Financial statements of

Greenbriar Capital Corp.

December 31, 2009

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Auditors' Report

To the Shareholders of
Greenbriar Capital Corp.

We have audited the balance sheet of Greenbriar Capital Corp. (the "Company") as at December 31, 2009 and the statement of operations and cash flows, and shareholders' equity from the date of incorporation on April 2, 2009 to December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Greenbriar Capital Corp. as at December 31, 2009 and the results of its operations and its cash flows for the period from the date of incorporation on April 2, 2009 to December 31, 2009 in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Vancouver, Canada
February 2, 2010

Greenbriar Capital Corp.
Statement of Operations and Comprehensive Loss

Period ended December 31, 2009
(Expressed in Canadian dollars)

	April 2, 2009 to December 31, 2009
	$
Expenses	
Accounting	15,950
Audit and tax	11,000
Bank charges	237
Legal	8,615
Office	510
Public company fees	9,641
Rent (Note 8)	10,000
Stock compensation expense (Note 4(d))	36,175
Travel	2,831
	94,959
Net loss and comprehensive loss	(94,959)
Basic and diluted loss per common share (Note 4(e))	(0.03)
Weighted average number of common shares outstanding - basic and diluted	3,571,511

Greenbriar Capital Corp.
Balance Sheet

As at December 31, 2009
(Expressed in Canadian dollars)

	December 31, 2009
	$
Assets	
Current assets	
Cash	350,495
Refundable tax credits	2,218
	352,713
Liabilities	
Current liabilities	
Accounts payable	534
Accrued liabilities	7,350
	7,884
Shareholders' equity	
Share capital (Note 4)	390,213
Contributed surplus (Note 4(d))	36,187
Warrants (Note 5)	13,388
Deficit	(94,959)
	344,829
	352,713

Continuing operations (Note 1)

Approved by the Directors

(signed) Jeffrey Ciachurski
Jeffrey Ciachurski, Director

(signed) John Wardlow
John Wardlow, Director

Greenbriar Capital Corp.

Statement of Cash Flows

Period ended December 31, 2009
(Expressed in Canadian dollars)

	April 2, 2009 to December 31, 2009
	$
Operating activities	
Net loss	(94,959)
Item not involving cash	
Stock compensation expense (Note 4(d))	36,175
	(58,784)
Change in non-cash working capital	
Accounts payable	534
Accrued liabilities	7,350
Refundable tax credits	(2,218)
	(53,118)
Financing activity	
Shares and warrants issued for cash	403,613
	403,613
Net cash inflow	350,495
Cash position, beginning of period	-
Cash position, end of period	350,495

Supplementary information:

Cash paid during the period for interest	-
Cash paid during the period for income taxes	-

Greenbriar Capital Corp.

Statements of Shareholders' Equity

For the period April 2, 2009 to December 31, 2009

(Expressed in Canadian dollars)

	Common shares		Contributed	Warrants		Accumulated	Total shareholders'
	Number	Amount	surplus	Number	Amount	Deficit	equity
		$	$		$	$	$
Shares issued for:							
Private placement of 2,000,000 shares at a price of $0.05 per common share, net of issuance costs of $10,500	2,000,000	89,500	-	-	-	-	89,500
Initial public offering of 4,000,000 common shares at $0.10 per common share, net of issuance costs of $100,474	4,000,000	278,463	-	400,000	21,063	-	299,526
Exercise of warrants at $0.10	145,750	22,250	-	(145,750)	(7,675)	-	14,575
Share subscription receipts	-	-	12	-	-	-	12
Stock-based compensation	-	-	36,175	-	-	-	36,175
Net loss and comprehensive loss for the period	-	-	-	-	-	(94,959)	(94,959)
Balance at December 31, 2009	6,145,750	390,213	36,187	254,250	13,388	(94,959)	344,829

See accompanying notes to the interim consolidated financial statements.

1. Continuing operations

Greenbriar Capital Corp. (the "Company") was incorporated on April 2, 2009 under the laws of British Columbia. It is a capital pool corporation, and accordingly, its principal purpose is to use its capital to investigate and find a business to acquire as their qualifying transaction under the rules of the TSX Venture Exchange ("TSX-V").

