

GLANCE TECHNOLOGIES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2018

Stated in Canadian dollars

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

The accompanying unaudited condensed interim financial statements for the three months ended February 28, 2018 have been prepared by management in accordance with International Financial Reporting Standards and approved by the Board of Directors of Glance Technologies Inc. (the “**Company**”). These condensed consolidated interim financial statements have been reviewed by the Company’s independent auditors.

Glance Technologies Inc.
Condensed Consolidated Statements of Financial Position

(stated in Canadian dollars)

ASSETS	Note	February 28, 2018 \$	November 30, 2017 \$
<i>(unaudited)</i>			
Current assets			
Cash		13,377,306	10,294,213
Accounts and other receivable	6	871,066	179,372
Prepaid expenses and deposits		1,985,525	683,284
Total current assets		16,233,897	11,156,869
Non-current assets			
Property and equipment	7	214,745	170,089
Intangible assets	8	1,427,891	342,745
Investment in associates	4	992,774	608,904
Investments – other	5	1,495,000	695,000
Total non-current assets		4,130,410	1,816,738
Total assets		20,364,307	12,973,607
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	491,863	408,554
Deferred revenue – current portion	10	650,625	393,750
Total current liabilities		1,142,488	802,304
Non-current liabilities			
Deferred revenue	10	1,084,375	551,250
Total non-current liabilities		1,084,375	551,250
SHAREHOLDERS' EQUITY			
Share capital	12	31,642,588	20,273,414
Shares to be issued	12	15,866	74,249
Reserves – options	13	3,792,336	3,717,135
Deficit		(17,313,346)	(12,444,745)
Total shareholders' equity		18,137,444	11,620,053
Total liabilities and shareholders' equity		20,364,307	12,973,607

Nature of Operations (Note 1)

Commitments (Note 18)

Subsequent Events (Note 19)

“Desmond Griffin”, Director

“Kirk Herrington”, Director

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

Glance Technologies Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(stated in Canadian dollars)

	Note	For the three months ended February 28, 2018 \$	For the three months ended February 28, 2017 \$
Revenue	11	1,173,719	16,564
Expenses			
Corporate communications and investor media	15	(2,482,161)	(129,428)
Depreciation	7,8	(77,261)	(58,161)
Finance expense	15	(47,638)	(19,638)
Management fees	14,15	(7,662)	(11,250)
Office and miscellaneous	14,15	(357,708)	(186,377)
Professional fees	15	(345,087)	(23,793)
Sales and marketing expense	14,15	(1,540,090)	(340,871)
Software development and information technology	14,15	(368,935)	(133,369)
Stock option-based compensation	13	(220,288)	(77,935)
		(5,446,830)	(980,822)
Loss from operations		(4,273,111)	(964,258)
Other income (expense)			
Foreign exchange gain		(10,032)	-
Proportionate loss on investments	4	(616,130)	-
Interest income		30,672	-
Total other income (expense)		(595,490)	-
Net loss and comprehensive loss for the period		(4,868,601)	(964,258)
Net loss per share			
Basic and diluted		(0.04)	(0.02)
Weighted average number of common shares outstanding		131,112,157	60,381,789

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

Glance Technologies Inc.
Condensed 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, 2016	58,262,435	2,988,667	93,743	565,577	(2,688,922)	959,065
Shares issued for private placement	5,814,214	1,046,557	-	-	-	1,046,557
Share issuance costs	-	(143,206)	-	62,752	-	(80,454)
Shares issued for services	269,722	64,734	29,842	-	-	94,576
Stock-options based compensation	-	-	-	77,935	-	77,935
Net loss for the period	-	-	-	-	(964,258)	(964,258)
Balance, February 28, 2017	64,346,371	3,956,752	123,585	706,264	(3,653,180)	1,133,421

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves - options \$	Deficit \$	Total \$
Balance, November 30, 2017	127,358,895	20,273,414	74,249	3,717,135	(12,444,745)	11,620,053
Shares issued under prospectus offering	3,684,000	11,052,000	-	-	-	11,052,000
Share issuance costs	-	(1,553,577)	-	-	-	(1,553,577)
Commission	257,880	773,640	-	-	-	773,640
Shares issued from warrant exercise	1,912,783	671,147	(49,483)	(1,557)	-	620,107
Stock issued from options exercise	432,528	329,465	(8,900)	(190,630)	-	129,935
Stock-options based compensation	-	-	-	220,288	-	220,288
Shares to be cancelled	(360,000)	(403,501)	-	-	-	(403,501)
Warrants issued in overallotment	-	-	-	47,100	-	47,100
Held in escrow	250,000	500,000	-	-	-	500,000
Net loss for the period	-	-	-	-	(4,868,601)	(4,868,601)
Balance, February 28, 2018	133,536,086	31,642,588	15,866	3,792,336	(17,313,346)	18,137,444

