

NOTICE

**RE: CONDENSED CONSOLIDATED INTERIM FINANCIALS STATEMENTS FOR
THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016.**

The third quarter financial statements for the three and nine months ended September 30, 2017 and 2016 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 the Three and Nine Months Ended September 30, 2017 and 2016 (unaudited)
(amount expressed in Canadian dollars, except where indicated)

Greenbriar Capital Corp.

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2017 and December 31, 2016

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

	Note	As at September 30, 2017	As at December 31, 2016
Assets			
Current assets			
Deposit and prepaid	4	51,881	13,427
Other receivables		31,751	7,841
		83,632	21,268
Deposit and prepaid expenses (non-current)	4	141,150	141,150
Investment and advances	5	3,407,033	3,360,467
Interest receivable		90,880	73,918
Land	6	1,420,089	1,511,350
Power project development and construction cost	7	2,457,343	2,279,008
Intangible assets	8	1,560,000	1,678,375
Smart glass distribution agreement	9	2,902,300	-
Total assets		\$ 12,062,427	\$ 9,065,536
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	\$ 3,772,128	\$ 4,015,362
Overdraft		110	105
Loans payable (current portion)	11	1,547,169	1,230,814
		5,319,407	5,246,281
Loans payable	11	210,600	226,581
Convertible debenture	12	306,261	202,281
Total liabilities		5,836,268	5,675,143
Shareholders' equity			
Share capital	13	8,278,156	4,988,685
Reserves	13	2,424,920	2,296,263
Accumulated other comprehensive income		833,529	832,267
Deficit		(5,310,446)	(4,726,822)
Total shareholders' equity		6,226,159	3,390,393
Total liabilities and shareholders' equity		\$ 12,062,427	\$ 9,065,536

Nature of operations and going concern (note 1)

Commitments and contingencies (note 18)

Subsequent events (note 19)

Approved by the Board of Directors

"Jeff Ciachurski" Director

"John Wardlow" Director

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

Greenbriar Capital Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For three and nine months ended September 30, 2017 and 2016

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

	Notes	Three Months Ended September 30.		Nine Months Ended September 30.	
		2017	2016	2017	2016
General and administration expenses					
Consulting fees		\$ (20,605)	\$ (16,432)	\$ (155,123)	\$ (157,620)
General and administrative		(140,369)	(3,722)	(188,778)	(41,985)
Finance cost		(36,333)	(9,021)	(91,914)	(41,829)
Professional fees		(25,325)	(7,500)	(197,005)	(6,883)
		(222,632)	(36,675)	(632,820)	(248,317)
Other (expenses) income, net					
Foreign exchange gain (loss)		(93,869)	(29,396)	(169,631)	170,117
Finance income		5,654	5,000	16,962	14,529
Gain on settlement of account payable		187,971	-	219,267	-
Share of loss of joint-venture	5	(5,611)	(5,187)	(17,402)	(16,784)
Net (loss) income		(124,751)	(66,258)	(583,624)	(80,455)
Income tax recovery – future		-	-	-	-
Net (loss) income after tax		(124,751)	(66,258)	(583,624)	(80,455)
Other comprehensive (loss) gain (“OCI”)					
Cumulative translation adjustment		(573)	41,033	1,262	(242,086)
Total comprehensive loss		(125,324)	(25,225)	(583,624)	(322,541)
(Loss) income per share – basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.01)
Weighted average shares outstanding – basic and		14,605,517	13,824,227	14,277,628	11,640,205
Total shares issued and outstanding		16,969,647	13,824,227	16,969,647	11,640,205

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

Greenbriar Capital Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the three and nine months ended September 30, 2017 and 2016

