

Glance Technologies Inc.

**Interim Management's Discussion and Analysis
Quarterly Highlights for Venture Issuers**

Period Ended 28 February, 2017

Prepared as of April 28, 2017



200-1238 Homer Street
Vancouver, B.C. V6B2Y5

Telephone: (888) 288-6044

General

The consolidated entity (referred to as “Glance”) presents the interim consolidated statements, including its wholly owned subsidiaries. This discussion and analysis provides an overview of the financial activities for the three months ended February 28, 2017. Since this information is designed to focus on the current year’s activities, resulting changes and currently known facts, it should be read in conjunction with the consolidated financial statements, which provide information about the activities of the Company as a whole and presents a longer-term view of the Company’s finances. All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards (IFRS) and in Canadian dollars. Additional information relating to the Company is available on SEDAR at www.SEDAR.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

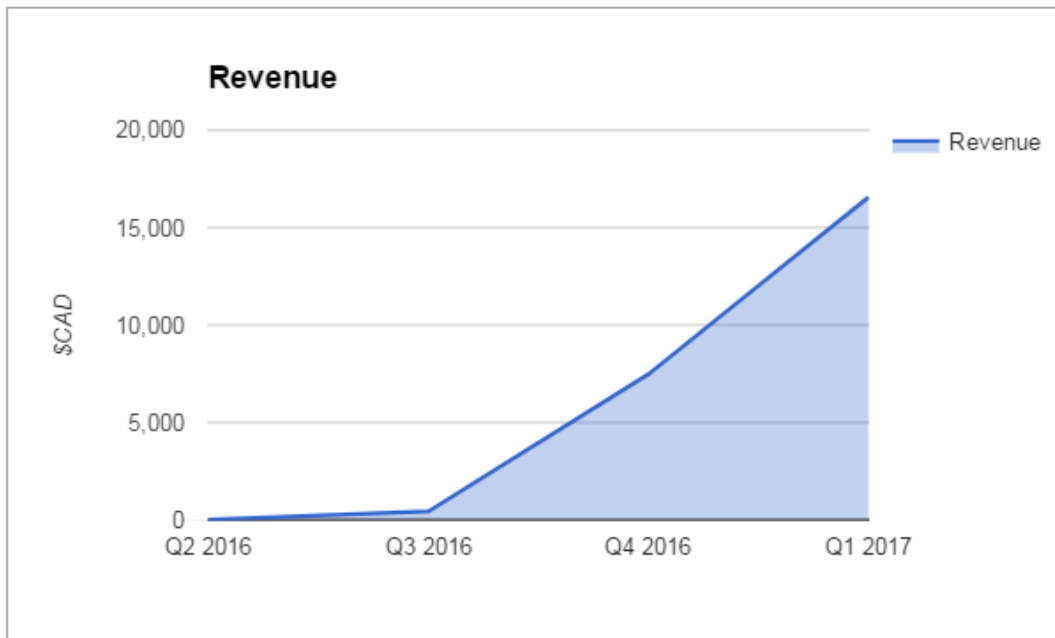
Overall Performance

The overall performance for the three month period ended February 28, 2017:

- Launched at 19 new restaurants (cumulative total 60 as at Feb. 28 2017)
- Acquired over 5,300 unique users (cumulative total 9,600 as at Feb. 28 2017)
- Expanded into new markets - Toronto, Ontario.

The business is in its initial growth phase and it was expected that there would be a loss for this period. Although the Company generated \$16,564 in revenue, it did not result in a positive cash flow. Management expects to continue launching its mobile application in many more Canadian restaurants. Glance Pay is now ready for use at restaurants and retail and can be found in Vancouver, Toronto, Edmonton, Victoria, Cranbrook and Chilliwack. The Company has developed a remote launch kit that allows a restaurant outside of Glance Pay’s launch regions to set up and have Glance Pay live in less than one hour.

The following graph shows the Company's growing revenue streams since inception.