(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 three months ended February 28, 2018 \$	For the three months ended February 28, 2017 \$
Cash flows provided by (used in)		
Operating activities		
Net loss	(4,868,601)	(964,258)
Items not affecting cash:		
Depreciation	77,261	58,161
Stock option based compensation	220,288	77,935
Proportionate losses on investments in associates	616,130	-
Shares (received)/paid for services	(1,000,000)	94,576
Changes in non-cash working capital:		
Accounts and other receivable	(606,693)	(23,962)
Prepaid expenses and deposits	(802,258)	(15,609)
Accounts payable and accrued liabilities	83,325	(78,878)
Deferred revenue	(10,000)	-
	(6,290,548)	(852,035)
Investing activities		
Purchase of computer equipment	(73,175)	(15,640)
Purchase of intellectual property	(1,133,888)	-
	(1,207,063)	(15,640)
Financing activities		
Proceeds from prospectus offering	11,052,000	1,046,557
Proceeds from warrants exercised	620,107	-
Proceeds from options exercised	44,935	-
Proceeds from warrants purchased in over-allotment	47,100	-
Financing cost paid	(779,937)	(80,454)
Proceeds from short-term loan	(403,501)	-
	10,580,704	966,103
Net change in cash	3,083,093	98,428
Cash - beginning of period	10,294,213	360,917
Cash - end of period	13,377,306	459,345

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

February 28, 2018

Unaudited – (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 (the “CSE”) 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 (the “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.

On December 27, 2017, Glance Coin Inc. (formerly Glance Blockchain Token Inc.) (“Glance Coin”) was incorporated as a wholly-owned subsidiary of Glance Technologies Inc. Glance Coin 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.

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, 2017, 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 interim consolidated financial statements for issuance on April 27, 2018.

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.

Glance Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2018

Unaudited – (stated in Canadian dollars)

2. Basis of Presentation (continued)

c) Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company - Glance Pay, Glance Pay USA Inc. and Glance Coin. 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 these condensed interim 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, unrecognized deferred income tax assets and the split between current and non-current deferred revenue.

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, 2017.

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, 2017 or later years.

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

The Company has not early adopted these revised standards and the adoption of the standard is not expected to have a significant impact on the Company's condensed interim consolidated financial statements. The Company plans to implement this revised standard for the quarter starting December 1, 2018. 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 these condensed interim consolidated financial statements.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

4. Investments in Associates

Yield Growth Corp

On May 29, 2017 (and as amended and restated on May 31, 2017), the Company's subsidiary Glance Pay ("Glance Pay") entered into a licensing agreement with The Yield Growth Corp. (formerly Cannapay Financial Inc.) ("Yield"). Pursuant to the licensing agreement, Glance Pay granted Yield 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 Yield's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Yield providing written notice at least one month prior to renewal. As consideration for the license, Yield agreed to pay Glance Pay a fee of \$912,500 for the initial term of one year, 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 Yield 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, Yield issued to Glance Pay 4,000,000 common shares, for an aggregate of 8,000,000 common shares at \$0.05 per share for proceeds of \$400,000. This was in addition to 2,450,000 shares at a fair value of \$0.25 per share for services. Yield was incorporated on November 28, 2014 under the laws of the province of British Columbia, Canada. Yield combines traditional financial services with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

Yield is an entity that is partially owned, but not controlled by the Company. As at February 28, 2018, Glance Pay owns 27.8% of the issued and outstanding common shares of Yield. Pursuant to the licensing agreement, Glance Pay has the right to appoint one director to the board of Yield but it has not yet exercised that right. The Company has incorporated its proportion of Yield's net loss for the three month period ended February 28, 2018 into its consolidated statement of operations of \$608,904. The value of the Company's net investment in Yield at February 28, 2018, has been written down to \$nil.

In the three months ended February 28, 2018, the licensing agreement with Yield was amended to extend the license granted by Glance Pay to two of Yield's wholly-owned subsidiaries (Super Dope Solutions Inc. and Juve Wellness Inc.). The amendment includes provisions that will terminate the license granted to each Yield subsidiary if that subsidiary ceases to be wholly owned by Yield. A Yield 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.

