

**NOTICE**

**RE: CONDENSED CONSOLIDATED INTERIM FINANCIALS STATEMENTS FOR  
THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017.**

The first quarter financial statements for the three months ended March 31, 2018 and 2017 have not been reviewed by the auditors of Greenbriar Capital Corp.

**GREENBRIAR CAPITAL CORP.**

*“Jeff Ciachurski”*

**JEFF CIACHURSKI**

Chief Financial Officer



## **Greenbriar Capital Corp.**

Condensed Consolidated Interim Financial Statements  
For Three Months Ended March 31, 2018 and 2017 (unaudited)  
(amount expressed in thousands of Canadian dollars, except where indicated)

# Greenbriar Capital Corp.

## Condensed Consolidated Interim Statements of Financial Position

As at March 31, 2018 and December 31, 2017

(amounts expressed in Canadian dollars, except where indicated - Unaudited)

	Note	As at March 31, 2018	As at December 31, 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 52,207	\$ 132
Deposits and prepaid expenses		11,963	3,136
Other receivables		36,167	34,533
Asset held for sale	4	743,894	713,743
		844,231	751,544
<b>Non-current assets</b>			
Land	4	743,895	713,743
Power project development and construction cost	5	2,607,412	2,495,113
Intangible assets	6	1,611,750	1,568,125
Smart glass distribution agreement	7	2,602,738	2,745,746
Total assets		\$ 8,410,026	\$ 8,274,271
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	\$ 4,025,922	\$ 4,047,826
Loans payable (current portion)	9	1,491,187	1,592,489
		5,517,109	5,640,315
<b>Non-current liabilities</b>			
Loans payable	9	217,586	211,697
Convertible debenture	10	315,063	310,435
Total liabilities		6,049,758	6,162,447
<b>Shareholders' equity</b>			
Share capital		9,030,771	8,278,156
Reserves		2,699,789	2,545,209
Accumulated other comprehensive income		586,272	458,435
Deficit		(9,956,564)	(9,169,976)
Total shareholders' equity		2,360,268	2,111,824
Total liabilities and shareholders' equity		\$ 8,410,026	\$ 8,274,271

*Nature of operations and going concern (note 1)*

*Commitments and contingencies (note 16)*

### Approved by the Board of Directors

\_\_\_\_\_  
"Jeff Ciachurski"

Director

\_\_\_\_\_  
"John Wardlow"

Director

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

# Greenbriar Capital Corp.

## Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For three months ended March 31, 2018 and 2017

(amounts expressed in Canadian dollars, except where indicated - Unaudited)

	Notes	Three Months Ended	
		March 31, 2018	March 31, 2017
<b>General and administration expenses</b>			
Consulting fees		\$ (312,487)	\$ (42,080)
General and administrative		(53,800)	(27,870)
Finance cost		(62,087)	(28,028)
Share-based compensation expense		(35,950)	-
Professional fees		(65,657)	(60,781)
		(529,981)	(158,759)
<b>Other (expenses) income, net</b>			
Foreign exchange gain (loss)		(113,599)	(26,868)
Finance income		-	5,654
Smart glass distribution agreement amortization		(143,008)	-
Share of loss of joint-venture	7	-	(5,957)
<b>Net (loss) income</b>		(786,588)	(185,930)
Income tax recovery – future		-	-
<b>Net (loss) income after tax</b>		(786,588)	(185,930)
<b>Other comprehensive (loss) gain (“OCI”)</b>			
Cumulative translation adjustment		127,837	5,668
<b>Total comprehensive loss</b>		(658,751)	(180,262)
<b>(Loss) income per share – basic and diluted</b>		\$ (0.05)	\$ (0.01)
<b>Weighted average shares outstanding – basic and diluted</b>		17,268,814	13,858,421
<b>Total shares issued and outstanding</b>		17,894,647	13,881,727

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

## Greenbriar Capital Corp.

### Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2018 and 2017

(amounts expressed in Canadian dollars, except where indicated - Unaudited)

	Notes	Shares	Share capital	Share based compensation reserves	Warrants reserves	Convertible debt reserves	Accumulated other comprehensive income	Deficit	Total equity
<b>Balance at January 1, 2018</b>		16,969,647	\$ 8,278,156	\$ 1,583,130	\$ 917,764	\$ 44,315	458,435	\$ (9,169,976)	\$ 2,111,824
Net loss for the period		-	-	-	-	-	-	(786,588)	(786,588)
Private placements	11	800,000	643,780	-	183,220	-	-	-	827,000
Share issuance cost	11	-	(68,470)	-	18,965	-	-	-	(49,505)
Options exercised		125,000	177,305	-	(83,555)	-	-	-	93,750
Cumulative translation adjustment		-	-	-	-	-	127,837	-	127,837
Share-based payment expense		-	-	35,950	-	-	-	-	35,950
<b>Balance at March 31, 2018</b>		17,894,647	\$ 9,030,771	\$ 1,619,080	\$ 1,036,394	\$ 44,315	\$ 586,272	\$ (9,956,564)	\$ 2,360,268