(amount 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
Balance at December 31, 2016		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		-	-	-	-	-	-	(583,624)	(583,624)
Private placements	13	542,420	348,911	-	109,165	-	-	-	458,076
Share issuance cost	13	3,000	(14,440)	-	-	-	-	-	(14,440)
Shares issued for services		100,000	80,000	-	-	-	-	-	80,000
Convertible debt issuance	14	-	-	-	-	16,609	-	-	16,609
Warrants issued as issuance cost on convertible debt	13	-	-	-	2,883	-	-	-	2,883
Shares issued upon acquisition	9	2,500,000	2,875,000	-	-	-	-	-	2,875,000
Cumulative translation adjustment		-	-	-	-	-	1,262	-	1,262
Balance at September 30, 2017		16,969,647	\$ 8,278,156	\$ 1,462,827	\$ 917,764	\$ 44,329	\$ 833,529	\$ (5,310,446)	\$ 6,226,159
Balance at December 31, 2015		13,124,227	\$ 4,899,388	\$ 1,237,827	\$ 560,385	-	\$ 956,822	\$ (4,311,861)	\$ 3,342,561
Net loss for the period		-	-	-	-	-	-	(80,455)	(80,455)
Private placement		700,000	68,461	-	281,537	-	-	-	349,998
Share issuance cost		-	(10,172)	-	-	-	-	-	(10,172)
Expired warrant		-	52,310	-	(52,310)	-	-	-	-
Cumulative translation adjustment		-	-	-	-	-	(242,086)	-	(242,086)
Balance at September 30, 2016		13,824,227	\$ 5,009,987	\$ 1,237,827	\$ 789,612	-	\$ 714,737	\$ (4,392,316)	\$ 3,359,847

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

Greenbriar Capital Corp.

Condensed Consolidated Interim Statements of Cash Flows

For the three and nine months ended September 30, 2017 and 2016

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

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
Cash used from operating activities					
Net loss for the period		\$ (124,751)	\$ (66,258)	\$ (583,624)	\$ (80,455)
Items not affecting cash					
Unrealized foreign exchange loss (gain)		178,700	73,981	236,020	(123,136)
Gain on settlement of accounts payable		(187,971)	-	(219,267)	-
Accretion on convertible debt	12	4,176	-	12,107	-
		(129,846)	7,723	(554,764)	(203,591)
Change in non-cash operating working capital					
(Increase) decrease in accounts receivable and prepaid expense		(2,370)	(5,204)	(79,326)	(16,430)
Increase in accounts payable and accruals		132,121	140,736	360,190	405,446
		(95)	143,255	(273,900)	185,425
Cash flows used in investing activities					
Investment and advances		-	(10,681)	-	(29,952)
Land		-	(4,049)	-	(14,314)
Deposit		-	-	-	10,127
Power project development and construction costs	8	-	(125,691)	(96,800)	(411,082)
		-	(140,421)	(96,800)	(445,221)
Cash flows used in financing activities					
Loans payable	12	17	-	(6,672)	(84,464)
Convertible bond net of transaction costs	13	-	-	111,367	-
Subscription received		-	-	-	-
Share units issued, net of issuance costs	14	-	(3,071)	266,000	339,828
		17	(3,071)	370,695	255,364
Decrease in cash		(78)	(237)	(5)	(4,432)
Cash – beginning of period		(32)	(292)	(105)	3,903
Cash – end of period		(110)	(529)	(110)	(529)

Greenbriar Capital Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016

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

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 \$583,624 for the nine months ended September 30, 2017, and an accumulated deficit of \$5,310,446. As at September 30, 2017, the Company has a working capital deficiency of \$5,235,775. To date, the Company has no history of earning or 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 to the comprehensive loss and the financial position classification.

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, 2016.

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, 2016. In addition, 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.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 28, 2017.

Significant accounting estimates and judgments

The preparation of these condensed consolidated interim 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.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and further periods. The critical judgements and estimates applied in the preparation of the Company’s condensed consolidated interim financial statements for the three and nine months ended September 30, 2017 are consistent with those applied and disclosed in note 4 to the Company’s consolidated financial statements for the year ended December 31, 2016.

Greenbriar Capital Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016

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

3 Significant accounting policies

The Company is currently assessing the potential impacts of these new standards on its condensed consolidated interim financial statements.

