

**GLANCE TECHNOLOGIES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Six Months Ended May 31, 2017**

**Stated in Canadian dollars**

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

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

# Glance Technologies Inc.

## Consolidated Statements of Financial Position

(stated in Canadian dollars)

ASSETS	Note	May 31, 2017 \$	November 30, 2016 \$
		(unaudited)	(audited)
<b>Current assets</b>			
Cash		1,076,706	360,917
Accounts and other receivable	4	131,513	67,575
Prepaid expenses and deposits		214,347	37,242
<b>Total current assets</b>		<b>1,422,566</b>	465,734
<b>Non-current assets</b>			
Investment in associate	5	137,764	-
Computer equipment	6	106,106	111,001
Intangible assets	7	433,931	525,203
<b>Total non-current assets</b>		<b>677,801</b>	636,204
<b>Total assets</b>		<b>2,100,367</b>	1,101,938
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	121,573	142,873
Deferred revenue	9	97,500	-
<b>Total liabilities</b>		<b>219,073</b>	142,873
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	5,775,144	2,988,667
Shares to be issued	10	63,336	93,743
Reserves – options	11	899,833	565,577
Deficit		(4,857,019)	(2,688,922)
<b>Total shareholders' equity</b>		<b>1,881,294</b>	959,065
<b>Total liabilities and shareholders' equity</b>		<b>2,100,367</b>	1,101,938

**Nature of Operations** (Note 1)

**Going Concern** (Note 2)

**Commitments** (Note 15)

**Subsequent Events** (Note 17)

“Penny Green”, Director

“Desmond Griffin”, Director

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

## Glance Technologies Inc.

### Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(stated in Canadian dollars)

	Note	For the three months ended May 31, 2017 \$	For the three months ended May 31, 2016 \$	For the six months ended May 31, 2017 \$	For the six months ended May 31, 2016 \$
<b>Revenue</b>	9	<b>126,527</b>	-	<b>143,091</b>	-
<b>Expenses</b>					
Depreciation	6,7	(59,984)	(621)	(118,145)	(1,028)
Finance expense		(302,184)	-	(321,822)	-
Management fees	12,13	(8,465)	(16,250)	(19,715)	(18,000)
Office and miscellaneous	12,13	(139,714)	(39,528)	(326,091)	(45,367)
Professional fees	10,12	(13,152)	(44,127)	(36,945)	(70,271)
Sales and marketing expense	10,12,13	(571,021)	(48,450)	(1,041,320)	(57,996)
Software development and information technology	12	(129,502)	(96,843)	(262,871)	(155,574)
Stock option-based compensation	11	(39,868)	(193,024)	(117,803)	(216,445)
<b>Total Expenses</b>		<b>(1,263,890)</b>	(438,843)	<b>(2,244,712)</b>	(564,681)
<b>Loss from Operations</b>		<b>(1,137,363)</b>	(438,843)	<b>(2,101,621)</b>	(564,681)
<b>Other income/(expense)</b>					
Proportionate loss from associate	5	(62,236)	-	(62,236)	-
Loss on settlement of debt		(4,240)	-	(4,240)	-
<b>Net loss and comprehensive loss for the period</b>		<b>(1,203,839)</b>	(438,843)	<b>(2,168,097)</b>	(564,681)
<b>Net loss per share</b>					
Basic and diluted		(0.02)	(0.01)	(0.03)	(0.01)
<b>Weighted average number of common shares outstanding</b>		<b>68,290,604</b>	46,691,666	<b>64,379,656</b>	46,691,666

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

## Glance Technologies Inc. Consolidated Statements of Changes in Equity

Unaudited

(stated in Canadian dollars)

