Condensed Interim Consolidated Financial statements of

Greenbriar Capital Corp.

September 30, 2011

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PREPARED BY MANAGEMENT

The accompanying condensed interim consolidated financial statements of Greenbriar Capital Corp., comprised of the Statement of Financial Position as at September 30, 2011 and the Statement of Comprehensive Loss, Statement of Cash Flows and Statement of Changes in Equity for the three and nine month periods ended September 30, 2011 are the responsibility of the Company's management. The independent external auditors of the Company have not reviewed these financial statements.

Greenbrriar Capital Corp.

September 30, 2011

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GREENBRIAR CAPITAL CORP

Condensed Interim Consolidated Statement of Comprehensive Loss

(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
		$	$	$	$
Expenses					
Accounting		**-**	-	**21,129**	-
Audit and tax		**1,750**	1,750	**8,250**	5,250
Bank charges		**265**	5	**420**	37
Foreign exchange		**196**	-	**927**	-
Legal		**-**	236	**1,380**	6,342
Office		**-**	-	**106**	-
Public company fees		**6,090**	1,830	**12,902**	12,486
Travel		**-**	-	**250**	35
		8,301	3,821	**45,364**	24,150
Net loss		**(8,301)**	(3,821)	**(45,364)**	(24,150)
Other Comprehensive Income (loss)					
Currency translation adjustment		**3,728**	-	**3,728**	-
Net Comprehensive loss		**(4,573)**	(3,821)	**(41,636)**	(24,150)
Basic and diluted loss per common share	4e	**(0.00)**	(0.00)	**(0.01)**	(0.00)
Weighted average number of common shares outstanding - basic and diluted		**6,565,215**	6,148,375	**6,288,777**	6,148,280

See accompanying notes to the financial statements.

GREENBRIAR CAPITAL CORP

Condensed Interim Consolidated Statement of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	Notes	As at September 30, 2011	As at December 31, 2010	January 1, 2010 (note 2(b)) 2010
		$	$	$
Assets				
Current assets				
Cash		**1,035,833**	323,780	350,495
Prepaid expenses		**1,300**	-	-
Refundable tax credits		**25,260**	290	2,218
		1,062,393	324,070	352,713
Property held for development and sale	3	**1,083,988**	-	-
		2,146,381	324,070	352,713
Liabilities				
Current liabilities				
Accounts payable		**111,926**	1,551	534
Accrued liabilities		**5,250**	7,500	7,350
		117,176	9,051	7,884
Shareholders' equity				
Share capital	4	**2,099,704**	390,614	390,213
Contributed surplus	4c	**36,175**	36,175	36,187
Warrants	5	**59,981**	13,249	13,388
Accumulated other comprehensive loss		**3,728**	-	-
Deficit		**(170,383)**	(125,019)	(94,959)
		2,029,205	315,019	344,829
		2,146,381	324,070	352,713

General Information (note 1)

Approved by the Directors

(signed) Jeffrey Ciachurski

Jeffrey Ciachurski, Director

(signed) John Wardlow

John Wardlow, Director

GREENBRIAR CAPITAL CORP

Condensed Interim Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	$	$	$	$
Operating activities				
Net loss	**(8,301)**	(3,821)	**(45,364)**	(24,150)
Item not involving cash				
Foreign exchange	**(60)**	-	**(60)**	-
	(8,361)	(3,821)	**(45,424)**	(24,150)
Change in non-cash working capital				
Accounts payable	**73,532**	(2,531)	**106,707**	(534)
Accrued liabilities	**1,750**	1,750	**(2,250)**	(2,100)
Prepaid expenses	**1,300**	1,250	**(1,300)**	(1,250)
Refundable tax credits	**(11,566)**	121	**(24,970)**	2,091
	56,655	(3,231)	**32,763**	(25,943)
Investing activities				
Land held for development and sale	**(1,052,073)**	-	**(1,080,260)**	-
	(1,052,073)	-	**(1,080,260)**	-
Financing activities				
Shares and warrants issued for cash	**1,837,315**	-	**1,755,822**	250
	1,837,315	-	**1,755,822**	250
Net cash (outflow) inflow	**845,625**	(3,231)	**712,053**	(25,693)
Cash position, beginning of period	**190,208**	328,033	**323,780**	350,495
Cash position, end of period	**1,035,833**	324,802	**1,035,833**	324,802

