 2018.

During the year ended November 30, 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.

A further 4,715,000 stock options were granted during the year, to consultants and directors, with exercise prices ranging from \$0.18 to \$2.60. All these stock 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 year ended November 30, 2017, a total of 1,077,000 stock options were cancelled due to termination of employee contracts or no services rendered for several months.

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

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2015	550,000	0.14
Granted	5,733,821	0.16
Cancelled	(565,000)	0.15
Outstanding, November 30, 2016	5,718,821	0.16
Granted	6,602,007	0.64
Exercised	(5,268,506)	0.27
Cancelled	(702,000)	0.32
Terminated	(375,000)	0.19
Outstanding, November 30, 2017	5,975,322	0.64

Glance Technologies Inc.
Notes to the Consolidated Financial Statements

November 30, 2017

(stated in Canadian dollars)

12. Stock Options (continued)

Additional information regarding stock options outstanding as at November 30, 2017 is as follows:

Range of exercise prices \$	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.15	1,645,000	1,110,000	3.54	0.15
0.18	137,822	87,822	3.51	0.18
0.20	100,000	75,000	4.38	0.20
0.28	180,000	20,000	3.85	0.28
0.295	855,000	175,000	4.79	0.295
0.425	900,000	180,000	4.81	0.425
0.465	50,000	-	4.84	0.47
0.72	730,000	325,000	4.88	0.72
0.85	187,500	-	4.91	0.85
1.14	500,000	250,000	4.93	1.14
1.37	190,000	75,000	4.96	1.37
2.60	500,000	300,000	4.98	2.60
	5,975,322	2,597,822	4.43	0.64

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

	2017	2016
Expected stock price volatility	105%	125%
Risk-free interest rate	1.53%	0.70%
Expected life of options (years)	3.75	4.03
Expected forfeiture rate	0%	0%

The weighted average fair value of options granted was \$0.89 (2016 - \$0.14) per option. During the year ended November 30, 2017, the Company recognized stock options-based payment expense of \$3,427,480 (2016 - \$479,931) for options granted to directors, officers, employees, and consultants, and \$204,662 (2016 - \$72,937) for stock options granted to the Company's agent in connection with the initial public offering and private placement completed.

13. Related Party Transactions

During the fiscal years ended November 30, 2017 and 2016, compensation of key management personnel and related parties were as follows:

	November 30, 2017 \$	November 30, 2016 \$
Remuneration and fees	858,656	342,585
Share-based compensation	1,254,388	285,751
	2,113,044	628,336

The remuneration and fees were allocated to sales and marketing expenses, office and miscellaneous, and software development and information technology costs.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