Loop Insights Inc. (formerly "Loop Cannabis Insights Inc.")

On January 4, 2018, Yield signed a definitive agreement for licensing and product pre-sales. Under the terms of the agreement, Yield sublicensed the Glance Pay mobile payment platform technology to Loop Insights Inc. ("Loop") for \$2,000,000 for a one year license, payable in stock at a fair value of \$0.25 per share for 8,000,000 shares, of which 4,000,000 shares were paid to Glance Pay as a sublicense royalty, and the sublicense renewable for \$10,000 per year. On February 6, 2018, the 4,000,000 shares were transferred by Yield to Glance Pay. Loop was incorporated on January 2, 2018 under the laws of the province of British Columbia, Canada. Loop combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

4. Investments in Associates (continued)

During the three months ended February 28, 2018, the Company recognised revenue of \$1,000,000 (2017: \$nil) from a related party, Loop in connection with a royalty fee for sublicensing the mobile payment platform from Yield. As at February 28, 2018, Glance Pay owns directly and indirectly 21.4% of the issued and outstanding common shares of Loop. The Company has incorporated its proportion of Loop’s net loss for the three month period ended February 28, 2018 into its consolidated statement of operations of \$7,226. The value of the Company’s net investment in Loop at February 28, 2018, is \$992,774.

5. Investments - other

The below is a summary of the other investments held by the Company:

	February 28, 2018	February 28, 2018	November 30, 2017	November 30, 2017
	\$	% owned	\$	% owned
	<i>(unaudited)</i>			
Active Pay Distribution Inc.	900,000	18.4	100,000	5.2
Euro Asia Pay Holdings Inc.	595,000	14.3	595,000	27.8
	1,495,000		695,000	

Active Pay Distribution Inc.

On August 23, 2017, 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 fair market 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 fair market 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 fair market price of \$0.25.

In November 2017, Active Pay issued 1,000,000 shares of Active Pay to Glance Pay at a fair market price of \$0.10 per share, pursuant to its obligation to pay for design of the app with a unique user experience. In February 2018, Active Pay issued 3,200,000 shares of Active Pay to Glance Pay at a fair market price of \$0.25 per share, pursuant to its obligation to pay for licensing fees. All amounts received to date have been accounted for as deferred revenue. 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. As at February 28, 2018, Glance Pay owns 18.4% of the issued and outstanding common shares of Active Pay.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

5. Investments (continued)

Euro Asia Pay Holdings Inc.

On October 14, 2017, Glance Pay signed a licensing agreement with Euro Asia Pay Holdings Inc. (“Euro Asia Pay”), a private company with two common directors. 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.

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 at a fair market price of \$0.07;
- \$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 at a fair market price of \$0.07; 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 at a fair market price of \$0.07.

In October 2017, Euro Asia Pay paid \$250,000 to Glance Pay, as due upon signing. In November 2017, Euro Asia Pay issued 8,500,000 shares of Euro Asia Pay to Glance Pay at a fair market price of \$0.07 per share, pursuant to its obligation to pay for design, licensing and marketing fees. 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. During the three months ended February 28, 2018, the Company recognised revenue of \$165,000 (2017: \$nil) with Euro Asia Pay in connection with marketing, branding and other services. As at February 28, 2018, Glance Pay owns 14.3% of the issued and outstanding common shares of Euro Asia Pay.

6. Accounts and Other Receivable

Accounts and other receivable balance consists for the following:

	February 28, 2018	November 30, 2017
	\$	\$
	<i>(unaudited)</i>	
Accounts receivable – Customers	215,771	42,783
Accounts receivable – Merchant	16,847	17,262
GST/PST receivable	349,604	116,027
Other receivables	288,844	3,300
	871,066	179,372

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

7 Computer Equipment

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

	Computer Equipment	Office Furniture	Total
	\$	\$	\$
Balance, November 30, 2017	152,516	17,573	170,089
Additions	73,175	-	73,175
Depreciation	(26,985)	(1,534)	(28,519)
Balance, February 28, 2018	198,706	16,039	214,745

8. Intangible Assets

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

	Computer Software	Payment Processing Applications	Intellectual Property	Patent	Total
	\$	\$	\$	\$	\$
Balance, November 30, 2017	308,278	16,667	-	17,800	342,745
Additions	-	-	1,133,888	-	1,133,888
Amortization	(46,242)	(2,500)	-	-	(48,742)
Balance, February 28, 2018	262,036	14,167	1,133,888	17,800	1,427,891

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.

