Greenbriar
CAPITAL CORP.

Condensed Consolidated

Interim Financial Statements

For the Three and Nine Months Ended September 30, 2016

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PREPARED BY MANAGEMENT

The accompanying condensed consolidated interim financial statements of Greenbriar Capital Corp., comprised of the Statement of Financial Position as at September 30, 2016 and the Statements of Loss and Comprehensive Income (Loss), Statements of Cash Flows and Statements of Changes in Equity for the three and nine months ended September 30, 2016 and 2015 are the responsibility of the Company's management. The independent external auditors of the Company have not reviewed these financial statements.

Greenbriar Capital Corp.

September 30, 2016

Table of contents

GREENBRIAR CAPITAL CORP

Condensed Consolidated Interim Statements of Loss and Comprehensive Income (Loss)

(Expressed in Canadian dollars, except share amounts)
(Unaudited)

	Notes	Three months ended September 30		Nine months ended September 30	
		2016	**2015**	**2016**	**2015**
		$	$	**$**	$
Expenses					
Audit and tax		**7,500**	2,425	2,643	22,992
Bank charges		**336**	945	2,646	3,319
Consultant		**16,432**	39,771	157,620	116,703
Finance Cost		**-**	5,477	13,466	12,095
Foreign exchange (gain) loss		**29,396**	220,684	(170,116)	413,304
Interest Expense		**8,685**	8,311	25,717	23,483
Legal		**-**	1,366	4,240	4,071
Office		**1,370**	1,097	6,506	7,179
Public company		**2,352**	1,337	16,383	15,840
Salaries		**-**	30,294	-	111,469
Travel		**-**	493	19,096	13,970
		66,071	312,200	**78,200**	744,425
Other Income (Expenses)					
Interest income		**5,000**	4,525	14,529	12,895
Share of loss of joint venture	5	**(5,187)**	(6,061)	(16,784)	(19,857)
Net income (loss)		**(66,258)**	(313,736)	**(80,455)**	(751,387)
Other comprehensive loss					
Currency translation adjustment		**41,033**	293,575	(242,086)	500,888
Comprehensive income (loss)		**25,226**	(20,162)	(322,540)	(250,500)
Basic and diluted income (loss) per common share	11	**0.00**	(0.02)	(0.03)	(0.06)
Weighted average number of common shares outstanding - basic and diluted		**13,824,227**	12,464,511	11,640,205	12,575,989

See accompanying notes to the consolidated financial statements.

GREENBRIAR CAPITAL CORP

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	Notes	As at September 30, 2016	As at December 31, 2015
		$	$
Assets			
Current assets			
Cash and cash equivalents		**(528)**	3,903
Deposits & Prepaids	4	**174,056**	37,969
GST receivable & other		**5,494**	3,593
		179,022	45,465
Deposits & Prepaids	4	**98,378**	244,950
Investment and advances	5	**3,261,160**	3,273,881
Interest receivable	4	**67,983**	53,454
Leased land	6	**1,472,406**	1,538,356
Power project development and construction costs	7	**1,971,648**	1,644,549
Intangible assets	8	**1,639,625**	1,730,000
		8,690,223	8,530,655
Liabilities			
Current liabilities			
Accounts payable	9	**3,469,262**	3,295,118
Accrued interest		**404,120**	315,122
Accrued liabilities		**214,315**	200,731
Loans payable	10	**1,182,679**	1,304,319
		5,270,376	5,115,290
Non-current liabilities			
Loans payable	10	**60,000**	72,804
		5,330,376	5,188,094
Shareholders' equity			
Share capital	11	**5,009,987**	4,899,388
Share-based compensation reserve	11	**1,237,827**	1,237,827
Warrants reserve	11	**789,612**	560,385
Accumulated other comprehensive loss		**714,737**	956,822
Accumulated deficit		**(4,392,316)**	(4,311,861)
		3,359,847	3,342,561
		8,690,223	8,530,655

Nature of business and continuing operations (Note 1)

Commitments and contingencies (Note 16)

Approved by the Directors on November 15, 2016

/s/ Jeff Ciachurski

Jeffrey Ciachurski, Director

/s/ John Wardlow

John Wardlow, Director

See accompanying notes to the consolidated financial statements.