13. Related Party Transactions (continued)

- a) During the year ended November 30, 2017, the Company incurred software development and information technology costs of \$81,000 (2016 - \$200,750), sales and marketing expenses of \$18,669 (2016 - \$nil) and management fees of \$35,331 (2016 - \$34,250) to the Chief Executive Officer (“CEO”) of the Company and a company controlled by the spouse of 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 was 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 November 30, 2017, the Company owed \$16,748 (2016 - \$9,521) to the CEO. The amount due is unsecured, non-interest bearing, due on demand, and to be settled in cash.
- b) During the year ended November 30, 2016, the Company had an agreement with a company controlled by the spouse of the CEO of the Company for cash fees of \$10,000 per month. The Company terminated the service agreement with the company controlled by the spouse of the CEO of the Company on September 5, 2016 without any additional obligation to either party. Effective September 6, 2016, the spouse of the CEO was hired as an employee of the Company as the Chief Technical Officer (“CTO”). During the year ended November 30, 2017, the Company incurred salaries expense of \$120,000 (2016 - \$28,584) to the CTO. As at November 30, 2017, the Company owed \$13,230 (2016 - \$20,434) to the CTO and \$612 (2016 - \$612) to a company controlled by the CTO of the Company. The amounts due are unsecured, non-interest bearing, due on demand, and to be settled in cash.
- c) During the year ended November 30, 2017, the Company incurred sales and marketing expenses of \$95,000 (2016 - \$85,000) to the Chief Operating Officer (“COO”) of the Company. As at November 30, 2017, the Company owed \$10,874 (2016 - \$12,266) to the COO of the Company. The amount due is unsecured, non-interest bearing, due on demand, and to be settled in both cash (\$874) and stock (\$10,000).
- d) During the year ended November 30, 2017, the Company incurred professional fees of \$4,500 (2016 - \$12,750), sales and marketing expense of \$3,000 (2016 - \$8,500), and rent of \$40,000 (2016 - \$57,500) to a company controlled by the COO of the Company, of which \$40,000 (2016 - \$30,000) was settled in cash.
- e) During the year ended November 30, 2017, the Company incurred sales and marketing expenses of \$22,339 (2016 - \$23,713) to the Chief Marketing Officer (“CMO”) of the Company and \$89,355 (2016 - \$80,000) to a company controlled by the CMO of the Company.
- f) During the year ended November 30, 2017, the Company incurred sales and marketing expenses of \$42,000 (2016 - \$6,667) to the Vice President of Restaurant Relations and Implementation of the Company. As at November 30, 2017, the Company owed \$nil (2016 - \$1,567) to the Vice President of Restaurant Relations and Implementation.
- g) During the year ended November 30, 2017, the Company incurred \$46,875 (2016 - \$20,425) of sales and marketing expenses and \$70,568 (2016 - \$nil) of finders’ fees to the Vice President of Investor Relations of the Company. As at November 30, 2017, the Company owed \$10,875 (2016 - \$4,496) to the Vice President of Investor Relations. The amount due is unsecured, non-interest bearing, due on demand, and to be settled in cash.
- h) During the year ended November 30, 2017, the Company incurred sales and marketing expenses of \$103,846 (2016 - \$13,629) to the Vice President of Business and Client Development of the Company. As at November 30, 2017, the Company owed \$4,467 (2016 - \$5,722) to the Vice President of Business and Client Development. The amount due is unsecured, non-interest bearing, due on demand, and to be settled in cash.
- i) During the year ended November 30, 2017, the Company incurred salaries expense of \$86,173 (2016 - \$17,964) to the Chief Financial Officer (“CFO”) of the Company. As at November 30, 2017, the Company owed \$12,177 (2016 - \$3,839) to the CFO. The amount due is unsecured, non-interest bearing, due on demand, and to be settled in cash.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

13. Related Party Transactions (continued)

- j) During the year ended November 30, 2017, there was license fee and design revenue of \$1,014,500 (2016 - \$nil) with Cannapay, an associate of the Company. As at November 30, 2017, Cannapay owed \$30,625 (2016 - \$nil) to the Company, which is included in accounts and other receivables. The amount due is unsecured, non-interest bearing, due on demand, and to be settled in cash.
- k) During the year ended November 30, 2017, the Company entered into a licensing and design work agreement with Active Pay. The Company received 1,000,000 common shares of Active Pay on November 30, 2017 at a deemed price of \$0.10 per share, which was recorded as deferred revenue.
- l) During the year ended November 30, 2017, the Company entered into a licensing and design work agreement with Euro Asia Pay. The Company received 8,500,000 common shares of Euro Asia Pay on November 29, 2017 at a deemed price of \$0.07 per share, which was recorded as deferred revenue.
- m) During the year ended November 30, 2017, the Company incurred stock option-based payments of \$1,254,388 (2016 - \$285,751) to officers and directors of the Company.