<b>Balance at January 1, 2017</b>		13,824,227	\$ 4,988,685	\$ 1,462,827	\$ 805,716	\$ 27,720	\$832,267	\$ (4,726,822)	\$ 3,390,393
Net loss for the period		-	-	-	-	-	-	(185,930)	(185,930)
Private placements	11	57,500	50,887	-	15,113	-	-	-	66,000
Share issued cost	11	-	(6,800)	-	-	-	-	-	(6,800)
Convertible debt issuance	10	-	-	-	-	16,609	-	-	16,609
Warrants issued as issuance cost on convertible debt	12	-	-	-	2,883	-	-	-	2,883
Cumulative translation adjustment		-	-	-	-	-	5,668	-	5,668
<b>Balance at March 31, 2017</b>		13,881,727	\$ 5,032,772	\$ 1,462,827	\$ 823,712	\$ 44,329	\$837,935	\$ (4,912,752)	\$ 3,288,823

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

## Greenbriar Capital Corp.

### Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2018 and 2017

(amounts expressed in Canadian dollars, except where indicated - Unaudited)

	Note	Three Months Ended	
		March 31, 2018	March 31, 2017
<b>Cash used from operating activities</b>			
Net loss for the period		\$ (786,588)	\$ (185,930)
Items not affecting cash			
Unrealized foreign exchange loss (gain)		44,404	(58,604)
Share-based compensation expense		35,950	-
Smart glass distribution agreement amortization	7	143,008	-
Accretion on convertible debt	10	4,628	3,801
		(558,598)	(240,733)
Change in non-cash operating working capital			
(Increase) decrease in accounts receivable and prepaid expense		(24,657)	24,394
Increase in accounts payable and accruals		130,244	(113,813)
		(453,011)	(330,152)
<b>Cash flows used in investing activities</b>			
Power project development and construction costs	5	(40,157)	(40,392)
		(40,157)	(40,392)
<b>Cash flows used in financing activities</b>			
Loans payable	9	(145,797)	(6,655)
Convertible bond net of transaction costs	10	-	111,367
Subscription received		-	200,000
Proceeds on options exercised		93,750	-
Share units issued, net of issuance costs	11	597,290	66,000
		545,243	370,712
<b>Decrease in cash and cash equivalents</b>		52,075	168
<b>Cash and cash equivalents – beginning of year</b>		132	(105)
<b>Cash and cash equivalents – end of period</b>		52,207	63

# Greenbriar Capital Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

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### 1 Nature of business and continuing operations

Greenbriar Capital Corp. (“Greenbriar” or the “Company”) is a developer of renewable energy and sustainable real estate projects.

Greenbriar was incorporated under British Columbia Business Corporations Act on April 2, 2009 and is a real estate issuer on TSX Venture Exchange. The Company registered records office is located at Suite 1780 – 400 Burrard, Vancouver, BC V6C 3A6. On October 6, 2011, the Company received approval from the TSX Venture Exchange approving its qualifying transaction and non-brokered private placement. The Company is listed as a Tier 2 real estate issuer and is no longer considered a Capital Pool Company. The Company’s shares trade on the exchange under the symbol “GRB”.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The nature of the Company’s primary business is the acquisition, management, development, and possible sale of real estate and renewable energy projects. The Company had a net loss of \$786,588 for the period ended March 31, 2018, and an accumulated deficit of \$9,956,564. As at March 31, 2018, the Company has a working capital deficiency of \$4,672,878. To date, the Company has no history of earning revenues. If the Company is unable to raise any additional funds to undertake planned development, it could have a material adverse effect on its financial condition and cause significant doubt about the Company’s ability to continue as a going concern. If the going concern basis were not appropriate for these consolidated financial statements, then significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the classifications used in the statement of financial position.

### 2 Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2017.

The Company’s management makes judgments in its process of applying the Company’s accounting policies in the preparation of its unaudited interim condensed consolidated financial statements. In addition, the preparation of the financial data requires that the Company’s management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company’s unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended December 31, 2017. In addition, other than noted below, the accounting policies applied in these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended December 31, 2016. The Company’s interim results are not necessarily indicative of its results for a full year.

The Company’s interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on May 29, 2018

#### *New Accounting Standards Issued But Not Yet Effective*

##### *IFRS 16 – Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee. The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a “right-of-use asset” for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted, but only in conjunction with IFRS 15.

# Greenbriar Capital Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

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The Company has not yet completed the process of assessing the impact of IFRS 16 will have on its consolidated financial statements, or whether to early adopt this new requirement.

### *New Accounting Standards Adopted during the period*

#### *IFRS 9 – Financial Instruments (“IFRS 9”)*

In July 2014, the IASB issued the final version of IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity’s business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard was adopted on January 1, 2018 and had no impact on the Company’s financial statements.