Supplementary information:				
Cash paid during the period for interest	-	-	-	-
Cash paid during the period for income taxes	-	-	-	-

GREENBRIAR CAPITAL CORP

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian dollars)
(Unaudited)

	Common shares		Contributed	Warrants		Accumulated	Accumulated other comprehensive	Total shareholders'
	Number	Amount	surplus	Number	Amount	Deficit	income (loss)	equity
	#	$	$	#	$	$	$	$
Balance at January 1, 2010	6,145,750	390,213	36,187	254,250	13,388	(94,959)	-	344,829
Shares issued for:								
Exercise of warrants at $0.10	2,625	401	(12)	(2,625)	(139)	-	-	250
Net loss and comprehensive loss for the period	-					(24,150)	-	(24,150)
Balance as at September 30, 2010	6,148,375	390,614	36,175	251,625	13,249	(119,109)	-	320,929
Balance at January 1, 2011	6,148,375	390,614	36,175	251,625	13,249	(125,019)	-	315,019
Exercise of warrants at $0.10	251,625	38,411	-	(251,625)	(13,249)	-	-	25,162
Private placement of 4,100,000 shares at a price of $0.05 per common share, net of issuance costs of $379,321	4,100,000	1,670,679	-	287,000	59,981	-	-	1,730,660
Currency translation adjustment	-	-	-	-	-	-	3,728	3,728
Net loss for the period	-	-	-	-	-	(45,364)	-	(45,364)
Comprehensive loss	-	-	-	-	-	-	-	(41,636)
Balance as at September 30, 2011	**10,500,000**	**2,099,704**	**36,175**	**287,000**	**59,981**	**(170,383)**	**3,728**	**2,029,205**

See accompanying notes to the financial statements.

1. General Information

Greenbriar Capital Corp. was incorporated under the Canada Business Corporations Act on April 2, 2009 and is a real estate issuer on the TSX Venture Exchange. The Company's head office is located at Suite 1328, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. On August 2, 2011, Greenbriar incorporated Greenbriar Capital Holdco Inc. ("Greenbriar USA"), a Delaware corporation. Greenbriar is the sole shareholder of Greenbriar USA. On August 2, 2011, Greenbriar USA formed Greenbriar Capital (U.S.) LLC ("Greenbriar LLC"), a limited liability corporation formed under the laws of the State of Delaware. Greenbriar USA is the sole member and manager of Greenbriar LLC.

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 will no longer be considered a Capital Pool Company. The Company's shares trade on the exchange under the symbol "GRB".

The condensed interim 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 business is the acquisition, management, improvement, and eventual sale of its property and any other properties it acquires in the future. The Company has been successful to date in acquiring its first property, 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. As the Company has no history of operations, earnings or revenues, the Company anticipates that existing cash resources will be sufficient to cover its funding requirements for the ensuing year, however, if it is unable to generate cash flow from the sale or otherwise disposition of the property, or if it is unable to raise any additional funds it may require, it could have a material adverse effect on its financial condition. If the going concern basis was not appropriate for these condensed interim consolidated financial statements, then significant adjustments would be necessary to the carrying value of assets and liabilities, the reported statement of operations and the balance sheet classification.

The financial statements were authorized by the Board of Directors on November 29, 2011.

2. Significant accounting policies

(a) Basis of presentation

The condensed interim consolidated financial statements are unaudited and have been prepared in accordance with IAS 34 *'Interim Financial Reporting'* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These are the Company's third IFRS interim financial statements for part of the period covered by the Company's first IFRS annual financial statements for the year ending December 31, 2011. Previously, the Company prepared its annual and interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

As these are the Company's third IFRS interim financial statements in accordance with IFRS, the Company's disclosure exceeds the minimum required under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS.