The Company is classified as a capital pool company as defined pursuant to the TSX Venture Exchange Policy 2.4. The Company proposes to identify and evaluate corporations, businesses or assets for acquisition, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. The long-term future of the Company is dependent upon the completion of a qualifying transaction within 24 months of listing on the TSX-V which occurred on September 18, 2009, and ultimately achieving profitable operations.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the assets, liabilities and operations of the Company. All information is stated in Canadian dollars unless otherwise stated and are prepared in accordance with the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses during the reporting period. Areas that often require significant management estimates include stock-based compensation and income tax provisions. Actual results could differ from those estimates and would impact future results of operations and cash flows.

(b) Cash

Cash consists of cash on deposit with a major Canadian bank.

(c) Financial instruments

The Company follows the Canadian Institute of Chartered Accountants ("CICA") Section 3855, *Financial Instruments - Recognition and Measurement*, to account for its financial assets, liabilities and equity instruments. The Company has designated its cash as held-for-trading, with changes in fair value being recorded in net loss. Accrued liabilities and accounts payable are classified as other financial liabilities and are recorded at amortized cost. The Company had neither available for sale nor held to maturity financial instruments for the period ended December 31, 2009.

(d) Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax basis, using the enacted and substantively enacted income tax rates for the years in which the differences are expected to reverse. Future income tax assets are recognized to the extent it is more likely than not they will be realized.

2. Significant accounting policies (continued)

(e) Stock-based compensation

The Company accounts for stock-based compensation using the Black-Scholes option pricing model. Accordingly, the fair value of the options at the date of grant is accrued with a corresponding credit to contributed surplus, and charged to earnings over the vesting period. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

(f) Loss per share

Basic loss per common share is calculated using the weighted average number of common shares outstanding during the period.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized for the use of the proceeds that could be obtained upon the exercise of options, warrants or similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

(g) New accounting standards not yet adopted

(i) Business combination

CICA Handbook Section 1582, *Business Combinations*, which replaces Section 1581, *Business Combinations,* improves the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. This section outlines a variety of changes, including, but not limited to, the following: an expanded definition of a business, a requirement to measure all business combinations and non-controlling interests at fair value, and a requirement to recognize future income tax assets and liabilities and acquisition and related costs as expenses of the period. The section applies to annual and interim financial statements for fiscal years beginning on or after January 1, 2011, with early adoption permitted. The Company has not yet reviewed the impact adopting this section will have on its financial statements.

(ii) Consolidated financial statements and non-controlling interests

CICA Handbook Section 1601, *Consolidated Financial Statements*, in combination with Section 1602, *Non-Controlling Interests,* will replace Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements and specifically addresses consolidation accounting following a business combination that involves the purchase of an equity interest in one company by another. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The sections apply to annual and interim financial statements for fiscal years beginning on or after January 1, 2011, with early adoption permitted. The Company has not yet reviewed the impact adopting this section will have on its financial statements.

(Expressed in Canadian dollars)

3. Income taxes

A reconciliation of the provision (recovery) of income taxes is as follows:

	Period Ended December 31, 2009
	$
Net loss	94,959
Statutory tax rate	30%
Recovery of income taxes based on combined Canadian and provincial statutory rates	28,488
Add/Deduct:	
Non-deductible expenses	(10,852)
Share issue costs	5,016
Future rate difference	(3,775)
Tax effect of losses not recognized	(18,877)
	-

Future income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future income taxes are as follows as at December 31, 2009:

	2009
	$
Future income tax assets	
Share issue costs	23,563
Non-capital losses carryforward	18,877
	42,440
Valuation allowance	**(42,440)**
Net future income tax assets	-

In assessing the realizability of future income tax assets ("FITA"), management considers whether it is more likely than not that some portion or all of the FITA will not be realized. The ultimate realization of FITA is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As of December 31, 2009, the Company does not believe it meets the criteria to recognize FITA.

At December 31, 2009, the Company has total non-capital losses carryforward of approximately $75,506 which expire as follows:

	$
2029	75,506
	75,506

The potential tax impact of the losses has been fully offset by a valuation allowance in the financial statements.

