

Greenbriar Capital Corp.
Management Discussion and Analysis
For the period ended September 30, 2010

DATE OF REPORT: November 12, 2010

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the financial statements of Greenbriar Capital Corp. (“Greenbriar” or “us” or “we” or the “Company”) as at and for the three and nine months ended September 30, 2010 (the “financial statements”). All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the financial statements.

FORWARD-LOOKING INFORMATION

This report, including the MD&A, contains forward-looking statements, including statements regarding the business and anticipated future financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company’s actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company’s required financial statements and filings.

DESCRIPTION OF BUSINESS

The Company is a Capital Pool Company (“CPC”) as defined by Policy 2.4 of the TSX Venture Exchange (the “Exchange”) which is in the process of investigating and analyzing a Qualifying Transaction. The Company has commenced the process of identifying and evaluating businesses and assets with a view of completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy.

The Company has not conducted any commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions of interest. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company has reviewed and anticipates it will continue to review companies, assets and businesses in a broad range of industry sectors and geographical areas. Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction and has evaluated potential candidates, the Company has not yet entered into an agreement in principle for any particular transaction.

OVERALL PERFORMANCE

During the nine months ended September 30, 2010, the Company’s activity was related to the identification and evaluation of qualifying transactions and the preservation of cash for qualifying transaction acquisitions. During the nine months ended September 30, 2010, \$24,150 (\$43,265 – September 30, 2009) of expenditures were incurred primarily relating to regulatory compliance and a resulting net cash outflow from operations of \$25,943 (\$1,459 September 30, 2009).

RESULTS OF OPERATIONS

	Three months ended		Variance		Variance %
	September 30, 2010	September 30, 2009			
Accounting & audit	\$ 1,750	\$ -	\$ 1,750		100%
Bank charges	\$ 5	\$ 5	\$ -		0%
Legal	\$ 236	\$ 3,952	\$ (3,716)		-94%
Public company fees	\$ 1,830	\$ 1,438	\$ 392		27%
Stock option expense	\$ -	\$ 35,678	\$ (35,678)		-100%
Travel	\$ -	\$ 1,467	\$ (1,467)		-100%
Net loss	\$ 3,821	\$ 42,540	\$ (38,719)		-91%

Accounting & audit

For the three months ending September 30, 2010, the Company accrued one quarter or \$1,750 (\$Nil – September 30, 2009) of its annual audit expenditure. As of September 30, 2009, the Company recently listed as a CPC Company and no audit fee was accrued for the annual audit.

Bank charges

For the three months ending September 30, 2010, the Company incurred \$5 (\$5 – September 30, 2009) of bank charge expenditures which is consistent with the prior period.

Legal

For the three months ending September 30, 2010, the Company incurred \$236 (\$3,952 – September 30, 2009) of legal expenditures. The prior period incurred larger legal costs relating to the identification and evaluation of businesses for the purpose of completing a qualifying transaction.

Public company fees

For the three months ending September 30, 2010, the Company incurred \$1,830 (\$1,438 – June 30, 2009) of public company expenditures. As of September 30, 2009, the Company was recently listed as a CPC Company incurring less public company costs.

Stock option expense

For the three months ending September 30, 2010, the Company incurred \$Nil (\$35,678 – September 30, 2009) of stock option expenditures. On June 15, 2009, the Company granted 400,000 options to Directors to acquire common shares and recorded a stock option expense over the vesting period.

Travel

For the three months ending September 30, 2010, the Company incurred \$Nil (\$1,467 – September 30, 2009) of travel expenditures. The prior period incurred larger travel expenditures relating to the identification and evaluation of businesses for the purpose of completing a qualifying transaction.

	Nine months ended		Variance		Variance %
	September 30, 2010	September 30, 2009			
Accounting & audit	\$ 5,250	\$ -	\$ 5,250		100%
Bank charges	\$ 37	\$ 232	\$ (195)		-527%
Legal	\$ 6,342	\$ 3,953	\$ 2,389		38%
Public company fees	\$ 12,486	\$ 1,438	\$ 11,048		88%
Stock option expense	\$ -	\$ 36,175	\$ (36,175)		-100%
Travel	\$ 35	\$ 1,467	\$ (1,432)		-100%
Net loss	\$ 24,150	\$ 43,265	\$ (19,115)		-79%

Accounting & audit

For the nine months ending September 30, 2010, the Company accrued three quarters or \$5,250 (\$Nil – September 30, 2009) of its annual audit expenditure. As of September 30, 2009, the Company was recently listed as a CPC Company and no audit fee was accrued for the annual audit.

Bank charges

For the nine months ending September 30, 2010, the Company incurred \$37 (\$232 – September 30, 2009) of bank charge expenditures. The reduction in bank charges for the nine months ending September 30, 2010, reflects a decrease in activity in our bank account compared to the prior year and cheque ordering costs incurred in the prior period.