	Share capital (Number of shares)	Share capital \$	Special warrants \$	Reserves -options \$	Deficit \$	Total \$
Balance, November 30, 2015	46,691,666	1,505,294	-	5,197	(538,777)	971,714
Special warrants issued for cash	-	-	78,000	-	-	78,000
Special warrants issued for services	-	-	99,400	-	-	99,400
Special warrants issued for settlement of debt	-	-	10,000	-	-	10,000
Stock-options based compensation	-	-	-	216,445	-	216,445
Net loss for the period	-	-	-	-	(564,681)	(564,681)
<b>Balance, May 31, 2016</b>	<b>46,691,666</b>	<b>1,505,294</b>	<b>187,400</b>	<b>221,642</b>	<b>(1,103,458)</b>	<b>810,878</b>

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves -options \$	Deficit \$	Total \$
Balance, November 30, 2016	58,262,435	2,988,667	93,743	565,577	(2,688,922)	959,065
Shares issued for private placement	6,914,214	1,266,557	-	-	-	1,266,557
Share issuance costs	-	(296,907)	-	216,453	-	(80,454)
Shares issued for rights offering	8,225,520	1,645,104	-	-	-	1,645,104
Shares issued for services	693,680	170,723	(30,407)	-	-	140,316
Shares issued in settlement of debt	5,000	1,000	-	-	-	1,000
Stock-options based compensation	-	-	-	117,803	-	117,803
Net loss for the period	-	-	-	-	(2,168,097)	(2,168,097)
<b>Balance, May 31, 2017</b>	<b>74,100,849</b>	<b>5,775,144</b>	<b>63,336</b>	<b>899,833</b>	<b>(4,857,019)</b>	<b>1,881,294</b>

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

# Glance Technologies Inc.

## Consolidated Statements of Cash Flows

Unaudited

(stated in Canadian dollars)

	<b>For the six months ended May 31, 2017 \$</b>	For the six months ended May 31, 2016 \$
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Net loss	(2,168,097)	(564,681)
Items not affecting cash:		
Depreciation	118,145	1,028
Loss on settlement of debt	4,240	-
Proportionate loss from investment in associate	62,236	-
Shares issued for services	137,076	-
Special warrants issued for services	-	99,400
Stock option based compensation	117,803	216,445
Changes in non-cash working capital:		
Accounts and other receivable	(63,938)	(13,640)
Prepaid expenses and deposits	(177,105)	(38,595)
Accounts payable and accrued liabilities	(21,300)	12,998
Deferred revenue	97,500	-
	<b>(1,893,440)</b>	<b>(287,045)</b>
<b>Investing activities</b>		
Purchase of computer equipment	(15,767)	(3,923)
Investment in associate	(200,000)	-
Patent cost	(6,211)	(5,292)
Restricted cash	-	329,600
	<b>(221,978)</b>	<b>320,385</b>
<b>Financing activities</b>		
Proceeds from share issuances	2,911,661	-
Proceeds from issuance of special warrants	-	67,500
Financing cost paid	(80,454)	-
	<b>2,831,207</b>	<b>67,500</b>
<b>Net change in cash</b>	<b>715,789</b>	<b>100,840</b>
Cash - beginning of period	360,917	106,821
<b>Cash - end of period</b>	<b>1,076,706</b>	<b>207,661</b>

### Supplemental Cash Flow Information (Note 16)

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

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

### May 31, 2017

*Unaudited*

*(stated in Canadian dollars)*

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#### 1. Nature of Operations

Glance Technologies Inc. (“Glance Technologies” or the “Company”) was incorporated under the laws of the province of British Columbia, Canada, on October 24, 2014. The Company began limited operations and has not yet realized significant revenues from its planned operations. The Company’s registered office is located at Suite 200-1238 Homer Street Vancouver, B.C. V6B 2Y5.

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

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

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

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

On May 31, 2017, the Company completed a share subscription agreement (the “Transaction”) with CannaPay Financial Inc. (“CannaPay”), acquiring 4,000,000 shares at \$0.05 each for total investment of 48.8%. The Company combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

#### 2. Basis of Presentation

##### a) Statement of Compliance

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

The Board of Directors approved the condensed interim consolidated financial statements for issuance on July 6, 2017.