The Company is increasing monthly revenue by continuously adding new restaurants and identifying additional revenue streams. Once a restaurant is launched on the Glance Pay mobile payment system, it provides recurring revenues to the Company. However, the Company expects some fluctuations in monthly revenue due to seasonality in the restaurant industry.

In Q1 2017, the Company intentionally slowed its growth to focus on more revenue producing innovations. The Company also changed its revenue model to begin charging monthly base service fees, as well as offering monthly fees for various other services and customer feedback.

In addition to this, Glance Technologies Inc is generating revenue through social media management packages, along with other marketing services. The restaurants are billed monthly and there is a notice provision in place, so revenue is recognized monthly as it is earned. Finally, the Company also has diversified its market space into the retail and services industry, showing its agility to serve more markets.

Glance Technologies Inc is projecting to generate revenue through takeout and delivery services, as well as order-ahead capabilities for the Company's restaurant partners. These are expected to launch in Q3 2017. Glance Technologies Inc is also projecting revenues from Glance Pay Anywhere; a new technology which enables Glance Pay merchant partners to send bills to customers anywhere, and securely receive remote payments from anywhere via the Glance Pay App.

Financial Position and Liquidity - Review of Financial Results

Prior to the launch of the Glance Pay app, the Company's main expenditure was on software and development costs, along with limited expenses including occupancy costs, office and administration. The Company became a reporting issuer after the final receipt from the BCSC of the Company's prospectus on August 4, 2016. The following table presents selected audited and unaudited financial information for each of the last eight quarters:

| | 2017 Q1 | 2016 Q4 | 2016 Q3 | 2016 Q2 |
|---|------------------|--------------------|------------------|------------------|
| Revenue | 16,564 | 7,576 | 429 | (0) |
| Depreciation | (58,161) | (53,130) | (17,063) | (621) |
| Finance expense | (19,638) | (23,789) | (0) | (0) |
| Management fees | (11,250) | (11,250) | (11,250) | (10,000) |
| Office and miscellaneous | (186,376) | (192,334) | (52,411) | (39,528) |
| Professional fees | (23,793) | (44,880) | (65,405) | (44,127) |
| Sales and marketing expenses | (470,299) | (430,880) | (186,104) | (73,450) |
| Software development and information technology | (133,369) | (137,855) | (103,898) | (78,093) |
| Stock option-based payments | (77,936) | (145,844) | (117,642) | (193,024) |
| Total Expenses | (980,822) | (1,039,962) | (553,773) | (438,843) |
| Gain on disposal of equipment | 0 | 0 | 266 | 0 |
| Gain on forgiveness of related party debt | 0 | 0 | 0 | 0 |
| Restructuring costs | 0 | 0 | 0 | 0 |
| Net Loss | (964,258) | (1,032,386) | (553,078) | (438,843) |
| Loss per share | (0.02) | (0.02) | (0.01) | (0.01) |
| Weighted average number of ordinary shares | 52,455,469 | 56,219,492 | 47,343,607 | 46,691,666 |

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 |
|--|------------------|-----------------|------------------|-----------------|
| Revenue | (0) | (0) | (0) | (0) |
| Depreciation | (407) | (0) | (0) | (0) |
| Finance expense | (0) | (0) | (0) | (0) |
| Management fees | (1,750) | (3,000) | (31,857) | (3,000) |
| Sales and marketing expenses | (9,546) | (20,000) | (111,000) | (0) |
| Office and miscellaneous | (5,839) | (7,999) | (10,288) | (1,810) |
| Professional fees | (26,144) | (22,614) | (4,035) | (0) |
| Research and development | (58,731) | (38,461) | (30,110) | (0) |
| Stock option-based payments | (23,421) | (5,197) | (0) | (21,362) |
| Total Expenses | (125,838) | (97,271) | (187,290) | (26,172) |
| Gain on disposal of equipment | 0 | 0 | 0 | 0 |
| Gain on forgiveness of related party debt | 0 | 2,027 | 0 | 0 |
| Restructuring costs | 0 | 0 | (213,719) | 0 |
| Net Loss | (125,838) | (95,244) | (401,009) | (26,172) |
| Loss per share | 0.00 | 0.00 | (0.01) | 0.00 |
| Weighted average number of ordinary shares | 46,691,666 | 32,317,813 | 31,995,380 | 30,364,615 |