Legal

For the nine months ending September 30, 2010, the Company incurred \$6,342 (\$3,953 – June 30, 2009) of legal expenditures. The increase in legal costs was primarily related to the Company's first annual general meeting and legal costs incurred for the identification and evaluation of businesses for the purpose of completing a qualifying transaction.

Public company fees

For the nine months ending September 30, 2010, the Company incurred \$12,486 (\$1,438 – September 30, 2009) of public company expenditures. As of September 30, 2009, the Company was recently listed as a CPC Company incurring less public company costs.

Stock option expense

For the nine months ending September 30, 2010, the Company incurred \$Nil (\$36,175 – September 30, 2009) of stock option expenditures. On June 15, 2009 the Company granted 400,000 options to Directors to acquire common shares and recorded a stock option expense over the vesting period.

Travel

For the nine months ending September 30, 2010, the Company incurred \$35 (\$1,467 – September 30, 2009) of travel expenditures. The prior period incurred larger travel expenditures relating to the identification and evaluation of businesses for the purpose of completing a qualifying transaction.

SUMMARY OF QUARTERLY RESULTS

	Total Revenues	Loss Before Discontinued Operations	Net Loss for the Quarter	Net Loss Per share Basic and Diluted
September 30, 2010	\$ -	\$ (3,821)	\$ (3,821)	(0.00)
June 30, 2010	\$ -	\$ (8,148)	\$ (8,148)	(0.00)
March 31, 2010	\$ -	\$ (12,181)	\$ (12,181)	(0.00)
December 31, 2009	\$ -	\$ (51,694)	\$ (51,964)	(0.01)
September 30, 2009	\$ -	\$ (42,540)	\$ (42,540) *	(0.02)
June 30, 2009	\$ -	\$ (724)	\$ (724) *	(0.00)

*Subsequent to June 30, 2009 and September 30, 2009 the Company identified errors in the recording of share issuance costs. The June 30, 2009 and September 30, 2009 quarters are restated to reflect the capitalization of IPO share issuance costs which were previously included in the Statement of Operations and Comprehensive Loss for the period. The June 30, 2009 and September 30, 2009 quarters were previously reported in the financial statements and MD&A as a loss of \$18,310 and \$47,540.

The Company was incorporated on April 2, 2009 and does not have eight quarters of information for disclosure.

For the three months ended September 30, 2010 the quarter loss mainly consisted of public company costs in regards to regulatory compliance.

For the three months ended June 30, 2010 the quarter loss mainly consisted of public company costs in regards to regulatory compliance.

For the three months ended March 31, 2010 the quarter loss mainly consisted of regulatory compliance costs and legal expenses relating to the preparation of the Company's Information Circular and coordination of the Annual General Meeting.

For the three months ended December 31, 2009 the quarter loss mainly consisted of accounting, legal, tax and travel costs, relating to the identification and evaluation of a qualifying transaction, in the state of California. A decision was made not to proceed further with this qualifying transaction.

For the three months ended September 30, 2009 the quarter loss mainly consisted of a stock option expense relating to options granted to three Directors.

Existing stock options have not been included in the computation of diluted loss per share because to do so would be anti-dilutive.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2010, the Company had cash of \$324,802 (\$401,892 – September 30, 2009) and working capital of \$320,929 (\$396,261 – September 30, 2009).

The Company does not currently conduct any business operations. Proceeds from its IPO and existing working capital will be utilized to enable the Company to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction. However, in the event the Company identifies and targets a business, assets or property as its Qualifying Transaction, it is probable that it will have to seek additional financing.

To date the Company has relied entirely upon the sale of common shares and the exercising of warrants to provide working capital to fund its administration, overhead costs and evaluation costs for a qualifying transaction.

This Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company does not have any related party transactions.

CONTINGENCY AND CONTRACTUAL OBLIGATIONS

The Company does not have any contingencies or contractual obligations.

RISKS AND UNCERTAINTIES

The Company is a Capital Pool Company under the policies of the TSX Venture Exchange Inc. Investment in the Common Shares of the Company must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The following are risk factors associated with the Company:

- (a) The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash, prepaid expenses and refundable tax credits. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;
- (b) The Board of Directors and Officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

- (c) There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell their common shares;
- (d) Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (e) The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- (f) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (g) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, majority of the minority approval;
- (h) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which majority of the minority approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares;
- (i) Upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The common shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
- (j) Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
- (k) The Exchange will generally suspend trading in the Company's common shares or delist the Company if the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing (September 18, 2009);
- (l) Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (m) If management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;
- (n) The Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
- (o) The Company is relying solely on the past business success of its Directors and Officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

As a result of these factors, this Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

FINANCIAL INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at September 30, 2010, the Company's financial instruments consist of cash, refundable tax credits and accrued liabilities. The amounts reflected in the balance sheet are carrying amounts and approximate their fair values due to their short-term nature.