#### *IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”)*

In May 2014, IASB issued IFRS 15 to replace IAS 18 – Revenue, which establishes a new single five-step control-based revenue recognition model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The amended standard was adopted on January 1, 2018 and did not have an impact on the financial statements.

### **3 Significant accounting estimates and judgments**

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

Areas that often require significant management estimates and judgment are as follows:

#### **Share-based payments**

Amounts recorded for share-based payments are subject to the inputs used in the Black-Scholes option pricing model, including assumptions such as volatility, forfeiture, dividend yield and expected option life.

#### **Tax**

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.



# Greenbriar Capital Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

### Functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates. The Company's functional and local currency is the Canadian dollar. The functional currency of the Company's subsidiaries is the US dollar. The determination of functional currency may require certain judgments to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

### Assets' carrying values and impairment charges

In determining carrying values and impairment charges the Company looks at recoverable amounts, defined as the higher of value in use or fair value less cost to sell in the case of assets, and at objective evidence that identifies significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

### Value of assets acquired

On September 25, 2017, the Company completed the acquisition of an Ontario based private company which holds the exclusive Canadian sales, distribution and marketing rights for the entire suite of Smart Glass energy products, developed and built by Gauzy of Tel-Aviv, Israel. As the value of the distribution agreement cannot be reliably measured the value assigned to the distribution agreement is equal to the value of the shares issued as consideration.

## 4 Land

The Company owns land in Tehachapi, California, USA, (the "Property") which it acquired in 2011 for US \$1,040,000.

The Company's land consists of the following:

	March 31, 2018	December 31, 2017
Land acquisition	\$ 1,340,976	\$ 1,304,680
Property taxes	113,600	90,492
Land development	13,126	12,771
Land appraisal & related fees	20,087	19,543
	\$ 1,487,789	\$ 1,427,486
Amount classified as asset held for sale <sup>(1)</sup>	743,894	713,743
	\$ 743,895	\$ 713,743

The unrealized foreign exchange translation loss for the year ended March 31, 2018 was \$40,270 (2017 - \$13,170 unrealized foreign exchange translation loss).

- (1) On October 1, 2017, the Company entered into a sale agreement with Captiva Verde Land Corp. ("Captiva") to sell a 50% undivided interest in the property. The sale represents a non-arm's length transaction as the Chief Executive Officer of the Company, Jeffrey Ciachurski, is also the Chief Executive Officer of Captiva. The sale price for the 50% undivided interest is \$2,250,000, divided into \$112,500 one-year interest-free promissory note and 10,687,500 common shares of the Captiva. The transaction is expected to close within the next twelve months.

## Greenbriar Capital Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

## 5 Power project development and construction costs

	March 31, 2018	December 31, 2017
Opening balance	\$ 2,495,113	\$ 2,279,008
Additions	42,886	365,810
Foreign exchange unrealized	69,413	(149,705)
Ending balance	\$ 2,607,412	\$ 2,495,113

In April 2013, the Company entered into a 50/50 arrangement, AG Solar with Alterra Power Corp (“Alterra”) (the “Arrangement”). The Arrangement was created to develop 100 Megawatts (“MW’s”) of solar generation capacity in Puerto Rico under a Master Renewable Power Purchasing and Operating Agreement (“PPOA”), dated December 20, 2011, and amended on March 16, 2012 (the “Master Agreement”), with Puerto Rico Electric Power Authority (“PREPA”) which the partnership through its wholly owned subsidiary, PBJL Energy Corporation, currently has rights to. On September 12, 2014, the Company acquired Alterra’s 50% interest in AG Solar.

The Montalva and Lajas Farm Option Agreements, as outlined below, provide for a land lease with a term of twenty-five years and may be extended for up to four additional consecutive periods of five years each, at the Company’s option. In total the option agreements provide for a total of 1,590 acres for the construction and operation of a 100 MW AC solar photovoltaic electric generating facility (“Solar Facility”).

The Company entered into a one-year option agreement dated September 9, 2013, which gives the Company the exclusive right and option to lease up to a 775 acre site in Puerto Rico (the “Montalva Option Agreement”). Upon execution of the Montalva Option Agreement, the Company paid US \$50,000.

The Lajas Farm option agreement is comprised of three separate lease agreements. On December 1, 2013, the Company entered into a three-year option agreement with renewal options for up to two additional years, which gives the Company the exclusive right and option to lease an additional 161 acre site in Puerto Rico for the Solar Facility (“Original Lajas Farm Option”). Upon execution of the option agreement, the Company paid US \$35,000 and was required to pay after the first year, an additional \$10,000 every four months. On January 1, 2014, the Company entered into two additional option agreements for five years each (the “Secondary Lajas Farm Option”), which gives the Company the exclusive right and option to lease up to a total of 654 additional acres in Lajas, Puerto Rico to further expand the Solar Facility. Upon execution of the option agreements, the Company paid US \$25,000 and US \$10,000 and is required to pay after the first year, an additional US \$8,500 and US \$3,500 respectively, in advance each successive four-month period for the next four years.