In December 2017, the Company completed an agreement to acquire blockchain and cryptocurrency with rewards tokenization platform, Blockimpact ("Blockimpact"), from Ztodium Limited. Blockimpact is being integrated with the Glance Pay mobile payment platform, to further enhance it and it is a full end-to-end cryptocurrency blockchain solution. It has been measured at cost as it is still being developed.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following:

	February 28, 2018	November 30, 2017
	\$	\$
	<i>(unaudited)</i>	
Accounts payable	313,958	245,081
Accrued liabilities	47,284	28,681
Amounts due to related parties (Note 14)	82,201	58,371
Payroll liabilities	48,420	76,421
	491,863	408,554

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

10. Deferred revenue

The breakdown of deferred revenue for the three months ended February 28, 2018 is as follows:

	February 28, 2018	November 30, 2017
	\$	\$
	<i>(unaudited)</i>	
Current		
Euro Asia Pay Holdings Inc.	313,125	368,750
Active Pay Distribution Inc.	337,500	25,000
	650,625	393,750
Non-current		
Euro Asia Pay Holdings Inc.	521,875	476,250
Active Pay Distribution Inc.	562,500	75,000
	1,084,375	551,250

11. Revenue

The breakdown of revenue for the three months ended February 28, 2018 and 2017, is as follows:

	February 28, 2018	February 28, 2017
	\$	\$
Royalty fee	1,000,000	-
Application, development & service fees	129,719	12,064
Marketing and branding services	44,000	4,500
	1,173,719	16,564

The royalty fee was received from the sublicense of the Glance Pay software, which was granted from a previous licensing agreement to Loop. As consideration, the Company received 4,000,000 shares, at a fair market price of \$0.25 per unit (refer to Note 4).

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

12. Share Capital

Common Shares:

Authorized: unlimited number of common shares (“Common Shares”), without par value

- a) On December 27, 2017, the Company completed a bought deal public offering (the “Offering”) of 3,684,000 units (the “Units”) at a price of \$3.00 per Unit (the “Offering Price”) for gross proceeds of approximately \$11,052,000. Each Unit consisted of one Common Share of the Company (each, a “Unit Share”) 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 12 months following the closing of the Offering. Each Subsequent Unit consists of one Common Share (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 for a period of 24 months following the closing of the Offering. Both the Unit Warrants and the Share Warrants are transferable by the holders thereof.

Pursuant to an Underwriting Agreement (the “Underwriting Agreement”) among the Company, Echelon Wealth Partners Inc. and PI Financial Corp. (together, the “Underwriters”) the Underwriters were granted an over-allotment option of 552,600 units at the offering price or the Common Share and/or Common Share purchase warrant portion of the over-allotment, at a price to be determined by the parties. The option was exercisable for a period of 30 days from the closing of the Offering. On January 18, 2018, the Underwriters exercised the over-allotment for 471,000 Share Warrants at purchase price of \$0.10 per Warrant. The Share Warrants are exercisable at \$3.84 per Common Share exercisable until December 27, 2018.

In consideration for the services provided by the Underwriters and pursuant to the Underwriting Agreement, the Underwriters received a cash commission of \$773,640 equal to 7% of the gross proceeds raised and 257,880 Units equal to 7% of the total number of Units sold under the Offering, at a fair market value of \$773,640,

- b) On February 5, 2018, the Company commenced a normal course issuer bid (“Bid”) through the facilities of the CSE. Under the Bid, the Company can purchase up to 6,500,000 Common Shares. The Bid will not extend beyond one year. Any purchases will be made at the prevailing market prices of the Common Shares at the time of purchase. All Common Shares purchased will be cancelled. As at February 28, 2018, the Company had purchased 360,000 Common Shares at a cost of \$403,502.
- c) As at February 28, 2018, the Company had 36,366,000 (November 30, 2017 – 36,366,000) Common Shares which were held in escrow.