14. Operating Expenses

Office and miscellaneous costs consists of the following:

	November 30, 2017	November 30, 2016
	\$	\$
Office	250,613	116,718
Rent	85,226	66,074
Salaries	238,288	93,005
Travel	46,365	14,315
	620,492	290,112

Software development and information technology expenses consist of the following:

	November 30, 2017	November 30, 2016
	\$	\$
Computer expenses	89,370	48,248
Salaries and management fees	504,394	203,398
Software and development	-	126,931
	593,764	378,577

Sales and marketing expenses consist of the following:

	November 30, 2017	November 30, 2016
	\$	\$
Consulting	1,666,439	66,729
Corporate communications and investor media	1,982,754	-
Salaries and management fees	486,967	151,663
Sales and marketing	1,022,278	481,588
	5,158,438	699,980

Glance Technologies Inc.
Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

14. Operating expenses (continued)

Finance expenses consist of the following:

	November 30, 2017	November 30, 2016
	\$	\$
Interest and bank charges	51,258	12,385
Transfer agent fees	84,510	11,404
Financing costs	98,634	-
	234,402	23,789

15. Segmented Information

The Company's business consists of one reportable segment and all of the Company's assets are located in Canada. During the year ended November 30, 2017, the Company's revenue recognized pertains to fees charged to restaurants for payment processing through the Company's Glance Pay application. There was also revenue recognized for a digital marketing contract with a partner restaurant, whereby the marketing and social media was managed. In fiscal 2017, the Company entered into three agreements to license proprietary technology to other Companies. Refer to Note 9 for the breakdown in revenue.

16. Commitments

- a) On October 5, 2016, the Company entered into a consulting agreement with a consultant of the Company to engage him as the Vice President of Restaurant Relations and Implementation. The consultant is to be compensated with a monthly fee of \$3,500, all of 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 options vests upon grant date, and an additional 20% of the options vests every 6 months thereafter.
- b) On November 28, 2017, the Company entered into an agreement with Vision Critical Communications Inc. to sublease their premises located on the 4th Floor at 200 Granville Street, Vancouver, BC, V6C 1S4. The term of the lease commences on March 1, 2018 and expires on September 29, 2019. The sub-landlord is to be compensated with a monthly fee of \$51,465 (plus applicable taxes).

Fiscal Year	\$
2018	514,650
2019	463,185
	977,835

Glance Technologies Inc.
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(stated in Canadian dollars)

17. Supplemental Cash Flow Information

	2017	2016
	\$	\$
Non-cash investing and financing activities:		
Common shares issued to settle accounts payable	229,694	10,000
Computer equipment transferred to settle accounts payable	-	2,400
Investments received as payment for deferred revenue	1,307,500	-
Stock options granted as finder's fee	204,663	72,937
Share purchase warrants issued as finder's fee	302,301	7,512
Supplemental disclosures:		
Interest paid	-	-
Income taxes paid	-	-

18. Income Taxes

The Company is subject to Canadian federal and provincial tax at the rate of 26%. The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017	2016
	\$	\$
Net loss for the year	(9,755,823)	(2,150,145)
Statutory rate	26%	26%
Income tax recovery	(2,536,514)	(559,038)
Permanent differences and other	682,177	130,077
Change in tax rates and true up	(84,733)	-
Changes in substantive tax rates of foreign jurisdiction	20,354	-
Change in unrecognized deferred income tax assets	1,918,716	428,961
Income tax provision	-	-

The significant components of deferred income tax assets and liabilities as at November 30, 2017 and 2016 are as follows:

	November 30, 2017	November 30, 2016
	\$	\$
Deferred Income Tax Assets (Liabilities)		
Non-capital losses carried forward	2,064,082	432,477
Capital assets	79,099	1,435
Intangible assets	-	20,210
Share issuance costs	292,643	62,986
	2,435,824	517,108
Unrecognized deferred income tax assets	(2,435,824)	(517,108)
Net Deferred Income Tax Assets	-	-

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

18. Income Taxes (continued)

As at November 30, 2017, the Company has non-capital losses carried forward of \$7,644,748, which is available to offset future years' taxable income, as follows:

	\$
2034	352
2035	324,611
2036	1,338,408
2037	5,981,377
	7,644,748

19. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, share capital, shares issuable, and reserves.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management from the year ended November 30, 2016. The Company is not subject to externally imposed capital requirements.