During the period ended March 31 2018, the Company paid \$40,157 (US\$31,000) for the Montalva and Lajas option agreements. In fiscal 2017, the Company entered into an amendment where the Company has agreed to pay US \$80,000 to cover all past and future option payments. As a result, the Company recorded a gain of \$187,971 (US \$145,000).

Under the terms of the Master Agreement, the Company filed its 100 MW AC Montalva Solar Project with PREPA on September 5, 2013, requesting an interconnection evaluation and issuance of a project specific PPOA for Montalva. After numerous delays by PREPA and failed attempts by the Company through emails and correspondence to PREPA requesting the interconnection evaluation and issuance of a project specific PPOA for Montalva, the Company filed a Notice of Default under the Master Agreement with PREPA on September 24, 2014. PREPA responded to the Notice of Default on November 3, 2014, taking the position that it had other PPOAs issued that would exceed its system renewable capacity and could not accept any additional renewable projects and further had met its obligations under the Master Agreement.

On May 15, 2015, the Company, filed a legal action against PREPA in the courts of Puerto Rico in order to protect and enforce its rights under the Master Agreement. On September 9, 2016, the Superior Court of Puerto Rico denied an application by PREPA to have the case for contractual enforcement and damages dismissed. The Company may now proceed to have the court enforce the agreement, or in lieu of enforcement, direct PREPA to pay USD \$210 Million in monetary damages, or both.

## Greenbriar Capital Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

Included in the power project development and construction costs balance for AG Solar are costs related to environmental assessments and land lease option payments.

## 6 Intangible assets

	March 31, 2018	December 31, 2017
Opening balance	\$ 1,568,125	\$ 1,678,375
Foreign exchange unrealized	43,625	(110,250)
Ending balance	\$ 1,611,750	\$ 1,568,125

On July 12, 2013, the Company signed a Membership Interest Purchase and Sale Agreement (“MIPSA”) with Magma Energy (U.S.) Corp. (“Magma”), a subsidiary of Alterra, and amended on October 11, 2013 whereby the Company will purchase from Alterra its 50% interest in and to the shares of AG Solar. The consideration was US \$1.25 Million. The Company completed the MIPSA on September 12, 2014 (the “Acquisition Date”), the Company now owns 100% of AG Solar and the option to acquire joint venture interest of \$1,450,000 was transferred to intangibles as it is related to the purchase of the Master Agreement (note 5).

## 7 Smart glass distribution agreement

On September 25, 2017, the Company completed the acquisition of an Ontario based private company which holds the exclusive Canadian sales, distribution and marketing rights for the entire suite of Smart Glass energy products, developed and built by Gauzy of Tel-Aviv, Israel.

In addition, Greenbriar will be entitled to sell the entire suite of products into any other country of the world if the sales are being made to a subsidiary of an entity which has its principal place of business or head office located within Canada. As the value of the distribution agreement cannot be reliably measured the value assigned to the distribution agreement is equal to the value of the shares issued as consideration.

As consideration for the acquisition, the Company issued 2,500,000 common shares.

The purchase price allocation is summarized as follows:

2,500,000 common shares of the Company at \$1.15 per share	\$ 2,875,000
Transaction costs	24,876
<b>Total consideration</b>	<b>2,899,876</b>
Amortization	(154,130)
<b>Balance, December 31, 2017</b>	<b>2,745,746</b>
Amortization	(143,008)
<b>Balance, March 31, 2018</b>	<b>\$ 2,602,738</b>

The distribution agreement is amortized over 5 years which is the estimated life of the distributions rights.

## Greenbriar Capital Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

## 8 Accounts payable and accrued liabilities

	March 31, 2018	December 31, 2017
Project related accounts payables (i)	\$ 2,631,521	\$ 2,581,866
Other accounts payable (ii)	406,996	455,713
Accrued liabilities (ii)	987,405	1,010,247
Total accounts payable and accrued liabilities	\$ 4,025,922	\$ 4,047,826

- (i) Total project related accounts payable include costs for the AG Solar and Blue Mountain projects. At March 31, 2018, \$1.4 million is payable for initial construction of the Blue Mountain project (December 31, 2017 - \$1.4 million), \$381,265 is payable for legal fees related to Blue Mountain and AG Solar (December 31, 2017 - \$402,515), \$143,734 (December 31, 2017 - \$139,844) is payable for environmental assessments for Blue Mountain and the remainder \$650,609 to various vendors related to the two projects (December 31, 2017 - \$623,001).
- (ii) Other accounts payable and accrued liabilities include costs related to the Company and not to the AG Solar or Blue Mountain projects.