GREENBRIAR CAPITAL CORP

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three months ended September 30		Nine months ended September 30	
		2016	**2015**	**2016**	**2015**
		$	$	**$**	$
Operating activities					
Net loss		**(66,258)**	(313,736)	**(80,455)**	(751,387)
Item not involving cash					
Foreign exchange unrealized		**73,984**	127,556	**(123,136)**	156,993
		7,726	(186,180)	**(203,590)**	(594,394)
Change in non-cash working capital					
Accounts payable		**133,556**	214,226	**340,130**	437,091
Accrued interest		**29,680**	58,202	**95,599**	131,614
Accrued liabilities		**(22,500)**	29,425	**(30,283)**	70,384
GST receivable and other		**(204)**	801	**(1,901)**	3,589
Interest receivable		**(5,000)**	(4,525)	**(14,529)**	(12,895)
		143,257	111,949	**185,426**	35,389
Investing activities					
Investment and advances		**(10,681)**	(57,321)	**(29,952)**	(150,414)
Leased land		**(4,049)**	(4,811)	**(14,314)**	(4,811)
Deposit	4	**-**	(4,811)	**10,127**	(20,122)
Power project development and construction costs	7	**(125,691)**	(131,246)	**(411,082)**	(298,788)
		(140,422)	(198,189)	**(445,221)**	(474,135)
Financing activities					
Loans payable		**-**	88,986	**(84,464)**	193,430
Shares issued for cash, net of issuance costs	11	**(3,072)**	(2,243)	**339,828**	242,635
		(3,072)	86,744	**255,364**	436,065
Net cash outflow		**(236)**	503	**(4,431)**	(2,681)
Cash position, beginning of period		**(292)**	-	**3,903**	3,184
Cash position, end of period		**(528)**	503	**(528)**	503

See accompanying notes to the consolidated financial statements.

GREENBRIAR CAPITAL CORP.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Common shares		Share-based compensation reserve		Warrants reserve		Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
	Number	Amount	Number	Amount	Number	Amount			
	#	$	#	$	#	$	$	$	$
Exercise of options at $0.57	8,922	9,062	(8,922)	(3,976)	-	-	-	-	5,086
Private placement of 205,000 shares at a price of $1.50 per common share, plus half warrant with whole warrant convertible into a new share at $1.75, net of issuance costs of $67,708 (Note 13(b))	205,000	147,184			102,500	92,608			239,792
Share Issuance Costs - TSX and Troutman Sanders	-	(2,244)							(2,244)
Currency translation for adjustment	-	-	-	-	-	-	500,888	-	500,888
Net loss for the year	-	-	-	-	-	-		(751,387)	(751,387)
Share-based compensation	-	-	-		-	-	-	-	-
Balance as at September 30, 2015	**12,670,227**	**4,535,647**	**1,176,773**	**1,237,827**	**999,220**	**442,491**	**804,021**	**(3,947,774)**	**3,072,211**
Expired Warrants		24,636			(57,720)	(24,636)			0 -
Private placement of 404,000 shares at a price of $1.50 per common share,	454,000	336,703			202,000	142,530			479,233
plus half warrant with whole warrant convertible into a new share at $1.75,									-
plus finders fee shares 50,000, net of issuance costs of $126,767 (Note 13(b))									- -
Expiry of Options			(325,000)						- -
Share Issuance Costs - TSX and Troutman Sanders		2,402							2,402
Currency translation for adjustment	-	-	-	-	-	-	152,801	-	152,801
Net loss for the year	-	-	-	-	-	-		(364,087)	(364,087)
Share-based compensation	-	-	-		-	-	-	-	-
Balance as at December 31, 2015	**13,124,227**	**4,899,388**	**851,773**	**1,237,827**	**1,143,500**	**560,385**	**956,822**	**(4,311,861)**	**3,342,561**
									-
Share Issuance Costs - Thomas Rondeau LLP		(10,172)							(10,172)
Private placement of 700,000 shares at a price of $0.50 per common share, plus half warrant with whole warrant convertible into a new share at $0.60, plus finders fee shares 50,000, net of issuance costs of $126,767 (Note 13(b))	700,000	68,461			700,000	281,537			349,998
Expired Warrants		52,310			(155,000)	(52,310)			
Currency translation for adjustment	-	-	-	-	-	-	(242,086)	-	(242,086)
Net income for the year	-	-	-	-	-	-		(80,455)	(80,455)
Balance as at September 30, 2016	**13,824,227**	**5,009,987**	**851,773**	**1,237,827**	**1,688,500**	**789,612**	**714,737**	**(4,392,316)**	**3,359,847**