Share Warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2017	14,860,086	0.61
Issued – from equity financings	4,422,519	3.83
Exercised	(1,912,783)	0.35
New warrants issued from the exercise of outstanding Unit Warrants	752,091	0.45
Outstanding, February 28, 2018	18,121,913	1.42

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

12. Share Capital (continued)

Share Purchase Warrants (continued):

Additional information regarding Share Purchase Warrants outstanding as at February 28, 2018 is as follows:

Number of warrants outstanding	Exercise price \$	Expiry Date
1,095,638	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
125,000	0.30	September 6, 2019
1,500	0.30	September 7, 2019
27,000	0.30	September 13, 2019
100,000	0.30	September 14, 2019
505,832	0.30	September 22, 2019
489,527	0.30	September 25, 2019
117,527	0.30	September 28, 2019
139,166	0.30	September 28, 2019
493,169	0.30	February 23, 2020
90	0.33	December 30, 2018
76,669	0.33	January 25, 2019
5843	0.33	November 29, 2019
7,4997	0.33	December 30, 2019
336,028	0.40	October 19, 2018
64,625	0.40	February 20, 2019
2,000,000	0.75	September 27, 2018
7,130,000	0.75	October 19, 2018
4722	0.75	January 24, 2019
48,375	0.75	February 20, 2019
11,475	0.75	February 21, 2019
12,500	0.75	February 22, 2019
180,750	0.75	February 23, 2019
1,100	0.75	February 27, 2019
500,000	0.75	October 19, 2019
220,000	1.10	November 1, 2018
4,412,880	3.84	December 27, 2018
<u>18,121,913</u>		

13. Stock Options

Pursuant to the Company's Stock Option Plan (the "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.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

13. Stock Options (continued)

During the three month period ended February 28, 2018, the Company granted 2,970,000 options to employees and consultants of the Company, with an exercise price of \$1.36 to \$2.68 per Common Share. These options vested over a one-year period with a term of five years. 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 three month period ended February 28, 2018, a total of 142,500 stock options were cancelled due to termination of employee contracts or services. Subsequent to February 28, 2018, a further 361,000 stock options were granted and 95,000 stock options were cancelled.

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

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2017	5,975,322	0.64
Granted	2,970,000	2.05
Exercised	(432,528)	0.31
Cancelled	(142,500)	1.25
Outstanding, February 28, 2018	8,370,294	1.15

Additional information regarding stock options outstanding as at February 28, 2018 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 \$
0.15	1,505,000	1,027,500	3.30	0.15
0.18	118,544	68,544	3.66	0.18
0.20	100,000	100,000	4.14	0.20
0.28	180,000	20,000	3.60	0.28
0.295	795,000	330,000	4.55	0.295
0.425	700,000	160,000	4.57	0.425
0.465	50,000	-	4.59	0.47
0.72	711,750	414,250	4.64	0.72
0.85	187,500	62,500	4.66	0.85
1.14	450,000	300,000	4.68	1.14
1.36	400,000	25,000	4.68	1.36
1.37	152,500	91,250	4.68	1.37
1.46	650,000	162,500	4.68	1.46
2.06	770,000	75,000	4.68	2.06
2.60	500,000	300,000	4.68	2.60
2.68	1,100,000	1,025,000	4.68	2.68
	8,370,294	4,161,544	4.42	1.15

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

13. Stock Options (continued)

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:

	2018	2017
Expected stock price volatility	141%	125%
Risk-free interest rate	0.76%	0.76%
Expected life of options (years)	2.00	2.00
Expected forfeiture rate	5%	0%

The weighted average fair value of options granted was \$1.15 (2017 - \$0.16) per option. During the three months ended February 28, 2018, the Company recognized stock options-based compensation expense of \$220,288 (2017 - \$77,935) for options previously granted to directors, officers, employees and consultants, which are unvested, as well as \$nil (2017 - \$50,961) for options granted to agents in connection with private placements.

14. Related Party Transactions

Related party transactions not disclosed elsewhere in these statements are as follows:

During the three month periods ended February 28, 2018 and 2017, compensation of key management personnel and related parties were as follows:

	February 28, 2018	February 28, 2017
	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration and fees	87,500	268,483
Share-based compensation	145,721	60,517
	233,221	329,000

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

- a) As at February 28, 2018, the Company owed the Chief Executive Officer (CEO) of the Company \$15,732 (November 30, 2017 - \$16,748), which is included in accounts payable and accrued liabilities, for expense reimbursements. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash. During the three months ended February 28, 2018, the Company incurred software, research, and development costs of \$18,000 (2017 - \$33,750), sales and marketing expenses of \$4,338 (2017 - \$nil) and management fees of \$7,662 (2017 - \$11,250) to the CEO of the Company.
- b) As at February 28, 2018, the former Chief Operating Officer (COO) of the Company was owed \$4,750 by the Company (November 30, 2017 - \$10,874). As at February 28, 2018, the Company had advanced \$5,250 (2017: \$nil) cash to the former COO of the Company for expenditures to be incurred on behalf of the Company which are included in prepayments. The Company also owed \$10,000 (November 30, 2017 - \$10,874) to the former COO, which is included in shares to be issued, for expense reimbursements.
- c) During the three months ended February 28, 2018, the Company incurred software development and information technology expense of \$30,000 (2017 - \$31,586) to the Chief Technical Officer (CTO) of the Company. As at February 28, 2018, the Company owed \$44,674 (November 30, 2017 - \$13,230) to the CTO and \$612 (November 30, 2017: \$612) to a company controlled by the CTO of the Company, which has been included in accounts payable and accrued liabilities.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