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

*Unaudited*

*(stated in Canadian dollars)*

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

**b) Basis of Measurement**

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

**c) Basis of Consolidation and Going Concern**

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

These condensed interim 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 six months ended May 31, 2017, the Company incurred a net loss of \$2,168,097 and used cash of \$1,893,440 for operating activities. As at May 31, 2017, the Company has an accumulated deficit of \$4,857,019. The Company is enhancing its payment application with the aim of commencing generation of significant revenue from operations. 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 May 31, 2017 is uncertain. These condensed interim 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 in the case the going concern assumption is inappropriate. These adjustments could have a material impact on the Company's condensed interim consolidated financial statements.

**d) Reclassifications**

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

**e) Significant Accounting Estimates and Judgements**

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

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



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

*Unaudited*

*(stated in Canadian dollars)*

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

**e) Significant Accounting Estimates and Judgements (continued)**

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

**3. Significant Accounting Policies**

All significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual consolidated financial statements. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as at the date the Board of Directors approved and authorized to issue these condensed interim consolidated financial statements.

**4. Accounts and Other Receivable**

Accounts and other receivable balance consists for the following:

	<b>May 31, 2017</b>	<b>November 30 2016</b>
	<b>\$</b>	<b>\$</b>
	<i>(unaudited)</i>	
Accounts receivable – Customers	16,192	4,460
Accounts receivable – Merchant	18,655	13,042
Accounts receivable – Related Party	12,100	-
GST receivable	82,831	49,050
Other receivables	1,735	1,023
	<b>131,513</b>	<b>67,575</b>

**5. Investment in Associate**

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

The license will have an initial term of 1 year and will be renewable for 50 additional 1 year periods at a renewal fee of \$10,000 per year. As consideration for the license, CannaPay is to pay the Company an initial fee of \$100,000 (paid) for initial design work, and a \$912,500 license fee, payable in one payment of \$100,000 in cash on May 31, 2017 (paid), a second payment of \$200,000 in cash due within 90 days of signing the license agreement, and a third payment of \$612,500 in cash or in common shares of CannaPay, due within 1 year of signing the license agreement. There is an exception that if CannaPay completes an initial public offering ("IPO") at a price per offered security of \$0.25 or higher, then CannaPay will issue to the Company, contemporaneously with closing the IPO at a price per security equal to the price per security under the IPO, as many voting shares in payment towards the \$612,500 fee as results in the Company's holding, in the aggregate, a maximum of 49% of CannaPay's issued and outstanding voting shares immediately after closing the IPO.

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

Unaudited

(stated in Canadian dollars)

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

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

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

On May 31, 2017, the Company and CannaPay closed the first tranche of the licence agreement through the payment by CannaPay of the initial development fee of \$100,000 and initial licence fee of \$100,000. In addition, the Company purchased 4,000,000 common shares of CannaPay at a price of \$0.05 per share, resulting in the Company holding a 48.8% interest in CannaPay.

At May 31, 2017, CannaPay recorded a net loss of \$127,533. The Company has incorporated its proportion of that loss into the Consolidated Statement of Operations and Comprehensive Loss.

**6. Computer Equipment**

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

	<b>Total</b>
	<b>\$</b>
Balance, November 30, 2016	111,001
Additions	16,260
Disposals	(493)
Amortization	(20,662)
<b>Balance, May 31, 2017</b>	<b>106,106</b>

**7. Intangible Assets**

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

	<b>Computer</b>	<b>Payment</b>	<b>Patent</b>	<b>Total</b>
	<b>Software</b>	<b>Processing</b>		<b>\$</b>
	<b>\$</b>	<b>Applications</b>	<b>\$</b>	
		<b>\$</b>		<b>\$</b>
Balance, November 30, 2016	493,244	26,667	5,292	525,203
Additions	-	-	6,211	6,211
Amortization	(92,483)	(5,000)	-	(97,483)
<b>Balance, May 31, 2017</b>	<b>400,761</b>	<b>21,667</b>	<b>11,503</b>	<b>433,931</b>

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

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

*Unaudited*

*(stated in Canadian dollars)*

**7. Intangible Assets (continued)**

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.