4. Share capital

(a) Authorized

Unlimited number of common shares without par value

(b) Private placement of units

On May 28, 2009, the Company completed a private placement of 2,000,000 common shares at a price of $0.05 per common share for total proceeds of $100,000. These shares were subscribed by the Company's Directors and allotted from treasury. The 2,000,000 common shares are deposited in escrow pursuant to the terms of an escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin.

(c) Initial public offering

On September 18, 2009 the Company completed its initial public offering of 4,000,000 common shares at a price of $0.10 per share for gross proceeds of $400,000. As a condition of the offering, the agent PI Financial Corp received a commission of $40,000, a $10,000 agent fee and 400,000 warrants which give the agent the option to acquire 10% of the common shares, exercisable at a price of $0.10 per share, for a period of 24 months from September 18, 2009.

(d) Stock option plan

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. Options vest immediately. If the Optionee exercises any options prior to the Company completing its qualifying transaction and the issuance of the Final Exchange Bulletin, the Optionee shall deposit any and all such shares issued into escrow subject to the Escrow Agreement mentioned in note 4(b) above.

On June 15, 2009, the Company granted 400,000 options to its Directors to acquire common shares at $0.10 per share under the Plan. The options are exercisable from the date that the Company's shares commence trading on the TSX Venture Exchange (the "listing date"), until the tenth anniversary after the listing date.

The Company recorded $36,175 of stock-based compensation expense during the period ended December 31, 2009, complemented by an equal amount of contributed surplus.

(Expressed in Canadian dollars)

4. Share capital (continued)

(d) Stock option plan (continued)

A summary of stock option information as at December 31, 2009 is as follows:

	Shares	Weighted average exercise price
		$
Options outstanding at April 2, 2009	-	-
Granted	400,000	0.10
Options outstanding at December 31, 2009	400,000	0.10

	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	Weighted average exercise price
$		$	Years		$
0.10	400,000	0.10	9.46	400,000	0.10

The fair value of the Company's stock-based awards granted to Directors for the period ended December 31, 2009 was estimated using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Period Ended December 31, 2009
Expected life (in years)	**10**
Risk-free interest rate	**3.41%**
Expected volatility	**100%**
Dividend yield	**0%**

(e) Loss per share

Outstanding stock option and share purchase warrants have not been included in the computation of diluted loss per share for the period April 2, 2009 to December 31, 2009, because to do so would be anti-dilutive.

(Expressed in Canadian dollars)

5. Warrants

Share purchase warrants outstanding as at December 31, 2009:

Number of share purchase warrants (i)	Black-Scholes value	Exercise price	Expiry date
	$	$	
254,250 (ii)	13,388	0.10	September 18, 2011
254,250	13,388		

(i) Each share purchase warrant entitles the holder to acquire one common share of the Company on the payment of the exercise price as indicated.

Warrants granted during the period ended December 31, 2009 were issued in conjunction with the initial public offering and are exercisable at the holder's option. There are no conditions whereby the Company would have to settle the warrants in cash.

(ii) On September 18, 2009 the Company completed its initial public offering. As a condition of the offering, the agent PI Financial Corp received an option to acquire common shares equal to 10% of the common shares, exercisable at a price of $0.10 per share for a period of 24 months.

143,250 warrants were exercised on October 2, 2009 and 2,500 warrants were exercised on November 9, 2009. 125 warrants were exercised on December 21, 2009, but as at December 31, 2009 the treasury order had not been issued.

6. 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) Fair value

Financial instruments consist of cash, refundable tax credits, accounts payable and accrued liabilities. The fair values of all financial instruments are considered to approximate their carrying values due to their short-term nature.

(b) 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 short-term interest rates through the interest earned on cash balances; however, management does not believe this exposure is significant.

(c) Credit risk

The Company is exposed to credit risk through its cash which is held in large Canadian financial institutions and its refundable tax credits. The Company believes this credit risk is insignificant.

6. Financial instruments (continued)

(d) 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.

Accrued liabilities and accounts payable are due within the current operating period.

7. Capital management

The Company manages its capital, taking into account the long-term business objectives of the Company, to provide stability and reduce risk. The Company defines its capital as shareholders' equity. The primary use of capital will be to identify target companies for the purpose of completing a qualifying transaction.

8. Related party transactions

During the period to December 31, 2009, the Company paid $10,000 to a Director/Officer of the Company for office rent, for the period April 2, 2009 to December 31, 2009.