IFRS 15 Revenues from Contracts with Customers (“IFRS 15”)

This standard was issued on May 28, 2014 and will replace IAS 11 Construction Contracts (“IAS 11”), IAS 18 Revenue (“IAS 18”), and related interpretations. This new standard outlines a single comprehensive model to be used in recognizing revenue arising from contracts with customers, and contains more prescriptive guidance than in IAS 11, IAS 18 and related interpretations. The core principle in IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange. The standard is effective for reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company will adopt IFRS 15 at the effective date and does not expect this pronouncement to have a significant impact on its consolidated financial statements as the Company does not generate significant revenue given the current stage of its projects. The Company will reassess the impact once significant revenue is generated.

IFRS 9 Financial instruments (“IFRS 9”)

On July 25, 2014, the final publication of this standard was issued, and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 provides guidance for the classification of financial assets based on the contractual cash flow characteristics of the financial assets and the Company’s business model for managing financial assets. Changes in the fair value of an entity’s own debt when it is classified as fair value through profit or loss (“FVTPL”), to the extent that they relate to changes in the entity’s own credit risk, are recognized in other comprehensive income. The new standard also requires a single impairment model to be used, replacing the multiple impairment models in IAS 39. The standard is effective for reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company will adopt IFRS 9 at the effective date and does not expect this pronouncement to have a significant impact on the consolidated financial statements given the extent of its current use of financial instruments.

IFRS 16, Leases (“IFRS 16) and revised IAS 17 (“IAS 17)

The IASB issued IFRS 16 and revised IAS 17 in January 2016. IFRS 16 specifies how to recognize, measure, present and disclose leases. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the term of the lease is twelve months or less or the underlying asset has a low value. Lessor accounting however remains unchanged from IAS 17 and the distinction between operating and finance leases is retained. IAS 17, as revised, now prescribes the accounting policies and disclosures applicable to leases, both for lessees and lessors. The Company will adopt IFRS 16 at the effective date and does not expect this pronouncement to have a significant impact on the consolidated financial statements given the extent of its current use of leases.

4 Deposits and prepaids

	September 30, 2017	December 31, 2016
Green Matters (i)	141,150	141,150
Other and prepaids	51,881	13,427
	193,031	154,577
Less: current portion	(51,881)	(13,427)
Deposit, non-current	\$ 141,150	\$ 141,150

- (i) The Company entered into an installation agreement dated July 12, 2012 with the San Juan Marriott Hotel in San Juan, Puerto Rico (“Installation agreement”) to purchase and install a 300-ton heat recovery unit for \$510,408 payable at completion. On July 12, 2012, the Company made a deposit to I.M.W. Industries of \$141,150 for the purchase of the heat recovery unit.

On August 24, 2012, the Company entered into an agreement to have Green Matters Inc. (“Green Matters”) take over the installation agreement. The Company had approved a loan facility to Green Matters for \$141,150 plus interest of 10% per annum due August 23, 2013. This loan has been extended to February 22, 2015 and will continue to bear interest at 10% per annum until the loan is paid.

On March 11, 2016, the Company entered into a Letter of Intent (“LOI”) with Green Matters, Captiva Verde Industries Inc., Energy Recovery Systems Inc. (“ERS”) and Jeff Ciachurski, the CEO of the Company whereby, as part of a transaction between

Greenbriar Capital Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016

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

ERS and Green Matters, the Company will enter into a secured loan agreement with Green Matters for repayment of the outstanding debt. The agreement was executed on June 30, 2016.

5 Investment and advance

Included in investment and advances as at September 30, 2017 is the Company's interest in Blue Mountain Wind Holding, LLC ("Blue Mountain").

	Blue Mountain	
	September 30, 2017	December 31, 2016
Initial contribution	\$ 730,863	\$ 730,863
Foreign exchange	55,377	115,038
Funds advanced	2,638,443	2,538,413
Share of loss of joint-venture	(17,650)	(23,847)
Total investment and advances	\$ 3,407,033	\$ 3,360,467

Blue Mountain

On August 2, 2013, the Company, through its wholly owned subsidiary, Greenbriar Capital Holdco Inc., completed its acquisition agreement of the 80 MW Blue Mountain, Utah Wind Energy Project, USA ("Blue Mountain"). Blue Mountain had obtained a twenty-year Power Purchase Agreement ("PPA") with PacifiCorp, a subsidiary of Mid-American Energy Holdings Company. The acquisition granted the Company a 50% interest and then allows the Company to perform two milestones, increasing its ownership to 100%. The Company paid US \$630,000 for the initial 50% ownership, which was financed by way of a related party loan (Note 11 (iv)).