See accompanying notes to the consolidated financial statements.

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 the British Columbia Business Corporations Act on April 2, 2009 and is a real estate issuer on the TSX Venture Exchange. The Company's registered records office is located at suite 1780 – 400 Burrard Street, 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 a going concern basis, which assumes that the Company will be able to realize assets and discharge 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 has acquired its first property and investments in other property projects, however, future inflows of cash are dependent on actions by management to bring the property to completion including the eventual sale of property lots and raising additional capital for other acquisitions if required. The Company has no history of earnings or revenues. As at September 30, 2016, the Company has a negative cash balance of $528 (December 31, 2015 – positive cash balance of $3,903) had a significant working capital deficiency of $5,091,354 (December 31, 2015 - $5,069,825), an accumulated deficit of $4,392,316 (December 31, 2015 – $4,311,861) and incurred a net loss of $66,258 and $80,455 for the three and nine months ended respectively (three and nine months ended September 30, 2015 - $313,736 and $751,387 respectively).

2) Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the significant accounting policies outlined in the December 31, 2015 consolidated financial statements

Since the condensed consolidated interim financial statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2015.

These financial statements were authorised for issue by the Board of Directors on November 14, 2016.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2015.

Significant judgements and estimates

The preparation of these condensed consolidated interim financial statements 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 future 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, 2016 are consistent with those applied and disclosed in Note 3 to the Company's consolidated financial statements for the year ended December 31, 2015.

3) Significant accounting policies

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

IFRS 2 Share based payment

On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity. These changes are effective for annual periods beginning on or after January 1, 2018.

IAS 7 Statement of Cash Flows

The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The amendments to IAS 7 respond to investors' requests for information that helps them better understand changes in an entity's debt, which is important to their analysis of financial statements. These amendments are mandatory for annual periods beginning on or after January 1, 2017.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 – *Financial Instruments* ("IFRS 9") to replace IAS 39 – *Financial Instruments: Recognition and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The International Accounting Standards Board (IASB) published amendments to IAS 12 on January 19, 2016. The amendments, Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12), clarify how to account for deferred tax assets (DTAs) related to debt instruments measured at fair value. Only four paragraphs (including one on commencement) have been added or amended in the Standard itself but there are several pages added to the Basis for Conclusions. The revisions apply for periods beginning on or after January 1, 2017, with early adoption permitted.

IFRS 15, Revenue Recognition

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. On July 22, 2015, the IASB confirmed a one year deferral of the effective date of IFRS 15, therefore the standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 Leases ("IFRS16"), which will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019, but earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16.

(Expressed in Canadian dollars)

4) Deposit & Prepaids

	September 30 2016	December 31 2015
	$	$
Land Authority of Puerto Rico (i)	**98,378**	103,800
Leidos Engineering (ii)	**-**	13,840
Green Matters (iii)	**141,150**	141,150
Others & prepaids	**32,906**	24,129
	272,434	282,919
Less: Current portion	**(174,056)**	(37,969)
Deposits, non-current	**98,378**	244,950

(i) On January 6, 2014, the Company made a deposit with the Land Authority of Puerto Rico which granted the Company a permit to enter the premises and conduct field studies and surveying, environmental studies, design, financial viability and to establish an easement for a transmission line on farm land located in the municipality district of Guanica, Puerto Rico. The permit deposit of US $12,000 was credited to the security deposit on the transmission line easement.