20. Financial Instruments

a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at November 30, 2017, as follows:

	Fair Value Measurements Using			Balance, November 30, 2017 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	10,294,213	-	-	10,294,213

As at November 30, 2017, the fair value of financial instruments measured on a recurring basis includes cash based on level one inputs, consisting of quoted prices in active markets for identical assets.

The fair values of other financial instruments, which include accounts and other receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Glance Technologies Inc.

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20. Financial Instruments (continued)

b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Accounts and other receivables are comprised of trade receivables from restaurants and merchants and GST receivable due from the Government of Canada. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditures. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations. As at November 30, 2017, the Company's cash balance was \$10,294,213 (2016 - \$360,917) to settle current liabilities of \$1,353,554 (2016 - \$142,873).

21. Subsequent Events

Acquisition of Blockimpact

By a purchase and sale agreement dated December 6, 2017 between the Company and Ztudium Inc., the Company purchased all of the intellectual property comprising the Blockimpact platform including software which is contained in 117 code repositories, fully coded stack for cryptocurrency, which includes app, back-end and smart contracts built on Ethereum. The consideration was a cash payment to Ztudium Inc. of US\$1,100,000, of which US\$1,000,000 has been paid to date and the remainder be paid on completion of the integration of Blockimpact with the Glance Pay mobile payment platform.

Financing

On December 27, 2017, the Company completed a brokered bought deal financing for the issuance of 3,684,000 units of the Company at a price of \$3.00 per unit (the "Offering Price") for gross proceeds of \$11,052,000. The underwriters were granted an over-allotment option that may be exercised for a period of 30 days from the closing of the offering to purchase 552,600 additional units at the Offering Price.

Each unit consisted of one common share of the Company and one unit purchase warrant (each, a "Unit Warrant"). Each Unit Warrant is exercisable into one unit (each, a "Subsequent Unit") at an exercise price of \$3.84 per Subsequent Unit for a period of one year following the closing of the Offering. Each Subsequent Unit consists of one common share of the Company (each, a "Subsequent Unit Share") and one common share purchase warrant (each, a "Share Warrant") exercisable at an exercise price of \$5.00 per common share ("Common Share") expiring one year from the date of issuance. Both the Unit Warrants and the Share Warrants are transferable.

In consideration for the services provided by the underwriters, the underwriters received a commission of \$773,640, equal to 7% of the gross proceeds raised under the offering and 257,880 units, equal to 7% of the total number of units sold under the offering. The units have the same terms as the units issued under the offering.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

21. Subsequent Events (continued)

Financing (continued)

On January 18, 2018, the underwriters were issued 471,000 overallotment warrants granted under the bought deal offering for \$47,100. Each warrant is exercisable at a price of \$3.84 per Subsequent Unit, expiring on December 27, 2018. Each Subsequent Unit will consist of one common share (“Subsequent Unit Share”) and one common share purchase warrant exercisable at \$5.00 per common share, expiring on December 27, 2018.

Glance Coin Inc.

On December 27, 2017, Glance Coin Inc. (formally Glance Blockchain Token Inc.) was incorporated as a wholly owned subsidiary of Glance Technologies Inc. Glance Coin Inc. will be responsible for developing and managing the Glance token, which will be a cryptocurrency with a series of smart contracts to allow merchants to grant the Glance token as a reward for consumer loyalty and engagement. The Company is currently writing its white paper for its cryptocurrency.

Equity Stake in Loop Cannabis Insights Inc. (formerly Cannabis Big Data Holdings Inc.)