**8. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities consists of the following:

	<b>May 31, 2017</b>	<b>November 30, 2016</b>
	\$	\$
	<i>(unaudited)</i>	
Accounts payable	18,665	47,369
Accrued liabilities	21,968	11,323
Amounts due to related parties (Note 12)	52,452	54,963
Payroll liabilities	28,488	29,218
	<b>121,573</b>	<b>142,873</b>

**9. Revenue**

The breakdown of revenue for the six months ended May 31, 2017, is as follows:

	<b>May 31, 2017</b>	<b>May 31, 2016</b>
	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>
Licence fee	2,500	-
Application, development & service fees	121,591	-
Advertising & promotion	19,000	-
	<b>143,091</b>	<b>-</b>

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

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

\$100,000 was invoiced for 40 days of licensing at \$2,500 per day; the agreement commenced on May 31, 2017. The remaining \$97,500 has been recorded as deferred revenue and will be recognized as revenue in the next quarter.

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

*Unaudited*

*(stated in Canadian dollars)*

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**10. Share Capital**

*Common Shares:*

Authorized: unlimited number of common shares, without par value

- a) On December 30, 2016, the Company completed a private placement of 2,579,438 units at \$0.18 per unit for gross proceeds of \$464,298. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years. The agent was paid a commission of \$46,430, incurred legal expenses of \$6,946, and was issued 257,944 agent options. Each agent option vests immediately and entitles the holder to purchase a unit (the "Agent Unit") at \$0.18 per unit. Each Agent Unit consists of one common share and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years.
- b) On January 25, 2017, the Company completed a private placement of 565,111 units at \$0.18 per unit for gross proceeds of \$101,720. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years. The agent was paid a commission of \$10,172, incurred other expenses of \$1,643, and was issued 56,511 agent options. Each agent option vests immediately and entitles the holder to purchase a unit (the "Agent Unit") at \$0.18 per unit. Each Agent Unit consists of one common share and one-half of one share purchase warrant, with each full share warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years.
- c) On February 24, 2017, the Company completed a non-brokered private placement of 2,669,665 units at \$0.18 per unit for gross proceeds of \$480,539. Each unit consisted of one common share of the Company and one-half of one share purchase warrant, with each full share purchase warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a period of two years. The finders were paid a commission of \$15,263, and were issued 84,800 share purchase warrants exercisable at a price of \$0.18 per share for a period of one year.
- d) On February 28, 2017, the Company issued 269,722 common shares at \$0.24 per share for the conversion of outstanding debt of \$64,734 owing to officers and consultants of the Company.
- e) On March 3, 2017, the Company issued 423,958 common shares at \$0.24 per share for the conversion of outstanding debt of \$101,750 owed to the CEO and COO of the Company.
- f) On April 27, 2017, the Company closed its rights offering. Under the rights offering, 8,225,520 units of the Company were distributed at a price of \$0.20 per unit for gross proceeds to the Company of \$1,645,104. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on April 27, 2019. In accordance with the terms of the soliciting dealer agreement with Mackie Research Capital Corporation, with Leede Jones Gable Inc acting as co-lead, the soliciting dealers were paid a commission of \$164,510, incurred other expenses and fees of \$84,064, and were issued 1,572,552 soliciting dealer options exercisable, for a period of 24 months, to purchase units under the same terms as the units under the rights offering.
- g) On April 28, 2017, the Company completed a private placement of 850,000 units at \$0.20 per unit for gross proceeds of \$170,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on April 28, 2019.