## 9 Loan payable

	March 31, 2018	December 31, 2017
Shareholder loans (i)	\$ 128,940	\$ 125,450
Director loans (i)	576,217	562,516
Initial & secondary loans (iii)	1,003,616	1,116,220
	1,708,773	1,804,186
Less: current portion	(1,491,187)	(1,592,489)
Loan payable, non-current	\$ 217,586	\$ 211,697

- (i) In September 2014, the Company received two loans totaling \$131,170 (US \$100,000) from an independent shareholder. Both loans bear interest of 10% per annum, compounded monthly and were repayable on February 25, 2015. The Company is currently renegotiating the repayment term.
- (ii) As at March 31, 2018, the Company had outstanding loans from directors of \$576,217 (December 31, 2017 - \$562,516). The loans bear interest of between 10% and 12% per annum and are repayable at varying terms from on demand to January 2017. Any loan past repayment date is now due on demand other than \$217,586 payable to a director of the Company related to past services which is payable on October 18, 2019. During the period ended March 31, 2018, \$nil was repaid on the loans (2017 - \$nil).
- (iii) As at March 31, 2018, the Company had outstanding loans from the CEO and the CEO's spouse of \$1,003,616 (December 31, 2017 - \$1,116,220). The loans bear interest of between 10% and 12% per annum and are repayable at varying terms from on-demand to November 2016. Any loan past repayment date is now due on demand. During the period ended March 31, 2018, \$145,797 was repaid on the loans (2017 - \$6,655).

## 10 Convertible debenture

On November 21, 2016, the Company issued two convertible debentures in the aggregate amount of \$225,000. The debenture has a maturity term of 3 years from the date of issuance, and bears interest at a rate of 8% per annum compounded semi-annually. The debenture holder can convert the outstanding principal amount into units of the Company at a price of CAD\$1.00 per unit. Each unit shall be

## Greenbriar Capital Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(amount expressed in Canadian dollars, except where indicated – Unaudited)

comprised of one common share of the Company and one half of one common share purchase warrant entitling the holder to acquire an additional common share at the price of CAD\$1.50 on or prior to November 21, 2019.

Based on the discount factor of 13.5% over the Debenture's term of three years, the equity portion was valued at \$27,720. Accretion for the debenture for the period ended March 31, 2018 was \$2,414 (2017 – \$2,126). Interest accrued for the period ended March 31, 2018 was \$4,438 (2017 – \$4,438). As at March 31, 2018, the total accrued interest related to the debenture was \$24,411 (December 31, 2017 - \$19,973) and was included in account payables and accrued liabilities.

	March 31, 2018	December 31, 2017
Opening balance	\$ 210,904	\$ 202,281
Accretion	2,414	8,623
Ending balance	\$ 213,318	\$ 210,904

On January 13, 2017, the Company issued convertible debentures in the aggregate amount of \$125,000. The debenture has a maturity term of 3 years from the date of issuance and bears interest at a rate of 8% per annum compounded semi-annually. The debenture holder can convert the outstanding principal amount into units of the Company at a price of CAD\$1.00 per unit. Each unit shall be comprised of one common share of the Company and one half of one common share purchase warrant entitling the holder to acquire an additional common share at the price of CAD\$1.50 on or prior to January 13, 2020.

Based on the discount factor of 13.5% over the Debenture's term of three years, the equity portion was valued at \$16,595. Accretion for the debenture for the period ended March 31, 2018 was \$2,214 (2017 – \$1,675). Interest for the debenture for the period ended March 31, 2018 was \$2,466 (2016 – \$2,110). As at March 31, 2018, total interest accrued was \$12,110 (December 31, 2017 - \$9,644) and was included in account payables and accrued liabilities.

	March 31, 2018	December 31, 2017
Opening balance	\$ 99,531	\$ -
Principle issued	-	125,000
Equity portion	-	(16,595)
Capitalized transaction costs	-	(16,533)
Accretion	2,214	7,659
Ending balance	\$ 101,745	\$ 99,531

## 11 Share capital

### a) Authorized and outstanding

As at March 31, 2018, the Company had unlimited authorized common shares without par value and 17,894,647 common issued and outstanding (December 31, 2017 – 16,969,647).

### b) Private placement

- On March 2, 2018, the Company announced that it closed a non-brokered private placement, the Company issued 757,142 units at a price of \$1.03 per unit and 42,858 units at a price of \$1.10 per unit, for a total of 800,000 units and gross proceeds of \$643,780 and \$183,220 in reduction of accounts payable. Each unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$1.50 until March 1, 2020. Finders' fees of \$49,505 were paid in cash and 32,230 share purchase units were issued. Each unit has an exercise price of \$1.03 until March 1, 2020. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common of the Company at a price of \$1.50 per unit until March 1, 2020.