The Company and PacifiCorp are currently in dispute with respect to the application of Force Majeure that the Company has declared as a third party has raised issue with the Company's PPA to the Federal Energy Regulatory Commission ("FERC"). Both the Company and PacifiCorp entered into settlement discussions under the PPA dispute resolution process to renegotiate dates, prices and obligations contained in the PPA and the Interconnection Agreement to better reflect current market conditions that had lapsed while the PPA was disputed for almost eight months initially and now through FERC. A mediation occurred on August 11, 2015, and the parties were unable to resolve their ongoing disputes. On August 13, 2015, the mediator did recommend an award of US \$4.4 million monetary damages for the benefit of the Company, but since the mediation is non-binding and PacifiCorp did not proceed with the mediators' advice, the mediation was terminated. On August 18, 2015, the Company received a letter from PacifiCorp affirming termination of the PPA for reasons stated therein and the termination of settlement discussions. The mediation has thus terminated without reaching agreement and the Company is free to seek resolution in the courts or with regulatory agencies.

On September 14, 2015, the Company filed a complaint with the Division of Public Utilities of the Utah Public Service Commission against PacifiCorp and followed with notice of filing a formal complaint with the full Commission. Pending the outcome with the Division of Public Utilities, the Company can either formalize its formal complaint with the full Commission or seek damages in the courts. The Company is unable to predict, based on either of these courses of action, whether it will be granted PPA revisions with acceptable terms or that it will be awarded damages against PacifiCorp.

For the period ended September 30, 2017, the Company had advanced funds to Blue Mountain of \$100,030 (December 31, 2016 - \$110,235) for environmental and wind resource assessments, consulting, interest and legal services. Blue Mountain had a net loss for the three and nine months ended September 30, 2017 is \$11,222 (2016 - \$14,127) and 34,804 (2016 - \$33,566) respectively in which the Company accounted for 50% of its shared loss of \$5,611 (2016 - \$7,064) and \$17,402 (2016 - \$16,783) respectively.

Greenbriar Capital Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016

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

6 Land

The Company owns 161 acres of land in Tehachapi, California, USA, (the “Property”) which it acquired in 2011 for US \$1,040,000. On March 24, 2014, the land was appraised at US\$3,410,000.

On October 10, 2014, the Company listed both site 1 and site 2 for US \$2.4 Million with Berkshire Hathaway Home Services (“Berkshire”). Upon sale, Berkshire will charge a commission of 10%. The sale price for the land was reduced to \$1.4 million in the first six months of 2015. Subsequent to period end, on October 1, 2017, the Company entered into a sale agreement with Captiva Verde Land Corp. (“Captiva”) to sell a 50% undivided interest in approximately 132 acres of its real property located in the City of Tehachapi, California, USA. 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 of \$2,250,000 is divided into \$112,500 one-year interest-free promissory note and 10,687,500 common shares of the Captiva.

The Company’s land consists of the following:

	September 30, 2017	December 31, 2016
Land acquisition	\$ 1,297,920	\$ 1,396,408
Property taxes	90,023	96,854
Land development	12,705	5,250
Land appraisal & related fees	19,442	12,838
	\$ 1,420,090	\$ 1,511,350

The unrealized foreign exchange translation loss (gain) for the three and nine months ended September 30, 2017 was \$56,835 (2016 - \$5,428) and \$107,758 (2016 - \$89,990) respectively.

7 Power project development and construction costs

	September 30, 2017	December 31, 2016
Opening balance	\$ 2,279,007	\$ 1,644,549
Additions	338,925	660,092
Foreign exchange unrealized	(160,589)	(25,634)
Ending balance	\$ 2,457,343	\$ 2,279,007

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 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 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”).