The Company does not use derivative instruments or hedges to manage risks because the Company's exposure to credit risk, interest rate risk and currency risk is small.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk through its cash which is held in large Canadian financial institutions and refundable tax credits. The Company believes this credit risk is insignificant.

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.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accrued liabilities and accounts payable are all current. The Company ensures that it has sufficient capital to meet short-term financial obligations after taking into account its administrative obligations.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements and notes thereto are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). These accounting principles require us to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates, judgments and assumptions are based upon information available to us at the time that they are made. To the extent there are material differences between these estimates, judgments or assumptions and actual results, the Company's financial statements will be affected.

Since a determination of many assets, liabilities, revenues and expenses are dependent upon future events, the preparation of financial statements requires the use of estimates and assumptions which have been made using careful judgment. The critical accounting estimates are as follows:

- (a) The Company has recorded stock based compensation using the *Black-Scholes Option Pricing Model* that requires an assumption of the expected lives of stock options granted to Directors.
- (b) Future income tax assets are recognized to the extent it is more likely than not they will be realized.

CHANGES IN ACCOUNTING POLICIES

The Company has not had any changes in accounting policies.

RECENT ACCOUNTING PRONOUNCEMENTS

- (a) *CICA Section 1582, Business Combinations ("Section 1582")*

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.

- (b) *CICA Section 1601, Consolidated Financial Statements (“Section 1601”) and Handbook Section 1602, Non-Controlling Interests (“Section 1602”)*

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 these sections will have on its financial statements.

- (c) *International Financial Reporting Standards (IFRS) Changeover Plan*

The Company has been monitoring the deliberations and progress being made by accounting standards setting bodies and securities regulators in Canada with respect to their plans regarding convergence to International Financial Reporting Standards (“IFRS”). The Canadian Institute of Chartered Accountants Accounting Standards Board and the Canadian Securities Administrators (“CSA”) have confirmed that domestic issuers will be required to transition to IFRS for fiscal years beginning on or after January 1, 2011. IFRS will replace Canada’s current Generally Accepted Accounting Principles (“GAAP”) for those enterprises.

In preparation for the changeover of GAAP to IFRS, the Company has appointed the Chief Financial Officer to lead the conversion project. The conversion project includes the planning phase, diagnostic, analysis and evaluation phase and the implementation and review phase.

The Company has completed the planning phase which involved establishing and appointing the Chief Financial Officer as conversion project leader and assessing key areas where there would be significant impact due to IFRS transition. The Chief Financial Officer has attended several training courses on the adoption and implementation of IFRS.

The Company has commenced the diagnostic, analysis and evaluation phase which includes an assessment of the key impact areas including technical analysis and a detailed analysis of IFRS 1 exemptions and exceptions available and is in early stages of dialogue with the Company’s independent auditor. It is expected that the Company will complete the analysis and evaluation of the effects of IFRS on its financial statements by the end of the fourth quarter 2010.

The implementation and review phase will involve additional training for the Chief Financial Officer, implementation of the required accounting policy changes and continuous monitoring of changes in IFRS to ensure accurate adoption and transition.

The following are key areas where changes in accounting policy are expected that may impact the Company’s consolidated financial statements. This list is not meant to be a complete list of changes that will result from transition to IFRS and may change prior to formal adoption of IFRS:

IAS 36 – Impairment of Assets

IAS 36 requires the Company to actively assess any indication of impairment of assets at each reporting date by comparing its carrying amount to its recoverable amount. The Company does not expect any changes in accounting treatment on conversion.

OTHER MD&A REQUIREMENTS

Outstanding Share Data

	Common Shares #	Common Shares \$	Subscription Receipt \$	Warrants \$	Total \$
Balance, December 31, 2009	6,145,750	390,213	12	13,388	403,613
Exercise of warrants	2,625	401	(12)	(139)	250
Balance, September 30, 2010	6,148,375	390,614	-	13,249	403,863

Summary of Options Granted During the Period

None

Summary of Marketable Securities Held at the End of the Period

None

Summary of Securities at the End of the Reporting Period

Authorized Capital: unlimited common shares without par value

Issued and Outstanding: 6,148,375 common shares

Description of Options and Warrants as at September 30, 2010

Type of Security	Number or Amount	Exercise or Conversion Price	Expiry Date
Stock Options	400,000	\$0.10	September 18, 2019
Warrants	251,625	\$0.10	September 18, 2011

Number and Recorded Value for Shares Issued and Outstanding

As at September 30, 2010 and November 12, 2010 the Company had 6,148,375 common shares outstanding having an average paid up value of \$0.06 per share.

As at September 30, 2010 and November 12, 2010 the Company had 400,000 stock options and 251,625 warrants outstanding.

Total Number of Shares in Escrow or Subject to Pooling Agreement

2,360,000 shares are held in escrow pursuant to an escrow agreement dated June 15, 2009.

Additional information relating to the Company is available on SEDAR at www.sedar.com.