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

Unaudited

(stated in Canadian dollars)

**10. Share Capital (continued)**

*Common Shares (continued):*

- h) On April 28, 2017, the Company issued 5,000 units at \$0.20 per unit for the conversion of outstanding debt of \$1,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on April 28, 2019.
- i) On May 1, 2017, the Company completed a private placement of 250,000 units at \$0.20 per unit for gross proceeds of \$50,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for the first six months and \$0.25 thereafter until the warrants expire on May 1, 2019.
- j) During the six months ended May 31, 2017, the Company incurred consulting, marketing, and professional fees of \$137,077, which will be settled in common shares of the Company.
- k) As at May 31, 2017, the Company had 39,672,000 (November 30, 2016 - 40,498,500) common shares which were held in escrow.

*Share Purchase Warrants:*

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2016	7,040,412	0.26
Issued pursuant to private placements	12,237,622	0.25
Issued as finders' warrants	84,800	0.18
<b>Outstanding, May 31, 2017</b>	<b>19,362,834</b>	<b>0.26</b>

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

Number of warrants outstanding	Exercise price \$	Expiry date
5,948,998	0.25	August 31, 2017
106,640*	0.15	August 31, 2018
16,666	0.25	September 6, 2018
968,108	0.33	November 29, 2018
1,289,716	0.33	December 30, 2018
282,555	0.33	January 25, 2019
1,334,831	0.33	February 24, 2019
84,800*	0.18	February 24, 2018
8,225,520**	0.23(A)	April 27, 2019
855,000	0.23(A)	April 28, 2019
250,000	0.23(A)	May 1, 2019
<b>19,362,834</b>		

**Glance Technologies Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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*Unaudited*

*(stated in Canadian dollars)*

**10. Share Capital (continued)**

Share Purchase Warrants (continued):

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

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

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

**11. Stock Options**

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of 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 six month period ended May 31, 2017, the Company granted 314,455 stock options to agents in relation to its private placements, with an exercise price of \$0.18 per common share of the Company. The Company also granted 1,572,552 stock options to agents in relation to its rights offering, with an exercise price of \$0.20 per common share of the Company. These options vested immediately with a term of two years.

A further 500,000 stock options were granted during the six month period, to consultants and a director, with exercise prices ranging from \$0.18 to \$0.25. All options have a term of five years and vest over various dates over the next 18 months. In accordance with the Company's stock option plan, options will terminate 90 days after a consultant or employee ceases to work for the Company. During the six month period ended May 31, 2017, a total of 72,000 stock options were cancelled due to termination of employee contracts or no services rendered for several months. During the six month period ended May 31, 2017, 25,000 stock options expired.

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

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Outstanding, November 30, 2016	5,718,821	0.16
Granted	2,387,007	0.20
Expired	(25,000)	0.15
Cancelled	(72,000)	0.15
<b>Outstanding, May 31, 2017</b>	<b>8,008,828</b>	<b>0.17</b>

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**11. Stock Options (continued)**

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

Range of exercise prices \$	Number of options outstanding	Number of options vested	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.10	150,000	90,000	3.42	0.10
0.15	4,823,200	3,315,700	3.74	0.15
0.18	608,076	558,076	2.11	0.18
0.20	1,672,552	1,597,552	2.08	0.20
0.25	300,000	-	4.78	0.25
0.28	455,000	187,500	4.34	0.28
	8,008,828	5,748,828	3.28	0.17

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

	2017	2016
Expected stock price volatility	96%	125%
Risk-free interest rate	1.28%	0.97%
Expected life of options (years)	2.51	5.00
Expected forfeiture rate	0%	0%

The weighted average fair value of options granted was \$0.11 (2016 - \$0.13) per option. During the six months ended May 31, 2017, the Company recognized stock options-based payment of \$204,662 (2016 - \$nil) for options granted to agents in connection with private placements.