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Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016

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

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. During the period ended September 30, 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 US \$145,000.

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 is 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 fiscal year 2017, the Company paid US\$30,000 for Montalva and Lajas option agreement.

On September 11, 2013, the Company entered into a service agreement with a leading environmental consulting firm based in Puerto Rico for completing environmental site studies, completing the environmental assessment and for filing a site location authorization with the jurisdictional permitting authorities for review and approval of the construction and operation of the 100 MW AC project. On December 3, 2013, an environmental impact statement was prepared for the project and a permit application was filed with the jurisdictional agency. The application was not accepted.

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. This is a significant victory for Greenbriar as the Company may proceed ahead at full speed to have the court enforce our agreement, or in lieu of enforcement, direct PREPA to pay USD \$210 Million in monetary damages, or both. The Company has also named key individuals like the Executive Director as named parties to our case and the Company will be pursuing claims against such individuals through PREPA’s Directors and Officers Liability insurance.

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

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8 Intangible assets

	September 30, 2017	December 31, 2016
Opening balance	\$ 1,678,375	\$ 1,730,000
Foreign exchange unrealized	(118,375)	(51,625)
Ending balance	\$ 1,560,000	\$ 1,678,375

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 6).

9 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 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	27,300
Total consideration	2,902,300

Allocated to:

Distribution agreement	2,902,300
Total consideration	2,902,300

10 Accounts payable

	September 30, 2017	December 31, 2016
Project related accounts payables (i)	\$ 2,513,477	\$ 2,860,434
Other accounts payable (ii)	405,362	440,284
Accrued liabilities (ii)	853,289	714,644
Total accounts payable and accrued liabilities	\$ 3,772,128	\$ 4,015,362

Greenbriar Capital Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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

- (i) Total project related accounts payable include costs for the AG Solar and Blue Mountain projects. At September 30, 2017, \$1.4 million is payable for initial construction of the Blue Mountain project (December 31, 2016 - \$1.5 million) \$401,890 is payable for legal fees related to Blue Mountain and AG Solar (December 31, 2016 - \$489,211), \$139,119 (December 31, 2016 - \$155,342) is payable for environmental assessments for Blue Mountain and the remainder \$563,301 to various vendors related to the two projects (December 31, 2016 - \$690,785).
- (ii) Other accounts payable and accrued liabilities include costs related to the Company and not to the AG Solar or Blue Mountain projects.

11 Loan payable

	September 30, 2017	December 31, 2016
Captiva loans (i)	\$ -	\$ 37,654
Shareholder loans (ii)	124,800	134,270
Director loans (iii)	559,964	597,143
Initial & secondary loans (iv)	1,073,005	688,328
	1,757,769	1,457,395
Less: current portion	(1,547,169)	(1,230,814)
Deposit, non-current	\$ 210,600	\$ 226,581

- (i) During the year ended December 31, 2014, Captiva Verde Industries (“Captiva”), a company with directors in common with Greenbriar, loaned the Company, through several transactions, a total of \$80,721. The loans bear interest at 10% per annum, compounded monthly and are repayable on various dates in 2016. During the period ended September 30, 2017, the Company repaid the balance of the loan.
- (ii) 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 repayable on February 25, 2015. The Company is currently renegotiating the repayment term.
- (iii) As at September 30, 2017, the Company had outstanding loans from directors of \$559,964 (December 31, 2016 - \$597,143). The loans bear interest of between 10% and 12% per annum and are repayable at varying terms from on demand to January 2017. During the period ended September 30, 2017, \$nil was repaid on the loans (December 31, 2016 - \$nil)
- (iv) As at September 30, 2017, the Company had outstanding loans from the CEO and the CEO’s spouse of \$1,073,005 (December 31, 2016 - \$688,328). The loans bear interest of between 10% and 12% per annum and are repayable at varying terms from on-demand to November 2016. During the period ended September 30, 2017, \$6,240 was repaid on the loans (December 31, 2016 - \$104,334).