2. Significant accounting policies (continued)

(a) *Basis of presentation (continued)*

The condensed interim consolidated financial statements have been prepared on the historical cost basis. The comparative figures presented in these condensed interim consolidated financial statements are in accordance with IFRS and have not been audited in conformity with IFRS. All information is expressed in Canadian dollars unless otherwise stated and are prepared in accordance with the following significant accounting policies:

(b) *First Time Adoption of IFRS*

The Company has adopted IFRS on January 1, 2011 with a transition date of January 1, 2010. Under IFRS 1 *'First- time Adoption of International Financial Reporting Standards'*, the IFRS are applied retrospectively as at the transition date, with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings. The Company is not applying any exemptions on first-time adoption of IFRS.

IFRS employs a conceptual framework that is similar to Canadian GAAP. The adoption of IFRS has not changed the Statement of Financial Position, Statement of Comprehensive Loss, Statement of Changes in Equity and Statement of Cash Flows as previously reported under GAAP. No transitional adjustments were made when converting from GAAP to IFRS.

Statement of Financial Position Reconciliation

	As at January 1, 2010 (Date of transition)		
	Canadian GAAP	**Effects of transition to IFRS**	**IFRS Opening**
	$	$	$
Assets			
Cash	350,495	-	350,495
Refundable tax credit	2,218	-	2,218
	352,713	-	352,713
Liabilities			
Accounts payable	534	-	534
Accrued liabilities	7,350	-	7,350
	7,884	-	7,884
Shareholders' equity			
Share capital	390,213	-	390,213
Contributed surplus	36,187	-	36,187
Warrants	13,388	-	13,388
Deficit	(94,959)	-	(94,959)
	344,829	-	344,829
	352,713	-	352,713

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(c) Adoption of new and revised standards and interpretations

The following new standards, amendments to standards, and interpretations have been issued but are not effective during the year ended December 31, 2011:

• IFRS 7 (Amendment)	Enhanced disclosure on transfer of financial assets [i]
• IFRS 9	New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets [iv]
• IFRS 10	New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities [ii]
• IFRS 11	New standard to account for the rights and obligations in accordance with joint agreement [ii]
• IFRS 12	New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39[ii]
• IFRS 13	New standard on the measurement and disclosure of fair value [ii]
• IAS 1 (Amendment)	Presentation of other comprehensive income [iii]
• IAS 28 (Amendment)	New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures [ii]

i. Effective for annual periods beginning on or after July 1, 2011
ii. Effective for annual periods beginning on or after January 1, 2013
iii. Effective for annual periods beginning on or after July 1, 2012
iv. Effective for annual periods beginning on or after January 1, 2013, current proposal to delay until 2015

The Company has not yet determined or assessed the impact of adopting these new standards.

(d) Foreign exchange translation

The Company's functional and local currency is the Canadian dollar and the subsidiaries functional currency is the US dollar. The subsidiaries will be translated into Canadian dollars at the rate of exchange in effect at the balance sheet date for all assets and liabilities. Revenues and expenses of the subsidiaries will be translated at the average exchange rate prevailing during the period. Translation gains and losses are recorded as a currency translation adjustment in accumulated other comprehensive income or loss.

(e) Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

(f) Significant accounting judgments and estimates

The preparation of condensed interim consolidated 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 reporting 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.

Areas that often require significant management estimates and judgment include stock-based compensation and income tax provisions.

Significant accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(h) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

(i) Property held for development and sale

Capitalized costs for land under development and sale include costs of conversion and other costs relating to the development of the property.

Property held for development is recorded at the lower of cost and net realizable value.

(j) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Significant accounting policies (continued)

(j) Financial liabilities (continued)

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. At the end of each reporting period subsequent to initial recognition, financial liabilities classified as FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss excludes any interest paid on the financial liabilities.

(k) 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 probable that sufficient taxable profit will be available to allow all or part of the future income tax asset to be utilized. Unrecognized future income tax assets are assessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the future tax asset to be recovered.

(l) Stock-based payments

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.

(m) 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.