In the same period, the Company recognized stock options-based payment of \$117,803 (2016 - \$216,445) for options previously granted to directors, officers, employees and consultants, which are unvested.

**12. Related Party Transactions**

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

	May 31, 2017 \$	May 31, 2016 \$
	<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration and fees	506,438	141,425
Share-based compensation	74,333	170,368
	<b>580,771</b>	<b>311,793</b>

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

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

- a) During the six months ended May 31, 2017, the Company incurred software, research, and development costs of \$53,165 (2016 - \$37,750), sales and marketing expense of \$4,854 (2016 - \$nil) and management fees of \$19,339 (2016 - \$11,750) to the CEO of the Company. The Company had an agreement with the CEO of the Company for fees of \$15,000 per month, of which \$5,000 per month is to be settled in common shares of the Company. From March 1, 2017, the CEO of the Company moved to salary and no longer receives common shares as part of his remuneration. As at May 31, 2017, the Company owed the CEO of the Company \$12,338 (November 30, 2016 - \$17,808), 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.
- b) During the six months ended May 31, 2017, the Company incurred software development and information technology expenses of \$63,482 (2016 - \$65,500) to the Chief Technical Officer (CTO) of the Company. As at May 31, 2017, the Company owed \$7,057 (November 30, 2016 - \$20,434) to the CTO and \$612 to a company controlled by the CTO of the Company, which has been included in accounts payable and accrued liabilities.
- c) During the six months ended May 31, 2017, the Company incurred sales and marketing expenses of \$60,000 (2016 - \$25,000) to the COO of the Company. The Company has an agreement with the COO of the Company for fees of \$10,000 per month, which were settled in common shares of the Company. From March 1, 2017, the COO was paid in cash. As at May 31, 2017, the Company owed the COO of the Company \$5,567 (November 30, 2016 - \$12,266), 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.
- d) The Company was party to a services agreement with a company owned by the COO of the Company for \$12,500 per month. During the six months ended May 31, 2017, the Company incurred accounting fees of \$4,500 (2016 - \$nil), marketing expense of \$3,000 (2016 - \$nil), and rent of \$40,000 (2016 - \$nil) to a company controlled by the COO of the Company, of which \$40,000 was settled in cash. This agreement was terminated on March 31, 2017.
- e) During the six months ended May 31, 2017, the Company incurred sales and marketing expenses of \$15,000 (2016 - \$5,900) to the Chief Marketing Officer (CMO) of the Company, and sales and marketing expenses of \$60,000 (2016 - \$20,000) to the company controlled by the CMO of the Company. As at May 31, 2017, the Company owed \$928 (2016 - \$nil) to the CMO of the Company for expense reimbursements, which is included in accounts payable and accrued liabilities. The amounts due are unsecured, non-interest bearing, due on demand, and to be settled in cash.
- f) During the six months ended May 31, 2017, the Company incurred office and miscellaneous expense of \$46,219 (2016 - \$nil) to the Chief Financial Officer (CFO) of the Company. As at May 31, 2017, the Company owed \$8,933 (November 30, 2016 - \$3,839) to the CFO of the Company, which has been included in accounts payable and accrued liabilities.
- g) During the six months ended May 31, 2017, the Company incurred sales and marketing expenses of \$77,311 (2016 - \$nil) to the Vice President of Business and Client Development. As at May 31, 2017, the Company owed \$16,820 (November 30, 2016 - \$5,722) to the Vice President of Business and Client Development for expense reimbursements, which is included in accounts payable and accrued liabilities. The amounts due are unsecured, non-interest bearing, due on demand, and to be settled in cash.