14. Related Party Transactions (continued)

- d) During the three months ended February 28, 2018, the Company incurred office and miscellaneous expense of \$27,500 (2017 - \$21,044) to the Chief Financial Officer (CFO) of the Company. As at February 28, 2018, the Company owed \$5,216 (November 30, 2017 - \$12,177) to the CFO of the Company, which has been included in accounts payable and accrued liabilities.
- e) During the three months ended February 28, 2018, the Company incurred a stock option-based expense of \$63,218 (2017 - \$60,516) from re-valuations to employees, officers and directors of the Company.
- f) During the three months ended February 28, 2018, the Company recognized revenue of \$1,165,000 in connection with related parties. Refer to Notes 4 and 5 for additional details.

15. Operating Expenses

Office and miscellaneous costs consists of the following:

	February 28, 2018	February 28, 2017
	\$	\$
Office	109,452	82,917
Rent	39,214	30,000
Salaries	170,799	53,932
Travel	38,243	19,528
	357,708	186,377

Software development and information technology expenses consist of the following:

	February 28, 2018	February 28, 2017
	\$	\$
Computer expenses	76,884	16,276
Salaries and management fee	292,051	117,093
	368,935	133,369

Sales and marketing expenses consist of the following:

	February 28, 2018	February 28, 2017
	\$	\$
Salaries and management fee	201,050	111,194
Sales and marketing	776,879	179,578
Consulting	562,161	50,099
	1,540,090	340,871

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

15. Operating Expenses (continued)

Professional fees consist of the following:

	February 28, 2018	February 28, 2017
	\$	\$
Legal fees	314,287	11,926
Accounting and auditing	30,800	11,867
	345,087	23,793

Finance expenses consist of the following:

	February 28, 2018	February 28, 2017
	\$	\$
Interest and bank charges	15,649	15,117
Transfer agent fees	29,984	4,521
Financing costs	2,005	-
	47,638	19,638

Corporate communications and investor media expenses consist of the following:

	February 28, 2018	February 28, 2017
	\$	\$
Awareness programs	2,004,599	91,937
Conference and events	-	19,845
Publicists	189,095	15,000
Media tools	288,467	2,646
	2,482,161	129,428

16. Supplemental Cash Flow Information

	February 28, 2018	February 28, 2017
	\$	\$
Non-cash investing and financing activities:		
Common Shares issued to settle accounts payable	-	11,790
Investments received as payment for deferred revenue	800,000	-
Common Shares issued for services that were issuable from prior periods	-	64,734
Common Shares issued as commission	773,640	-
Share Warrants issued as finder's fee	-	11,790
Supplemental disclosures:		
Interest paid	-	-
Income taxes paid	-	-

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
February 28, 2018

Unaudited – (stated in Canadian dollars)

17. Segmented Information

The Company's business consists of one operating segment and the Company's assets are located in Canada. During the period ended February 28, 2018, the Company's revenue recognized pertains to fees charged to merchants for payment processing through the Company's Glance Pay application. There was also revenue recognised for marketing and other services for Euro Asia Pay, which included branding, executive search and consulting. Refer to Note 11 for the breakdown in revenue.

18. Commitments

- a) 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

19. Subsequent Events

- a) Subsequent to February 28, 2018, the Company issued 1,088,544 Common Shares and 11,785 warrants on the exercise of Unit Warrants. These warrants are exercisable at \$0.75, for a period of one year from the date of exercise. The proceeds were \$298,569.
- b) Subsequent to February 28, 2018, there were 896,250 Common Shares issued from the exercise of stock options, for proceeds of \$151,656. Of these stock options exercises, 843,750 were exercised by related parties.
- c) Subsequent to February 28, 2018, 361,000 options were granted to employees of the Company at \$0.54 per share expiring on April 5, 2023.