On April 14, 2014, the Company entered into an agreement with the Land Authority of Puerto Rico to lease an additional 51 acres of land for the construction of an interconnection transmission line in Puerto Rico. The lease agreement provides a term of thirty years. The Company paid a security deposit of US $63,000, with a credit of US $12,000 from a permit deposit. The total deposit of US $75,000 will be refunded if construction occurs within three years of the agreement execution date.

(ii) On October 31, 2013, the Company made an advanced payment to Leidos Engineering, LLC to provide independent engineering services that will allow the Company to advance its project development in Puerto Rico under the minimum technical requirements set forth by the Puerto Rico Electric Power Authority ("PREPA"). Subsequent to December 31, 2015, the Company terminated the independent engineering services agreement and the deposit was refunded to the Company.

(iii) 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, CEO of the Company whereby, as part of a transaction between ERS and Green Matters, the Company will enter into a secured loan agreement with Green Matters for the repayment of the outstanding debt. The agreement was executed on June 30, 2016.

5) Investment and advances

Included in investment and advances as at September 30, 2016 is the Company's interest in Blue Mountain Wind Holdings, LLC ("Blue Mountain").

As at September 30, 2016

	Blue Mountain
	$
Initial contribution	**730,863**
Foreign Exchange	**95,508**
Funds advanced	**2,451,572**
Share of loss of joint venture	**(16,783)**
Total investment and advances	**3,261,160**

(Expressed in Canadian dollars)

As at December 31, 2015

	Total
	$
Initial contribution	**730,863**
Foreign Exchange	**141,057**
Funds advanced	**2,428,178**
Share of loss of joint venture	**(26,217)**
Total investment and advances	**3,273,881**

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 10 (iv)).

On May 5, 2014, the Company entered into a Qualifying Facility for a Large Generator Interconnection Agreement ("QFLGIA") with PacifiCorp, the transmission provider. PacifiCorp shall design, procure, and construct the interconnection facilities and provide network upgrades for the Blue Mountain project. The term of the QFLGIA is for a period of ten years from the effective date and shall be automatically renewed for each successive one-year period thereafter. On May 14, 2014, the Company requested suspension of the QFLGIA and was granted the requested suspension by PacifiCorp for a period of up to three years. The suspension of the QFLGIA can be cancelled at any time by giving notice to PacifiCorp without penalty.

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 nine months ended September 30, 2016, the Company had advanced funds to Blue Mountain of $23,394 (December 31, 2015 - $147,859) for environmental and wind resource assessments, consulting, interest and legal services. Blue Mountain had a net loss for the nine months ended September 30, 2016 of $33,566 (September 30, 2015 - $39,713) in which the Company accounted for 50% of its shared loss of $16,783 (September 30, 2015 - $19,857).

(Expressed in Canadian dollars)

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. In September 2015, the Company delisted the property due to renewed interest in the land for possible development for agricultural purposes.

The Company's land consists of the following:

	September 30 2016	December 31 2015
	$	$
Land acquisition	**1,364,168**	1,439,360
Property taxes	**90,568**	80,351
Land development	**5,129**	5,412
Land appraisal & related fees	**12,541**	13,233
	1,472,406	1,538,356

The unrealized foreign exchange translation loss for the three and nine months ended September 30, 2016 was $13,052 and a gain of $76,938 respectively (for the year ended December 31, 2015 unrealized foreign exchange translation gain – $250,160).

7) Power project development and construction costs

	June 30 2016	December 31 2015
	$	$
Opening balance	**1,644,549**	1,034,910
Additions	**413,010**	409,900
Foreign exchange unrealized	**(85,911)**	199,739
Ending balance	**1,971,648**	1,644,549

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").