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

- h) During the six months ended May 31, 2017, the Company incurred sales and marketing expenses of \$21,000 (2016 - \$nil) to the Vice President of Restaurant Relations and Implementation. As at May 31, 2017, the Company owed \$242 (November 30, 2016 - \$1,567) to the Vice President of Restaurant Relations and Implementation, which has been included in accounts payable and accrued liabilities.
- i) During the six months ended May 31, 2017, the Company incurred \$38,568 (2016 - \$11,425) of sales and marketing expenses to the Vice President of Investor Relations. As at May 31, 2017, the Company owed \$567 (November 30, 2016 - \$4,496) to the Vice President of Investor Relations, which has been included in accounts payable and accrued liabilities.
- j) During the six months ended May 31, 2017, the Company incurred stock option-based payments of \$74,333 (2016 - \$170,368) to officers and directors of the Company.
- k) During the six months ended May 31, 2017, the Company was party to a services agreement with an associate and company controlled by the COO of the Company. During the six months ended May 31, 2017, the Company received licensing fee revenue of \$2,500 (2016 - \$nil) and development revenue of \$102,000. As at May 31, 2017, the Company was owed \$12,100 (2016 - \$nil), which has been included in accounts receivable.

**13. Operating Expenses**

Office and miscellaneous costs consist of the following:

	<b>Three months ended May 31, 2017</b>	<b>Three months ended May 31, 2016</b>	<b>Six months ended May 31, 2017</b>	<b>Six months ended May 31, 2016</b>
	\$	\$	\$	\$
Office expenses	55,617	21,575	138,534	23,127
Rent	19,271	16,787	49,271	21,074
Salaries	51,049	-	104,981	-
Travel	13,777	1,166	33,305	1,166
	<b>139,714</b>	<b>39,528</b>	<b>326,091</b>	<b>45,367</b>

Software development and information technology expenses consist of the following:

	<b>Three months ended May 31, 2017</b>	<b>Three months ended May 31, 2016</b>	<b>Six months ended May 31, 2017</b>	<b>Six months ended May 31, 2016</b>
	\$	\$	\$	\$
Computer expenses	23,377	-	39,653	-
Salaries and management fee	106,125	48,750	223,218	54,000
Software and development consultancy	-	48,093	-	101,574
	<b>129,502</b>	<b>96,843</b>	<b>262,871</b>	<b>155,574</b>

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**13. Operating Expenses (continued)**

Sales and marketing expenses consist of the following:

	<b>Three months ended May 31, 2017</b>	<b>Three months ended May 31, 2016</b>	<b>Six months ended May 31, 2017</b>	<b>Six months ended May 31, 2016</b>
	\$	\$	\$	\$
Salaries and management fee	120,272	-	231,466	-
Sales and marketing	266,480	48,450	461,918	51,485
Investor relations	140,595	-	279,163	-
Consulting	43,674	-	68,773	6,511
	<b>571,021</b>	<b>48,450</b>	<b>1,041,320</b>	<b>57,996</b>

Financing expenses consist of the following:

	<b>Three months ended May 31, 2017</b>	<b>Three months ended May 31, 2016</b>	<b>Six months ended May 31, 2017</b>	<b>Six months ended May 31, 2016</b>
	\$	\$	\$	\$
Interest and Bank Charges	-	-	456	-
Transfer agent fees	14,650	-	29,311	-
Financing costs	11,065	-	15,586	-
Consulting	276,469	-	276,469	-
	<b>302,184</b>	<b>-</b>	<b>321,822</b>	<b>-</b>

**14. Segmented Information**

The Company's business consists of one reportable segment and all of the Company's assets are located in Canada. During the period ended May 31, 2017, the Company's revenue recognized pertains to fees charged to a total of 76 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 is managed. At the end of the period, the Company entered into an agreement with CannaPay to licence its proprietary technology to them, generating a new stream of revenue. See Note 9 for the breakdown in revenue.