## Greenbriar Capital Corp.

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- On February 6, 2017, the Company closed a private placement and issued 50,000 units at a price of \$1.20 per unit for gross proceeds of \$60,000. Each unit is comprised of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$1.50 per unit until February 3, 2022. The Company incurred legal fees of \$6,800 and issued 3,000 common shares which was recorded as share issuance costs and recorded as a reduction of share capital.
- On April 6, 2017, the Company closed a private placement and issued 492,420 units at a price of \$0.80 per unit for gross proceeds of \$206,000 and \$187,936 in reduction of accounts payable. Each unit is comprised of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$1.20 per unit until April 7, 2022.
- On June 14, 2017, the Company issued 100,000 common shares to a consultant at a price of \$0.80 per share. The shares are subject to a hold period expiring October 9, 2017 pursuant to securities laws and to a voluntary hold period expiring December 9, 2017.
- On September 25, 2017, the Company closed the acquisition of an Ontario based private company which holds the exclusive Canadian sales, distribution and marketing rights for the entire suite of game changing Smart Glass energy products, developed and built by Gauzy of Tel-Aviv, Israel. The company issued 2,500,000 common shares at a deemed value of \$1.15 per share for a deemed value of CAD\$2,875,000 to shareholders of the Target. There is a six (6) month mandatory hold period for the shares.

#### c) Stock options

The Company has a stock option plan (the “Plan”) to issue up to and not to exceed 10% of the issued and outstanding common shares. Under the Plan, each option entitles the holder to acquire one common share at its exercise price.

Total share options granted during the period ended March 31, 2018 were nil (2017 – nil). Total share-based payment expense recognized for the fair value of share options granted and vested during the period ended March 31, 2018 was \$35,950 (2017 - \$nil).

A summary of stock option information as at March 31, 2018 and December 31, 2016 is as follows:

	March 31, 2018		December 31, 2017	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding – beginning of year	1,100,000	\$ 1.49	850,000	\$ 1.58
Granted	-	-	250,000	1.20
Exercised/Expired	(125,000)	0.75	-	-
Outstanding – end of period	975,000	\$ 1.59	1,100,000	\$ 1.49

The following table discloses the number of options and vested options outstanding as at March 31, 2018:

Number of options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Number of options Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life (years)
350,000	0.85	3.96	350,000	0.85	3.96
250,000	1.20	4.64	62,500	1.20	4.64
125,000	2.60	0.57	125,000	2.60	0.57
250,000	2.50	0.83	250,000	2.50	0.83
<b>975,000</b>	<b>\$1.59</b>	<b>2.65</b>	<b>787,500</b>	<b>\$1.68</b>	<b>2.24</b>

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The following table discloses the number of options and vested options outstanding as at December 31, 2017:

Number of options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Number of options Outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life (years)
125,000	0.75	0.13	125,000	0.75	0.13
350,000	0.85	3.96	350,000	0.85	3.96
250,000	1.20	4.64	62,500	1.20	4.64
125,000	2.60	0.57	125,000	2.60	0.57
250,000	2.50	0.83	250,000	2.50	0.83
<b>1,100,000</b>	<b>\$1.49</b>	<b>2.58</b>	<b>912,500</b>	<b>\$1.55</b>	<b>2.16</b>

#### d) Warrants

The following table discloses the number of warrants outstanding as at:

	March 31, 2018	December 31, 2017
Outstanding – beginning of year	1,963,460	1,688,500
Granted	432,230	274,960
Exercised/Expired	-	-
Outstanding – end of period	2,395,690	1,963,460

Outstanding warrants	Expiry Date	Exercise price
684,000	September 12, 2019	\$2.00
102,500	May 4, 2020	\$1.75
202,000	November 25, 2020	\$1.75
3,750	January 13, 2020	\$1.50
400,000	February 21, 2021	\$0.60
300,000	April 21, 2021	\$0.60
25,000	February 3, 2022	\$1.50
246,210	April 22, 2022	\$1.20
32,230	March 1, 2022	\$1.03
400,000	March 1, 2022	\$1.50
2,395,690		

On March 2, 2018, the Company announced that it closed a non-brokered private placement, the Company issued 757,142 units at a price of \$1.03 per unit and 42,858 units at a price of \$1.10 per unit, for a total of 800,000 units and gross proceeds of \$643,780 and \$183,220 in reduction of accounts payable. Each unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$1.50 until March 1, 2020. Finders' fees of \$49,505 were paid in cash and 32,230 share purchase units were issued. Each unit has an exercise price of \$1.03 until March 1,

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2020. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common of the Company at a price of \$1.50 per unit until March 1, 2020. The fair value of these warrants at the date of grant was estimated at \$183,220 using the proportionate allocation method. The warrants for this method were valued using the Black-Scholes option pricing model with the following assumptions: a 2 year expected average life; 91% volatility; risk-free interest rate of 1.77%; and a dividend yield of 0%. The fair value of the finder's warrants at the date of grant was estimated at \$18,965 using the Black-Scholes method with the following assumptions: a 2 year expected average life; 91% volatility; risk-free interest rate of 1.77%; and a dividend yield of 0%.