The loss for the three-month period ended February 28, 2017 of \$964,258 was in contrast to \$125,838 for the three-month period ended February 29, 2016 (666% increase). There were a few causes for the increase in expenses during Q1 2017 compared to Q1 2016:

- Depreciation of equipment now in use accounted for \$58,161 in Q1 2017, whereas there was minor expenditure in the same period in the prior year (\$407). This is because equipment was put into use when restaurants launched towards the end of 2016, in addition to the amortization of the software.

- There was minimal marketing expenditure incurred (\$9,456) during the period ended February 29, 2016, as there was no product to sell. In the same three-month period in 2017, expenditure was \$470,299. 18% of this expenditure was on customer acquisition from the application and 24% was on wages, salaries and management fees. Marketing expenditure also includes sales representative commission (\$17k) and consultants (\$25k), as well as investor awareness campaigns (\$150k).
- Software development costs increased 127% (\$74,638) in Q1 2017 in contrast to Q1 2016. In the comparative period last year, the application was not ready for public use, unlike the current year where it needs consistent development, maintenance, etc., so the team has grown to accommodate this growth. Expenses in Q1 2017 also consist of subscriptions to multiple integration services. In the comparative period, there was steady, continuous development;
- Stock option-based payments increased by 233% (\$54,515) in Q1 2017, as 314,455 (2016: 225,000) options were granted and vested immediately in the three-month period ended February 28, 2017. In addition, there were several options granted in the last year which were not fully vested; an element of expense was incurred in the current period;
- Office expenditure increased 30,919% (\$180,537) due to additional resources required as the Company grew. This included wages and salary (\$53,932 in Q1 2017 compared to \$nil in Q1 2016), rent (\$30,000 in Q1 2017 compared to \$4,287 in Q1 2016) and travel (\$19,528 in Q1 2017, compared to \$nil in Q1 2016);
- Management fees increased 543% (\$9,500) in Q1 2017 as the Company became more active and required these services on an ongoing basis

Operating Activities

Cash used by operating activities during the period ended February 28, 2017, was \$852,035 (February 29, 2016 - \$130,706). The increase over the period relates to increased expenditure on marketing and office expenses, as well as wages and salaries. There were several payments made to vendors, consultants and employees before the end of the quarter, which impacted upon cash flow and meant less amounts owing at the period end. The Company's GST credit also increased 29% to \$63,314 in the three month period, which also had an impact in cash available.

Investing Activities

Cash used for investing activities during the period ended February 28, 2017, was \$15,640 (February 29, 2016 - \$1,225), due to the purchase of iPads for use in the restaurants.

Financing Activities

Net cash received from financing activities during the period ended February 28, 2017, was \$966,103 (February 29, 2016 - \$43,000), after financing costs. Please see Note 8 of the Company's Interim Financial Statements for more details on the transactions.

The Consolidated Statement of Financial Position

The following consolidated statement reports information about Glance as a whole and about its activities in a way that helps describe how Glance performed in the current period. This consolidated statement include all assets and liabilities using the accrual basis of accounting.

| ASSETS | February 28, 2017 \$ | November 30, 2016 \$ | Variance % |
|---|----------------------------|----------------------------|---------------|
| Current assets | | | |
| Cash | 459,345 | 360,917 | 27% |
| Accounts and other receivable | 91,537 | 67,575 | 35% |
| Prepaid expenses and deposits | 52,851 | 37,242 | 42% |
| Total current assets | 603,733 | 465,734 | 30% |
| Non-current assets | | | |
| Computer equipment | 117,222 | 111,001 | 15% |
| Intangible assets | 476,461 | 525,203 | -9% |
| Total non-current assets | 593,683 | 636,204 | -7% |
| Total assets | 1,197,416 | 1,101,938 | 9% |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 63,995 | 142,874 | -55% |
| Total liabilities | 63,995 | 142,874 | -55% |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 3,956,752 | 2,988,667 | 32% |
| Shares to be issued | 123,585 | 93,743 | 32% |
| Reserves – Options | 706,264 | 565,577 | 25% |
| Deficit | (3,653,180) | (2,688,923) | 36% |
| Total shareholders' equity | 1,133,421 | 959,064 | 18% |
| Total liabilities and shareholders' equity | 1,197,416 | 1,101,938 | 9% |