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. As of September 30, 2016, the Company paid $287,000 in option payments for the extension of the lease and had several modifications to the original agreement with respect to payment terms and extensions. The Company negotiated a forbearance period extending to October 1, 2016, during which time no further payment will be required upon the payment of an additional $50,000. On April 15, 2016, the Company paid the $50,400 and the forbearance period is in effect. The Company further renegotiated the forbearance period to April 1, 2017 with a payment of $51,800 to be made on November 15, 2016 to ensure the continued forbearance period and to have the Montalva Option Agreement remain in good standing.

(Expressed in Canadian dollars)

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. Due to the Company's current cash position the Company, the lessor has agreed to a deferral of payment from January 1, 2015 to December 1, 2015. Upon payment of an additional $10,333, the Company has negotiated a forbearance period extending to October 1, 2016, during which time no further payment will be required. On April 15, 2016, the Company paid the $10,333 and the forbearance period is in effect. The Company further renegotiated the forbearance period to April 1, 2017 with a payment of $14,253 to be made on November 15, 2016 and $10,333 on January 1, 2017 to ensure the continued forbearance period and to have the Lajas Farm Option Agreements remain in good standing.

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. As of the date of this report, the Company has been successful in a series of motions to be heard in October of 2016. The Company is confident the court will enforce the $1.9 Billion agreement in favor of the Company or in the alternative, the Company is asking the court for $210 million in monetary damages, however the ultimate outcome of the court action is unknown.

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

8) Intangible assets

	June 30 2016	December 31 2015
	$	$
Opening balance	**1,730,000**	1,450,125
Foreign exchange unrealized	**(90,375)**	279,875
Ending balance	**1,639,625**	1,730,000

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 7).

(Expressed in Canadian dollars)

9) Accounts Payable

	June 30 2016	December 31 2015
	$	$
Project related accounts payables (i)	**2,728,911**	2,590,897
Other accounts payable (ii)	**740,351**	704,221
Total Accounts Payable	**3,469,262**	3,295,118

(i) Total project related accounts payable include costs for the AG Solar and Blue Mountain projects. At September 30, 2016, $1.5 million is payable for initial construction of the Blue Mountain project (December 31, 2015 - $1.5 million) $493,811 is payable for legal fees related to Blue Mountain and AG Solar (December 31, 2015 - $407,629), $173,110 (December 31, 2015 - $165,642) is payable for environmental assessments for Blue Mountain and the remainder $580,898 to various vendors related to the two projects (December 31, 2015 - $454,897).

(ii) Other accounts payable include costs related to the Company and not to the AG Solar or Blue Mountain projects.

10) Loans Payable

	June 30 2016	December 31 2015
	$	$
Captiva loans (i)	**31,248**	80,721
Shareholder loans (ii)	**131,170**	138,400
Director's loans (iii)	**527,208**	377,662
CEO's loans (iv)	**553,053**	780,340
	1,242,679	1,377,123
Less: Current portion	**(1,182,679)**	(1,304,319)
Loans payable, non-current	**60,000**	72,804

(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. On March 10, 2016 and April 27, 2016, the Company repaid $27,571 and $21,902 to Captiva.

(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, 2016, the Company had outstanding loans from directors of $527,208 (December 31, 2015 - $138,400). 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 nine months ended September 30, 2016, Nil was repaid on the loans (Year ended December 31, 2015 - $49,435)

(iv) As at September 30, 2016, the Company had outstanding loans from the CEO and the CEO's spouse of $553,053. 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 nine months ended September 30, 2016, $48,696 was repaid on the loans (December 31, 2015 - $69,647).

11) Share Capital

a) Authorized and Outstanding

At September 30, 2016, the Company had unlimited authorized common shares without par value and 13,824,227 common shares issued and outstanding (December 31, 2015 – 13,124,227).

(Expressed in Canadian dollars)

b) *Private placement of units*

On April 6, 2016, the Company issued 300,000 units through a private placement for gross proceeds of $150,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company for a period of five years from the date of issuance at a price of $0.60 per share.

On May 31, 2016, the Company issued 400,000 units through a private placement for gross proceeds of $200,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company for a period of five years from the date of issuance at a price of $0.60 per share. Of the 400,000 units issued, 250,000 were purchased by the spouse of the CEO.