On February 6, 2017, the Company closed the private placement issued 50,000 units at a price of \$1.20 per unit for gross proceeds of \$60,000. Each unit is comprised of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$1.50 per unit until February 3, 2022. A finder's fee was paid to PI Financial Corp comprised of 3,000 shares. The fair value of these warrants at the date of grant was estimated at \$15,113 using the proportionate allocation method. The warrants for this method were valued using the Black-Scholes option pricing model with the following assumptions: a 5 year expected average life; 89% volatility; risk-free interest rate of 1.07%; and a dividend yield of 0%.

On April 6, 2017, the Company closed a private placement and issued 492,420 units at a price of \$0.80 per unit for gross proceeds of \$206,000 and \$187,936 in reduction of accounts payable. Each unit is comprised of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$1.20 per unit until April 7, 2022. The fair value of these warrants at the date of grant was estimated at \$94,052 using the proportionate allocation method. The warrants for this method were valued using the Black-Scholes option pricing model with the following assumptions: a 5 year expected average life; 90% volatility; risk-free interest rate of 1.12%; and a dividend yield of 0%.

On January 13, 2017, the Company issued 3,750 warrants as part of the transaction costs for the convertible debt. Each warrant entitles the holder to acquire one additional common share at a price of \$1.50 per unit until January 13, 2020. The fair value of these warrants at the date of grant was estimated at \$2,883 using the Black-Scholes option pricing model with the following assumptions: a 3 year expected average life; 89% volatility; risk-free interest rate of 1.13%; and a dividend yield of 0%.

## 12 Financial instruments

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

### Categories of financial instrument

	March 31, 2018		December 31, 2017	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<b>Financial assets</b>				
<i>Fair value through profit and loss ("FVTPL")</i>				
Cash	52,207	52,207	132	132
<b>Financial liabilities</b>				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	4,025,922	4,025,922	4,047,826	4,047,826
Convertible debt	315,063	315,063	310,435	310,435
Loan payable and long-term loan payable	1,491,187	1,491,187	1,592,489	1,592,489
Long term obligation	217,586	217,586	211,697	211,697

### Fair value

Financial instruments measured at fair value are grouped into Level 1 to 3 based on the degree to which fair value is observable:



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Level 1 – quoted prices in active markets for identical securities

Level 2 – significant observable inputs other than quoted prices included in Level 1

Level 3 – significant unobservable inputs

The Company did not move any instruments between levels of the fair value hierarchy during the period ended March 31, 2018 and December 31, 2017.

Financial instruments consist of cash, deposits and prepaid expenses, interest receivable, accounts payable, accrued interest, accrued liabilities, and loans payable. The fair values of all financial instruments are considered to approximate their carrying values due to their short-term nature.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rates through the interest earned on cash balances, deposits, and loans; however, management does not believe this exposure is significant.

### Credit Risk

The Company is exposed to credit risk through its cash, which is held in large Canadian financial institutions with high credit rating, deposits and other receivables. The Company believes the credit risk is insignificant. The Company's exposure is limited to amounts reported within the statement of financial position.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. In order to meet its financial obligations, the Company will need to generate cash flow from the sale or otherwise disposition of property or raise additional funds. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating commitments:

	Less than 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 4,025,922	\$ -	\$ 4,025,922
Loan payables	1,491,187	217,586	1,708,773
Convertible debt	-	315,063	315,063
Total	\$ 5,517,109	\$ 532,649	\$ 6,049,758

### Foreign Exchange Risk

The Company operates in Canada and the United States and is exposed to foreign exchange risk arising from transactions denominated in foreign currencies.

The operating results and the financial position of the Company are reported in Canadian dollars. Fluctuations of the operating currencies in relation to the Canadian dollar will have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

The Company's financial assets and liabilities as at March 31, 2018 are denominated in Canadian Dollars and United States Dollars and are set out in the following table:

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	Canadian Dollars	US Dollars	Total
<b>Financial assets</b>			
Cash	\$ 51,458	\$ 749	\$ 52,207
	51,458	749	52,207
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	(1,251,962)	(2,773,960)	(4,025,922)
Loan payable	(536,067)	(1,172,706)	(1,708,773)
Net financial liabilities	\$ (1,736,571)	\$ (3,945,917)	\$ (5,682,488)

The Company's financial assets and liabilities as at December 31, 2017 are denominated in Canadian Dollars and United States Dollars and are set out in the following table:

	Canadian Dollars	US Dollars	Total
<b>Financial assets</b>			
Cash	\$ 79	\$ 53	\$ 132
	79	53	132
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	(1,319,654)	(2,728,172)	(4,047,826)
Loan payable	(663,221)	(1,140,965)	(1,804,186)
Net financial liabilities	\$ (1,982,796)	\$ (3,869,084)	\$ (5,851,880)

The Company's reported results will be affected by changes in the US dollar to Canadian dollar exchange rate. As of March 31, 2018, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial assets by approximately \$3,946 (December 31, 2017 - \$3,869). A 10% depreciation of the US Dollar relative to the Canadian dollar would have had the equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

## 13 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The primary use of capital will be used for the development of its properties and acquisitions.