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**15. Commitments**

- a) On April 15, 2016, the Company appointed a Chief Marketing Officer of the Company and entered into a management agreement with the Chief Marketing Officer whereby the Chief Marketing Officer will provide services consistent with that position for monthly compensation of \$2,500, of which \$300 is payable in cash and \$2,150 is payable in common shares of the Company. Furthermore, the Company will pay a commission of \$200 for each new restaurant the Chief Marketing Officer signs up to use the Company's mobile payments app or trains to use the Company's mobile payments app, and \$25 for each new restaurant that a marketing representative signed up by the Chief Marketing Officer signs up to use the Company's mobile payments app. If the Company raises a minimum of \$3,000,000 in new equity financing, the Chief Marketing Officer may elect for the Company to pay any portion of the service fee in cash instead of compensation shares by providing written notice. If the Company raises a minimum of \$2,000,000 in new equity financing, the Chief Marketing Officer may elect for the Company to pay up to two-thirds of the service fee in cash instead of compensation shares by providing written notice. If the Company raises a minimum of \$1,000,000 in new equity financing, the Chief Marketing Officer may elect for the Company to pay up to one-third of the service fee in cash instead of compensation shares by providing written notice. The officer may terminate the agreement by providing 30 days written notice, while the Company may terminate the agreement by providing 3 months' written notice. On May 29, 2017, the contract with the Chief Marketing Officer was terminated and 3 months' written notice was provided.
- b) On April 15, 2016, the Company entered into a services agreement with ROMD Marketing and Design Inc. ("ROMD") for marketing and design services for monthly compensation of \$10,000, of which \$1,350 is payable in cash to ROMD's nominees and \$8,650 is payable to ROMD's nominees in common shares of the Company. If the Company raises a minimum of \$3,000,000 in new equity financing, ROMD may elect for the Company to pay any portion of the service fee in cash instead of common shares by providing written notice. If the Company raises a minimum of \$2,000,000 in new equity financing, ROMD may elect for the Company to pay up to two-thirds of the service fee in cash instead of common shares by providing written notice. If the Company raises a minimum of \$1,000,000 in new equity financing, ROMD may elect for the Company to pay up to one-third of the service fee in cash instead of common shares by providing written notice. The agreement is to be effective for a term of 12 months, and the officer and the Company may terminate the agreement by providing 3 months' written notice. The agreement, however, may not be terminated within the first six months following the effective date. On May 29, 2017, the contract with ROMD was terminated and 3 months' written notice was provided.
- c) On October 5, 2016, the Company entered into a consulting agreement with a consultant to assume the role of the Vice President of Restaurant Relations and Implementation. The consultant is to be compensated with a monthly fee of \$3,500, which is payable in the Company's common shares. The consultant has also received 400,000 incentive stock options as compensation, which are exercisable at a price of \$0.28 per share for a period of 5 years from the date of grant. 20% of the stock options vests upon grant date, and an additional 20% of the stock options vests every 6 months thereafter

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**16. Supplemental Cash Flow Information**

	<b>For the six months ended May 31, 2017 \$</b>	For the six months ended May 31, 2016 \$
<b>Non-cash investing and financing activities</b>		
Share purchase warrants issued as finder's fee	<b>11,790</b>	-
Special warrants issued to settle accounts payable	-	<b>10,000</b>
Stock options granted as finder's fee	<b>204,663</b>	-
<b>Supplemental disclosures:</b>		
Interest paid	-	-
Income taxes paid	-	-

**17. Subsequent Events**

- a) On June 16, 2017, the Company completed a private placement of 500,000 units at \$0.20 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one common share purchase warrant with each warrant exercisable into one common share at a price of \$0.23 per share for six months until the warrants expire on December 16, 2017.
- b) On June 20, 2017, the Company entered into a subscription agreement to purchase 4,000,000 units in CannaPay Financial Inc at \$0.005 per unit for gross proceeds of \$200,000. The Company had a 45.25% shareholding in CannaPay Financial Inc at this point, thus it continues to be recognised as an associate. As of July 6, 2017, the Company's shareholding was 43.33%.