Total assets increased by 9% (\$1.2 million compared to \$1.1 million) over the three month period ended 28 February, 2017. This is largely due to private placements which took place in the period, generating almost \$1 million after financing costs.

At the end of February 2017, the Company had \$594k invested in a range of non-current assets, including computer equipment, software and the payment processing application. This amount represented an decrease of 7% in the three month period. Although computer equipment increased with the purchase of iPads, the overall decrease came about due to the amortization of the computer software over its useful life (3 years).

The accounts receivable increased due to amounts receivable for GST credits of \$63,314 (an increase of 29% in the three month period), as well as a \$16,999 (2016: \$nil) due from the credit card processor as part of the hold-back retainer required and restaurant transactions on 27/28 February. There is also \$9,711

(2016: \$nil) owed by the restaurants for service fees charged on the use of the Glance Pay mobile application.

The accounts payable and accrued liabilities decreased, as many vendors and consultants were paid before the end of the quarter. There were accrued payroll liabilities of \$19,220 (2016: \$29,218), payments due and accrued liabilities to vendors for work performed of \$29,544 (2016: \$58,692) and payments due to officers, directors and other related parties of \$23,157 (2016: \$54,963) for various consulting, marketing, commission and management costs, as well as expense reimbursements.

Options

The Company's stock option plan allows directors to authorize the issuance of options to Glance directors, officers, employees and consultants. The terms and vesting conditions of the granted stock options are at the discretion of the directors.

During the three month period ended February 28, 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. These options vested immediately with a term of two years. 174,167 previously granted stock options vested during the three months ended February 28, 2017. A further 1,632,500 remaining stock options will vest in their entirety between one and two years.

The remaining 650,000 stock options were granted pursuant to certain sales, marketing and design contracts, the vesting of which are dependent upon specific performance conditions (such as a target for the number of the restaurant sign-ups for the use of Glance's payment processing application). Glance expects these performance conditions and the related vesting of the stock options to be completed by the end of fiscal 2018.

The schedule of incentive stock options is detailed below:

| | Number of options | Weighted average exercise price \$ |
|---------------------------------------|----------------------|--|
| Outstanding, November 30, 2016 | 5,718,821 | 0.16 |
| Granted | 314,455 | 0.18 |
| Cancelled | (60,000) | 0.15 |
| Outstanding, February 28, 2017 | 5,973,276 | 0.15 |

| 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 | 3.67 | 0.10 |
| 0.15 | 4,860,200 | 2,990,200 | 3.73 | 0.15 |
| 0.18 | 508,076 | 508,076 | 1.81 | 0.18 |
| 0.28 | 455,000 | 80,000 | 4.60 | 0.28 |
| | 5,973,276 | 3,668,276 | 3.50 | 0.16 |

The weighted average fair value of options granted was \$0.146 (2016 - \$0.143) per option. During the three months ended February 28, 2017, the Company recognized stock options-based payment of \$50,961 (2016 - \$nil) for options granted to agents in connection with private placements. In the same period, the Company recognized stock options-based payment of \$77,935 (2016 - \$23,421) for options previously granted to directors, officers, employees and consultants, which are unvested.