(n) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

(Expressed in Canadian dollars)

Significant accounting policies (continued)

(n) Provisions (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3. Property held for development and sale

	2011	2010
Land held for development and sale	$ 1,083,988	$ -
	$ 1,083,988	$ -

On September 27, 2011 the Company acquired property in accordance with its acquisition agreement with Marks & Kilkenny LLC to acquire real property in Tehachapi, California, USA, as its qualifying transaction under the rules of the TSX Venture Exchange. The purchase price for the real property was US $1,040,000. The Vendor was the sole owner of the property. The property comprises of an aggregate of 160 acres divided into approximately 689 total lots. The property's existing use is as vacant land, which land has been rezoned to permit the construction and development of multi-family apartments and / or single family residential homes. The City of Tehachapi is located in the Tehachapi Pass, a mountain pass located in southern California. The pass connects San Joaquin Valley to the Mojave Desert. It is located approximately 35 miles southeast of Bakersfield, California.

4. Share capital

(a) Authorized

Unlimited number of common shares without par value

(b) Private placement of units

On September 22, 2011 the Company closed a non-brokered private placement offering of 4,100,000 common shares at a price of $0.50 per share for total gross proceeds of $2,050,000. The Shares are subject to a holding period expiring on January 23, 2012. The Company paid a sponsorship fee of $40,000, in addition, and as compensation for advisory services provided, the Company paid a cash commission of 7% of the gross proceeds raised and further granted warrants equal to 7% of the number of shares sold (287,000) at a price of $0.50 per share for a period of two years from September 22, 2011. In addition, the Company incurred customary costs and expenses associated with sponsorship transactions. Total share issuance costs relating to the non-brokered private placement amounted to $379,321 and are recorded as a deduction from common shares.

(c) 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

(Expressed in Canadian dollars)

4. Share capital (continued)

(c) Stock option plan (continued)

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 $Nil of stock-based compensation expense during the three and nine months ended September 30, 2011 ($Nil-September 30, 2010), complemented by an equal amount of contributed surplus.

A summary of stock option information as at September 30, 2011 is as follows:

	Shares	Weighted average exercise price
		$
Options outstanding as at December 31, 2009	400,000	0.10
Options exercised	-	-
Options forfeited	-	-
Options outstanding as at September 30, 2011	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 and exercisble	Weighted average exercise price
$		$	Years		$
0.10	400,000	0.10	7.71	400,000	0.10

The fair value of the Company's stock-based awards granted to Directors was estimated using the Black-Scholes option-pricing model.

(e) Basic and diluted loss per common share

Outstanding stock options and share purchase warrants have not been included in the computation of diluted loss per share for the three and nine months period ended September 30, 2011 and the three and nine months period ended September 30, 2010, because to do so would be anti-dilutive.

(Expressed in Canadian dollars)

5. Warrants

Share purchase warrants outstanding as at September 30, 2011:

Number of share purchase warrants (i)	Black-Scholes value	Exercise price	Expiry date
	$	$	
287,000 (ii)	59,981	0.10	September 22, 2013
287,000	59,981		

The fair value of each warrant granted has been estimated as of the date of the grant using the Black Scholes option pricing model with the following assumptions:

	September 30, 2011	December 31, 2010
Expected life (in years)	2.00	-
Risk-free interest rate	0.8%	-
Expected volatility	77%	-
Dividend yield	-	-

(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.

(ii) On September 22, 2011 the Company completed its non-brokered private placement. As a condition of the offering, the agent received an option to acquire common shares equal to 7% of the number of shares sold (287,000) at a price of $0.50 per share for a period of two years from September 22, 2011.

For the three and nine months ended September 30, 2011, the Company recorded $13,249 ($Nil – September 30, 2010) of warrants exercised. All of the warrants granted on September 18, 2009 are fully exercised.

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.

(Expressed in Canadian dollars)

6. Financial instruments (continued)

(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 and reported at fair value, using level 1 of the fair value hierarchy.

(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.

(d) *Fair value hierarchy*

As of September 30, 2011, the undernoted were reported at fair value.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	1,035,833	-	-	1,035,833
	1,035,833	-	-	1,035,833

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 used for the development of its land held for development and sale and potential acquisitions.

8. Related party transactions

During the three and nine months ended September 30, 2011, the Company paid $Nil in related party transactions and key management personnel compensation ($Nil - September 30, 2010)