On November 25, 2015, the Company issued 404,000 units through a private placement for gross proceeds of $606,000 of which $336,703 (net of issuance costs of $126,767) was allocated to common shares and $142,530 to the share purchase warrants based upon the relative fair values. Each unit is comprised of one common share and one half common share purchase warrant. Each full Warrant entitles the holder to purchase one common share of the Company for a period of five years from the date of issuance at a price of $1.75 per share. A finder's fee of $75,000 in the form of 50,000 shares was given to CV Brokerage.

On April 17, 2015, the Company issued 205,000 units through a private placement for gross proceeds of $307,500 of which $147,184 (net of issuance costs of $67,708) was allocated to common shares and $92,608 to the share purchase warrants based upon the relative fair values. Each unit is comprised of one common share and one half common share purchase warrant. Each full Warrant entitles the holder to purchase one common share of the Company for a period of five years from the date of issuance at a price of $1.75 per share.

c) *Share-based compensation*

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.

A summary of stock option information as at September 30, 2016 is as follows:

	Number of options	**Weighted average exercise price**
		$
Balance at December 31, 2014	1,185,695	1.77
Exercised	(333,922)	0.57
Balance at December 31, 2015	851,773	1.46
Exercised/Expired	-	-
Balance at September 30, 2016	**851,773**	**1.46**

Stock options outstanding as at September 30, 2016:

	Stock options outstanding			Options exercisable	
Exercise price	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number of options outstanding and exercisable	Weighted average exercise price
$		$	Years		$
0.57	351,773	0.57	0.41	351,773	0.57
0.75	125,000	0.75	0.41	125,000	0.75
2.60	125,000	2.60	1.95	125,000	2.60
2.50	250,000	2.50	2.07	250,000	2.50
Total	**851,773**	**1.46**	**1.21**	**851,773**	**1.27**

(Expressed in Canadian dollars)

The Company did not issue stock options for the three and nine months ended September 30, 2016 or the year ended December 31, 2015. The Company recorded $Nil of share-based compensation expense during the three and nine months ended September 30, 2016 (2015 – $Nil) as all had vested in as at December 31, 2014.

d) *Warrants*

Share purchase warrants outstanding as at September 30, 2016:

Expiry date	Share purchase warrants outstanding	Black-scholes value	Exercise Price
		$	$
September 12, 2019	684,000	272,937	2.00
May 4, 2020	102,500	92,608	1.75
November 25, 2020	202,000	142,530	1.75
February 21, 2021	700,000	281,537	0.60
Total	**1,688,500**	**789,612**	

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.

The share purchase warrants and broker's warrants issued were fair-valued using the Black-Sholes option pricing model with the following weighted average assumptions:

	Three Months Ended		**Nine Months Ended**	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September 30, 2015
Expected life (in years)	**-**	-	**5.00**	5.00
Risk-free interest rate	**-**	-	**0.60%**	1.08%
Expected volatility	**-**	-	**76.91%**	70.94%
Dividend yield	**-**	-	**-**	-

The expected stock price volatility is based on the historic volatility (based on the life of the warrants).

The fair value of warrants issued during the three and nine months ended September 30, 2016 was $Nil and $281,537 (September 30, 2015 three and nine months ended $272,937 and $311,258, respectively).

e) *Loss per share*

Stock options and share purchase warrants have not been included in the computation of diluted loss per share for the three and nine months ended September 30, 2016 and for year ended December 31, 2015, because to do so would be anti-dilutive.

(Expressed in Canadian dollars)

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.

a) Categories of financial instruments

	September 30 2016	December 31 2015
	$	$
Loans and receivables		
Cash	**(528)**	3,903
Deposits	**268,385**	282,919
Interest receivable	**67,983**	53,454
	335,840	340,276
Other financial liabilities		
Accounts payable	**3,469,262**	3,295,118
Accrued interest	**404,120**	315,122
Accrued liabilities	**214,315**	200,731
Loans payable	**1,242,679**	1,377,123
	5,330,376	5,188,094

b) 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

All of the Company's financial instruments are measured at Level 1 with the exception of loans payable which are measured at Level 2. The Company did not move any instruments between levels of the fair value hierarchy during the three and nine months ended September 30, 2016 and the year ended December 31, 2015.