Related Party Transactions

During the three month periods ended February 28, 2017 and February 29, 2016, compensation of key management personnel and related parties were as follows:

| | February 28, 2017 \$ | February 29, 2016 \$ |
|--------------------------|----------------------------|----------------------------|
| Remuneration and fees | 268,483 | 46,800 |
| Share-based compensation | 60,517 | 21,905 |
| | 329,000 | 68,705 |

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

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Subsequent Events

- From March 1 to April 27, 2017, Glance Pay has launched in 16 more locations (total 76). At the start of Q2 2017, Glance Pay launched in its first retail location. Glance Pay also launched its first restaurant in Victoria, BC.
- 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.
- On March 9, 2017, the Company entered into a one-year consulting agreement with an unrelated party for investor relations services. Per the agreement, the Company is to compensate the consultant through a monthly fee of \$3,000 plus taxes, and grant 300,000 stock options which are exercisable at a price of \$0.25 per share for a period of five years, of which 75,000 stock options will vest every 3 months, commencing on June 9, 2017.
- On March 16, 2017, the Company announced a rights offering to the holders of its common shares from March 29 until April 21, 2017, on the basis of one right for each common share of the Company held. Six rights will entitle the holder to subscribe for one unit of the Company at a price of \$0.20 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one common share for a period of 24 months from the issuance date of the units at a price of \$0.23 per share for the first six months and \$0.25 per share thereafter until the expiry date. The rights offering is backed with a \$1,000,000 guarantee of financing from a syndicate of Mackie Research Capital Corporation for \$700,000 and Leede Jones Gable Inc for \$300,000.
- On April 18, 2017, the Company issued 100,000 stock options to a director of the Company. Pursuant to the option agreement, 25% of the options vests on date of grant, and additional 25% grant every 3 months thereafter.
- 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.
- On April 28, 2017, the Company completed a private placement of 855,000 units at \$0.20 per unit for gross proceeds of \$171,000. 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 is generating revenue from monthly fees due to a reseller agreement with Global Payments Solutions.

Outstanding Share Data

The Company's authorized capital is an unlimited number of common shares without par value. The following table summarizes the outstanding share capital as of April 28, 2017:

Issued and outstanding common shares at April 28, 2017: **73,850,849**

Total Warrants outstanding at April 28, 2017, detailed below:

| Number of warrants outstanding | Exercise price \$ | Expiry date |
|--------------------------------|-------------------|-------------------|
| 5,948,998 | 0.25 | August 31, 2017 |
| 16,666 | 0.25 | September 6, 2017 |
| 106,640* | 0.15 | August 31, 2018 |
| 968,108 | 0.33 | November 29, 2018 |
| 1,289,716 | 0.33 | December 30, 2018 |
| 282,555 | 0.33 | January 25, 2019 |
| 1,334,831 | 0.33 | February 24, 2019 |
| 84,800* | 0.18 | February 24, 2018 |
| 8,225,520** | 0.23 | April 27, 2019 |
| 855,000** | 0.23 | April 28, 2019 |
| 19,112,834 | | |

*These warrants relate to agent warrants issued as finder's fees pursuant to a private placement.

All warrants are half warrants, meaning each is exercisable to purchase one half of one common share of the Company.

**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 in April, 2019

Total Options outstanding at April 28, 2017:

| | Number of options | Weighted average exercise price \$ |
|------------------------------------|-------------------|------------------------------------|
| Outstanding, February 28, 2017 | 5,973,276 | 0.16 |
| Granted | 400,000 | 0.21 |
| Cancelled | (12,000) | 0.15 |
| Outstanding, April 28, 2017 | 6,361,276 | 0.17 |

| 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 | 3.51 | 0.10 |
| 0.15 | 4,848,200 | 3,240,700 | 3.82 | 0.15 |
| 0.18 | 508,076 | 508,076 | 1.65 | 0.18 |
| 0.20 | 100,000 | 25,000 | 4.98 | 0.20 |
| 0.25 | 300,000 | 0 | 4.87 | 0.25 |
| 0.28 | 455,000 | 187,500 | 4.44 | 0.28 |
| | 6,361,276 | 4,051,276 | 3.75 | 0.17 |

Fully diluted at April 28, 2017:

99,324,959

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Approval

On April 28, 2017, the Board of Directors of Glance Technologies Inc. approved the disclosures contained in this MD&A.