

## CNQ Form 7

CNQ ISSUER	TRADING SYMBOL	NUMBER OF OUTSTANDING SECURITIES	DATE
Glenbriar Technologies Inc.	GBRT	25,789,928	November 2, 2004

### Report on Business

#### 1. *General Overview and Discussion*

Glenbriar Technologies Inc. applied for and was granted listing on the CNQ under the trading symbol GBRT in October 2004. For a detailed description of Glenbriar's business and operations, please refer to the Listing Statement dated October 20, 2004, which was filed with CNQ on October 26, 2004 ("Listing Statement"). Two new independent directors were added to the board of directors in October (see item 16 below).

#### 2. *Activities of Management*

During the past few months, Glenbriar management has been focused on improving its overall corporate governance. In conjunction with this objective, Glenbriar has been seeking to add new independent directors to its board. In addition, it has sought to make changes which the board of directors feel are necessary to permit Glenbriar to pursue business opportunities within a fiscally responsible and reasonable time frame. To this end, two new directors were appointed and Glenbriar's listing moved to a new stock exchange in October. See items 5 and 6 below.

#### 3. *New Products or Services Developed or Offered*

Glenbriar's wholly owned subsidiary, Peartree Software Inc., has been implementing a new set of software engineering tools developed in Australia. In August, Peartree added a Chief Technology Officer to its staff, Roy Clarke, whose principal function is to embrace these new tools and spearhead Peartree's software development program. These tools have sped up the expected delivery time for Peartree's updated product line. No new updates or modules were released in October.

#### 4. *Discontinued Products or Services*

No products or services were discontinued in October.

#### 5. *New Business Relationships*

During October 2004, Glenbriar added two new independent directors to its board, Jean-Sebastien Leroux and Peter Varteresian. Mr. Leroux's company, Proex Inc., entered into a strategic alliance with Glenbriar which provides the basis upon which proceeds of any joint operations would be allocated between the parties. Mr. Varteresian is party to a letter agreement with Glenbriar which provides for a success fee of 2% of the net proceeds to Glenbriar for certain types of financing. The arrangements with Messrs. Leroux and Varteresian are on a best efforts basis, and do not involve any fixed obligations. Glenbriar believes that all of these arrangements have been entered into at or below competitive market rates for such services. Any arrangements between Glenbriar and its officers and directors are subject to disclosure by the contracting party and approval by the disinterested directors. Glenbriar believes that it is preferable to have written contracts in place

with independent directors in order to improve disclosure and to identify and deal with any potential conflicts of interest in advance.

6. *Expiry or Termination of Contracts or Financing Arrangements*

Glenbriar terminated its listing on the TSX Venture Exchange (TSX-V) in October in order to list on the CNQ.

Glenbriar submitted a proposed financing transaction to the TSX-V for approval in March 2004. After six months, no response had been delivered despite additional information being provided, satisfactory searches on and direct communication with the participants by the TSX-V, and numerous requests from Glenbriar. Investors who had been lined up in July by the participants went cold over the uncertainty caused by the delay. Over time, Glenbriar's management lost faith in the TSX-V's governance as evidenced by their lack of understanding of the transaction, its details, its benefit to Glenbriar's shareholders, and the cost to Glenbriar caused by the delay. Glenbriar management determined that its TSX-V listing was preventing it from conducting business in the best interests of Glenbriar and its shareholders, and sought a credible alternative to prevent such disruptions in the future.

Glenbriar management conducted due diligence with investment bankers, venture capitalists and listed companies. The CNQ was identified as a fully electronic exchange with better information, transparency and disclosure standards. The CNQ uses the same back office in Toronto for market surveillance as the TSX, and uses TSX Datalinx for market data distribution. In addition, it follows the Nasdaq model of not vetting transactions, and has a more acceptable cost structure. In the end, Glenbriar's board of directors determined that the problems it experienced with its previous listing would have been avoided under the structure and disclosure model adopted by CNQ, so they voted unanimously to move Glenbriar's listing to the CNQ. Despite this transition, the delays described above have reduced the chance that the proposed transaction will move forward due to the need to overcome the uncertainty that it has created for potential investors. If it is able to be pursued, the transaction is still subject to completion of due diligence, formalization of documentation and market risk. See the Listing Statement for more details.

7. *Acquisitions or Dispositions of Assets*

Glenbriar did not acquire or dispose of any assets during October 2004, other than the purchase and sale of inventory in the ordinary course of business.

8. *Acquisition or Loss of Customers*

There was no substantial change to Glenbriar's customer base in October.

9. *New Developments or Effects on Intangible Products or Intellectual Property*

See item 3 above.

10. *Employee Hirings and Terminations*

Glenbriar hired one additional technical staff member in its Vancouver location in October 2004.

11. *Labour Disputes and Resolutions*

This item is not applicable, as Glenbriar operates in a non-union environment.

12. *Legal Proceedings*

Glenbriar is not currently party to any material legal proceedings.

13. *Indebtedness Incurred or Repaid*

Current portion of long term liabilities decreased \$3,000 in October 2004 to \$15,500. This amount is an obligation of Peartree, which is scheduled to be repaid by March 31, 2005 based upon payments of \$3,000 per month. Glenbriar incurred an increase of approximately \$50,000 in its operating line of credit to fund higher hardware and software sales during the month. See the Listing Statement dated October 20, 2004 for details regarding the line of credit.

14. *Securities Issued and Options or Warrants Granted*

No securities, options or warrants were issued or granted in October 2004.

15. *Loans to or by Related Persons*

There are currently no loans to or by related persons.

16. *Changes in Officers, Directors or Committee Members*

Two new independent directors were appointed in October. Jean-Sebastien Leroux of Toronto was appointed on October 12, 2004, and Peter Varteresian of Halifax was appointed on October 19, 2004. Both are members of the Audit Committee, which is the only board committee maintained by Glenbriar. See the Listing Statement for details.

17. *Market, Political and Regulatory Trends Affecting Glenbriar*

For a general discussion of the risk factors inherent in the market and regulatory fields affecting Glenbriar, see item 17 in the Listing Statement.

About 20% of Peartree's sales are to customers in the United States and Mexico. These sales are denominated in US dollars. This has resulted in a reduction in annual revenue of approximately \$75,000, with no corresponding reduction in expenses. Further increases in the Canadian dollar will result in further erosion of revenue and net income.

Hardware prices have trended downward steadily over the past two decades. This results in Glenbriar having to sell substantially more hardware over time to maintain its revenue base and gross margins on hardware and network equipment sales. In addition, as Glenbriar converts more of its customers over to a thin client environment, the replacement cycle for desktop hardware can be extended to 5 or 7 years, which reduces the hardware requirements for those customers over time. Glenbriar believes that this is in the best interests of its customers, and will continue to support conversion to thin client computing notwithstanding the long term reduction in hardware sales.

### Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

<b>NAME OF ISSUER</b> Glenbriar Technologies Inc.		<b>FOR MONTH END</b> October 2004	<b>DATE OF REPORT YY/MM/DD</b> 04/11/02
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<b>DIRECTOR OR SENIOR OFFICER</b> Robert Matheson	<b>SIGNATURE</b> "Robert Matheson"		<b>CAPACITY</b> President