12 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 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 three and nine months ended September 30, 2017 was \$2,174 (2016 – \$nil) and \$6,450 (2016 – \$nil). Interest for the debenture for the three and nine months ended September 30, 2017 was \$4,537 (2016 – \$nil) \$13,463 (2016 – \$nil) respectively. As at September 30, 2017, the total accrued interest related to the debenture was \$15,436. (December 31, 2016 - \$1,973) and was included in account payables and accrued liabilities.

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	September 30, 2017
Opening balance	\$ 202,281
Accretion	6,450
	\$ 208,731

On January 13, 2017, the Company issued convertible debentures in the aggregate amount of \$150,000. 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 \$16,609. Accretion for the debenture for the three and nine months ended September 30, 2017 was \$2,002 (2016 – \$nil) \$5,657 (2016 – \$nil) respectively. Interest for the debenture for the three and nine months ended September 30, 2017 was \$2,520 (2016 – \$nil) \$7,123 (2016 – \$nil) respectively. Total interest accrued as at the period ended September 30, 2017 was \$7,123 (2016 - \$nil) and was included in account payables and accrued liabilities.

	September 30, 2017
Principle issued	\$ 125,000
Equity portion	(16,609)
Capitalized transaction costs	(16,518)
Accretion	5,657
	95,530

13 Share capital

a) Authorized and outstanding

As at September 30, 2017, the Company had unlimited authorized common shares without par value and 16,969,647 common issued and outstanding (December 31, 2016 – 13,824,227).

b) Private placement

- 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 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 \$266,000 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 \$1.50 per unit until April 7, 2022.
- On June 14, 2017, the Company issued 100,000 common shares to a consultant at a deemed price of \$1.00 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.

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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 September 30, 2017 were nil (2016 – nil). Total share-based compensation expense recognized for the fair value of share options granted and vested during the three and nine months ended September 30, 2017 was \$nil (2016 - \$nil). A summary of stock option information as at September 30, 2017 and December 31, 2016 is as follows:

	September 30, 2017		December 31, 2016	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding – beginning of year	850,000	\$ 1.58	851,773	\$ 1.46
Granted	-	-	350,000	0.85
Exercised/Expired	-	-	(351,773)	0.57
Outstanding – end of period	850,000	\$ 1.58	850,000	\$ 1.58

The following table discloses the number of options and vested options outstanding as at September 30, 2017:

Exercise price (\$)	Number of options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Number of options Outstanding and exercisable	Expiry Date
0.75	125,000	0.75	0.39	125,000	18-Feb-2018
0.85	350,000	0.85	4.21	350,000	5-Dec-2021
2.60	125,000	2.60	0.82	125,000	26-Jul-2018
2.50	250,000	2.50	1.08	250,000	30-Oct-2018
\$1.58	850,000	\$1.58	2.23	850,000	

The following table discloses the number of options and vested options outstanding as at December 31, 2016:

Exercise price (\$)	Number of options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Number of options Outstanding and exercisable	Expiry Date
0.75	125,000	0.75	1.13	125,000	18-Feb-2018
0.85	350,000	0.85	4.93	350,000	5-Dec-2021
2.60	125,000	2.60	1.57	125,000	26-Jul-2018
2.50	250,000	2.50	1.83	250,000	30-Oct-2018
\$1.58	850,000	\$1.58	2.97	850,000	

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d) Warrants

	September 30, 2017	December 31, 2016
Outstanding – beginning of year	1,688,500	1,143,500
Granted	274,960	700,000
Exercised/Expired	-	(155,000)
Outstanding – end of period	1,963,460	1,688,500

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, 2017	\$1.20
1,963,460		

Each share purchase warrant and finder's warrant entitles the holder to acquire one common share of the Company upon the payment of the exercised price as indicated for a period of 24 months from the date the warrants were issued.

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 shares are subject to hold period expiring at midnight on June 3, 2017. 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 \$393,936. 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 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%.