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.

c) 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.

d) 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.

(Expressed in Canadian dollars)

e) 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:

	1 to 3 months	**4 months to 1 year**	**Over 1 year**	**Total**
	$	$	$	**$**
Accounts payable	129,144	460,199	2,879,919	**3,469,262**
Accrued liabilities	-	94,293	120,022	**214,315**
Accrued interest liabilities	-	145	403,975	**404,120**
Loans payable	-	-	1,242,679	**1,242,679**
Land lease payments	-	411,218	62,962	**474,180**
	129,144	965,855	4,709,557	**5,804,556**

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 three and nine months ended September 30, 2016, there has been no change in the Company's management of capital policies.

14) Segmented information

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.

(Expressed in Canadian dollars)

	Canada	USA	Total
	$	$	$
As at September 30, 2016			
Total assets	341,548	8,348,675	8,690,223
Non-current assets	98,378	8,344,839	8,443,217
As at December 31, 2015			
Total assets	332,918	8,197,737	8,530,655
Non-current assets	290,503	8,194,687	8,485,190
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)
Three months ended September 30, 2015			
Operating loss	(315,244)	(3,017)	(318,261)
Interest income	4,525	-	4,525
Loss for the period	(310,719)	(3,017)	(313,736)
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)
Nine months ended September 30, 2015			
Operating loss	(751,964)	(12,318)	(764,282)
Interest income	12,895	-	12,895
Loss for the period	(739,069)	(12,318)	(751,387)

15) Related party transactions

Key management includes directors and officers of the Company. In addition to related party transactions described in Note 10 and 11, the Company had the following expenses paid to key management:

	Three Months Ended		**Nine Months Ended**	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September 30, 2015
	$	$	**$**	$
Salaries & Wages	**-**	27,000	**-**	81,000
Management fees	**16,432**	39,771	**87,611**	116,703
Share-based compensation	**-**	-	**-**	-
Total	**16,432**	66,771	**87,611**	197,703

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. As at September 30, 2016, the President of the Company has been paid a total of $56,299 (US $42,921) fees under the contract. As at September 30, 2016, included in accounts payable are fees and expenses due to the President of the Company of $246,082.

(Expressed in Canadian dollars)

16) Commitments and contingencies

As at September 30, 2016, the Company had the following commitments and contingencies outstanding:

	Within 1 year	2-3 years	Over 3 years	**Total**
	$	$	$	**$**
Puerto Rico land leases (i)	411,218	62,962	-	**474,180**
Consultant bonus (ii)	327,925	-	-	**327,925**
PBJL share transfer (iii)	655,850	-	-	**655,850**
Total	1,394,993	62,962	-	**1,457,955**

(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, 2016, the Company capitalized $813,779 (US $620,400) in land costs under the Puerto Rico project.

(ii) The Company agreed to pay the President a one-time consultant bonus of US $250,000 (Note 15).

(iii) 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.

(iv) On September 16, 2016, the Company came to a settlement agreement with two of its creditors to pay a series of payments totaling $131,593. All payments are to be completed by December 16, 2016.

17) Subsequent events

Subsequent to September 30, 2016 the Company:

a) received a loan from short term loan from a director of $150,000. The loan bears interest at 5% per annum and is due on November 17, 2016.

b) entered into an amending agreement with the Company's President whereby $167,750 of the fees outstanding to the President (Note 15) will be converted into a three year convertible debenture. The debenture will accrue interest at 8% per annum, compounded semi-annually, and is convertible into common shares of the Company at $1.00 per share.

   Further, under the amended agreement, the monthly fees payable to the President are reduced to $5,000 per month until the Company PPOA is signed by PREPA, at which time the fees will revert back to $10,000 per month.

   Lastly, the development completion bonus due to the president on completion of the Montalva project is reduced form $30,000 per MW AC to $19,500 per MW AC or a maximum of $1,950,000.