On January 4, 2018, the Company’s wholly owned subsidiary, Cannapay Financial Inc. (“Cannapay”) signed a definitive agreement for licensing and product pre-sales. The agreement was entered into between Fobisuite Technologies Inc. (“Fobisuite”), Cannapay, Cannabis Big Data (“Loop Cannabis”) and Cannapay’s wholly owned subsidiary Juve Wellness Inc. (“Juve”) Under the terms of the agreement, Fobisuite will license all of its technology to Loop Cannabis for \$4,000,000, payable \$200K in cash and \$3,800,000 in stock for 15,200,000 shares at \$0.25 for a 10 year license renewable for \$10,000 per year. Cannapay will sublicense the Glance Pay mobile payment platform technology to Loop Cannabis for \$2,000,000 for a one year license, payable in stock at \$0.25 per share for 8,000,000 shares, of which 4,000,000 shares will be payable to Glance Technologies as a sublicense royalty, and the sublicense renewable for \$10,000 per year. After the closing, the 4,000,000 shares were transferred by Cannapay to Glance Pay Inc on February 6, 2018. Cannapay subsidiary Juve Wellness will grant to Loop Cannabis the non exclusive right to distribute 12 products (including massage oils, soaps, lip balm and bath bombs) (the “Products”) to cannabis dispensaries in North America, with a \$200,000 advance order for products, at wholesale prices, payable by Cannabis Big Data in cash within 2 weeks of Loop Cannabis completing financing of \$1,000,000. Juve will license for \$1,800,000 (payable all in stock of Loop Cannabis at \$0.25 per share for 7,200,000 shares), the non-exclusive license to the formulas of the Products and rights to create a white label manufacturing service to provide customized branded versions of the Products for dispensaries in North America, which may only be licensed, produced and sold in accordance with all applicable laws and regulations.

Stock Options

On December 6, 2017, 1,100,000 stock options were granted to employees and consultants with an exercise price of \$2.68. 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.

On January 4, 2018, 770,000 stock options were granted to employees and consultants with an exercise price of \$2.06. 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.

On January 22, 2018, 650,000 stock options were granted to consultants with an exercise price of \$1.46. 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 consultant ceases to work for the Company.

Glance Technologies Inc.

Notes to the Consolidated Financial Statements

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(stated in Canadian dollars)

21. Subsequent Events (continued)

Stock Options (continued)

On February 7, 2018, 450,000 stock options were granted to employees and consultants with an exercise price of \$1.36. 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.

Subsequent to November 30, 2017, an aggregate 871,278 stock options were exercised for proceeds of \$218,241 and 173,750 stock options were cancelled.

Agreement with Fobisuite

On January 22, 2018, the Company signed an agreement (the "Fobisuite Agreement") with Fobisuite and Fobi Pay Technologies Inc. ("Fobi Pay"), the terms of which included an agreement to enter into (i) a license agreement the terms of which would include granting Fobi Pay a non-exclusive licence to use its technology in exchange for a 20,000,000 shares of Fobi Pay having a deemed value of \$5 million fee for a one year initial term, renewable annually for \$10,000 per year; and (ii) a license agreement from Fobisuite to use technology related to Fobisuite's usb/serial hardware device to Glance in exchange for a license fee of \$1,500,000, payable by: (i) the issuance of 250,000 common shares of Glance at a price of \$2 per share equal to a value of \$500,000, which will be subject to a 4 month hold period (issued); and (ii) \$1 million in cash, of which \$750,000 was payable upon acceptance of the Fobisuite Agreement.

Normal Course Issuer Bid

On February 5, 2018, the Company commenced a normal course issuer bid ("Bid") through the facilities of the Canadian Securities Exchange. Under the Bid, the Company can purchase up to 6,500,000 common shares of the Company. The Bid will not extend beyond one year. Any purchases will be made at the prevailing market prices of the shares at the time of purchase. All shares purchased will be cancelled. As at March 29, 2018, the Company has purchased 360,000 common shares at a cost of \$405,507.

Share Issuance

On February 21, 2018, Active Pay issued 3,200,000 shares to Glance for services to be completed pursuant to the licensing agreement signed August 23, 2017. All amounts received to date have been accounted for as deferred revenue. As of March 29, 2018, Glance Pay owns 18.4% of the issued and outstanding common shares of Active Pay.

Equity Issuances

From December 1, 2017 to March 29, 2018, the Company issued 1,659,951 common shares and 760,716 units on the exercise of warrants. 493,169 share purchase warrants are exercisable at a price of \$0.30 and 267,547 are exercisable at \$0.75, for a period of one year from the date of issuance.