The Company considers the items included in short-term loans and shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. During the period ended March 31, 2018, there has been no change in the Company's management of capital policies.

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## 14 Segment disclosures

The Company is primarily involved in the acquisition and development of wind and solar energy farms in the United States and renewable energy projects in Canada and has determined that its reportable operating segment is based on the fact that the Company's projects have the same economic characteristics and represent the manner in which the Company's chief decision maker views and evaluates the Company's business.

The Company currently has two geographic segments: Canada and the United States of America ("USA"). The head office operates in Canada and the Company's long-term assets are in the USA.

The Company has one reportable operating segment.

	Canada	USA	Total
<b>As at March 31, 2018</b>			
Total assets	\$ 2,715,002	\$ 5,695,024	\$ 8,410,026
Non-current assets	2,614,701	4,951,094	7,565,795
<b>As at December 31, 2017</b>			
Total assets	\$ 2,783,608	\$ 5,490,663	\$ 8,274,271
Non-current assets	2,745,746	4,776,981	7,522,727

	Canada	USA	Total
<b>Three months ended March 31, 2018</b>			
Operating loss	(763,985)	(22,603)	(786,588)
Loss for the period	(763,985)	(22,603)	(786,588)
<b>Three months ended March 31, 2017</b>			
Operating loss	(191,414)	(170)	(191,584)
Interest income	5,654	-	5,654
Loss for the period	(185,760)	(170)	(185,930)

## 15 Related party transactions

Key management includes directors and officers of the Company. In addition to related party transactions described in Note 9, the Company had the following expenses paid to key management:

The Company incurred the following expenses with related parties during three months ended March 31, are as follows:

	2018	2017
Management fees	\$ 48,412	\$ 27,955
Total	48,412	27,955

On July 1, 2014, the Company entered into a consulting contract with the President of the Company. The agreement provides for an annual fee of US \$120,000 in which the President will lead all the wind and solar development in obtaining permitting, environmental compliance and raising of capital to construct the renewable energy facilities ("Annual Fee"). In addition, the Company agrees to reimburse all reasonable expense incurred related to office expenses, daily travel per diem, mileage expense and health and life insurance premium expense. Further, upon the Company closing certain development milestones allowing for an equity raise of at least US \$2 Million or the

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sale of any Company assets or project rights including the Tehachapi land whichever comes first, the agreement provides for a one-time payment of US \$250,000 in recognition of the President's unpaid work in support of the Company's projects since March 2013. Lastly, the President will be paid a US\$3 Million development completion bonus at the time the Montalva Solar Project completes all key milestones necessary for the Company to obtain project financing for the Montalva Solar Project.

On October 15, 2016, the President entered into an amended compensation agreement with the Company. Under this new agreement, the President agreed to settle all unpaid fees and late penalties with a US\$168,750 loan at interest of 8% per annum compounded semi-annually. His base fee will be reduced to US\$5,000 per month until such time as a PPOA for a project has been executed with PREPA or other such milestone has occurred as determined by the board. The fee will then be reverted back to US\$10,000 per month. Further the development completion award for the Montavla solar project will be reduced to US\$1.95 million from the initial US\$3 million

During the three months ended March 31, 2018, the President of the Company has been paid a total of \$23,134 (2017 - \$22,755) fees under the contract. As at March 31, 2018, included in accounts payable are fees and expenses due to the President of the Company of \$30,932 (December 31, 2017 – \$98,952).

## 16 Commitments and Contingencies

As at March 31, 2018, the Company had the following commitments and contingencies outstanding:

	Within 1 year	Over 1 year	Total
Puerto Rico land leases (i)	\$ 30,946	\$ -	\$ 30,946
PBJL Share transfer (ii)	644,700	-	644,700
Total	\$ 675,646	-	\$ 675,646

- (i) The Company entered into four separate land options agreements with Jose Arturo Acosta, leasing a total of 1,590 acres of land in the Municipality of Lajas and Guanica of Puerto Rico. The Company made initial payments on the execution date of each options agreement and will thereafter pay advances for each successive four-month period during the option terms. The annual rent will be revised once the land area needed for the energy facility is determined and will have an initial term of twenty-five years with an extension of four consecutive periods of five years each.
- (ii) On April 23, 2013, 330 common shares, approximately 33% interest, of PBJL were transferred between the spouse of an officer to AG Solar and the Company. The Company may be required to pay approximately US \$500,000 for these shares on terms yet to be negotiated. Any future payments will be subject to available funds and the completion of a significant financing of the Company in the future.