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14 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

	September 30, 2017		December 31, 2016	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
<i>Fair value through profit and loss ("FVTPL")</i>				
Deposits	193,031	193,031	154,577	154,577
Interest receivables	90,880	90,880	73,918	73,918
Financial liabilities				
<i>Other financial liabilities</i>				
Overdraft	110	110	105	105
Accounts payable and accrued liabilities	3,772,128	3,772,128	4,015,362	4,015,362
Convertible debt	306,261	306,261	202,281	202,281
Loan payable	1,547,169	1,547,169	1,230,814	1,230,814
Long term obligation	210,600	210,600	226,581	226,581

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:

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 September 30, 2017 and December 31, 2016.

Financial instruments consist of cash, deposits, 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.

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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	\$ 3,772,128	\$ -	\$ 3,772,128
Loan payables	1,547,169	210,600	1,757,769
Convertible debt	-	306,261	306,261
Land lease payments	44,928	-	44,928
Total	\$ 5,364,225	\$ 516,861	\$ 5,881,086

15 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 September 30, 2017, there has been no change in the Company's management of capital policies.

16 Segment disclosures

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

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The Company is primarily involved in the acquisition and development of wind and solar energy farms in the United States 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 has one reportable operating segment.

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	Canada	USA	Total
As at September 30, 2017			
Total assets	\$ 315,767	\$ 11,746,660	\$ 12,062,427
Non-current assets	232,030	11,746,765	11,978,795
As at December 31, 2016			
Total assets	\$ 337,039	\$ 8,728,497	\$ 9,065,536
Non-current assets	315,770	8,728,497	9,044,267

	Canada	USA	Total
Three months ended September 30, 2017			
Operating loss	(127,720)	(2,685)	(134,405)
Interest income	5,654	-	5,654
Loss for the period	\$ (122,066)	\$ (2,685)	\$ (124,751)
Three months ended September 30, 2016			
Operating income	(71,150)	(108)	(71,258)
Interest income	5,000	-	5,000
Loss for the period	\$ (66,150)	\$ (108)	\$ (66,258)

	Canada	USA	Total
Nine months ended September 30, 2017			
Operating loss	(597,687)	(2,899)	(600,586)
Interest income	16,962	-	16,962
Loss for the period	\$ (580,725)	\$ (2,899)	\$ (583,624)
Nine months ended September 30, 2016			
Operating income	(98,889)	3,905	(94,984)
Interest income	14,529	-	14,529
Gain for the period	\$ (84,360)	\$ 3,905	\$ (80,455)

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17 Related party transactions

Key management includes directors and officers of the Company. In addition to related party transactions described in Note 11, the Company had the following expenses paid to key management:

The Company incurred the following expenses with related parties during nine months ended September 30:

	2017	2016
Management fees	\$ 71,038	\$ 87,611
Total	71,038	87,611

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 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 and nine months ended September 30, 2017, the President of the Company’s fees were of \$20,606 (2016 - \$nil) and \$65,799 (2016 - \$nil) respectively. As at September 30, 2017, included in accounts payable are fees and expenses due to the President of the Company of \$72,084 (December 31, 2016 – \$23,938).

18 Commitments and Contingencies

As at September 30, 2017, the Company had the following commitments and contingencies outstanding:

	Within 1 year	Over 1 year	Total
Puerto Rico land leases (i)	\$ 44,928	\$ -	\$ 44,928
PBJL Share transfer (ii)	624,000	-	624,000
Total	\$ 668,928	-	\$ 668,928

- (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. As at September 30, 2017, the Company capitalized \$996,208 (December 31, 2016 - \$918,734/US \$684,244) in land costs under the Puerto Rico project. During the period ended September 30, 2017 the Company entered into an amendment with the Montalva options holders, 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 US \$145,000.

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- (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.

19 Subsequent Event

Subsequent to period end, on October 1, 2017, the Company entered into an sale agreement with Captiva Verde Land Corp. (“Captiva”) to sell a 50% undivided interest in approximately 132 acres of its real property located in the City of Tehachapi, California, USA. 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 of \$2,250,000 is divided into \$112,500 one-year interest-free promissory note and 10,687,500 common shares of the Captiva.