

**Greenbriar Capital Corp.**  
**Management Discussion and Analysis**  
**For the period ended March 31, 2011**

**DATE OF REPORT: May 16, 2011**

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”) for the period ended March 31, 2011. 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 “TSX-V”) 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 period ended March 31, 2011, 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 period ended March 31, 2010, the Company’s activity related to regulatory compliance and legal expenses relating to the preparation of the Companies Information Circular and coordination of the Annual General Meeting. The primary increase in net loss for the period ended March 31, 2011 (\$23,655) compared to the prior period (\$12,181 – period ended March 31, 2010) relates to the increased accounting costs associated with evaluating a business for the purpose of completing a Qualifying Transaction.

During the period ended March 31, 2011, \$23,655 (\$12,181 –period ended March 31, 2010) of expenditures were incurred primarily associated with evaluating a business for the purpose of completing a Qualifying Transaction with a net cash outflow from operations of \$4,744 (\$19,770 –period ended March 31, 2011).

## RESULTS OF OPERATIONS

	Period ended		Period ended		Variance	Variance %	
	March 31, 2011		March 31, 2010				
Accounting	\$	12,757	\$	-	\$	12,757	100%
Audit and tax	\$	4,750	\$	1,750	\$	3,000	171%
Bank charges	\$	28	\$	27	\$	1	4%
Legal	\$	1,107	\$	4,309	\$	(3,202)	-74%
Public company fees	\$	4,763	\$	6,095	\$	(1,332)	-22%
Travel	\$	250	\$	-	\$	250	100%
Net loss	\$	23,655	\$	12,181	\$	11,474	94%

### Accounting

For the period ended March 31, 2011, the Company incurred \$12,757 (\$Nil – period ended March 31, 2010) for accounting fees. The Company is currently evaluating a business for the purpose of completing a Qualifying Transaction and hired temporary consultant's to assist with the analysis.

### Audit and tax

For the period ended March 31, 2011, the Company incurred \$4,750 (\$1,750 – period ended March 31, 2010) for audit and tax fees. For the period ended March 31, 2011 the Company incurred \$3,000(\$Nil-period ended March 31, 2010) of tax compliance costs.

### Bank charges

For the period ended March 31, 2011, the Company incurred \$28 (\$27 – period ended March 31, 2010) of bank charge expenditures. The cost is consistent with the prior period.

### Legal

For the period ended March 31, 2011, the Company incurred \$1,107 (\$4,309 – period ended March 31, 2010) of legal expenditures. The decrease in legal fees relates to a timing issue. The legal fees incurred in the period ending March 31, 2010 related to general legal counsel and costs associated with our annual general meeting. No legal fees were incurred in the period ended March 31, 2011 for the annual general meeting as it is estimated to occur in the second or third quarter of 2011.

### Public company fees

For the period ended March 31, 2011, the Company incurred \$4,763 (\$6,095 – period ended March 31, 2010) of public company expenditures. The decrease in public company fees relates to a timing issue. Costs were incurred in the period ending March 30, 2010 for the annual general meeting which did not occur in the period ending March 31, 2011 due to scheduling the annual general meeting in the second or third quarter of 2011.

### Travel

For the period ended March 31, 2011, the Company incurred \$250 (\$Nil – period ended March 31, 2010) of travel expenditures. The period ended March 31, 2011 included travel related costs associated with the evaluation of a business for the purpose of completing a Qualifying Transaction of which none were incurred in the prior period.

## SUMMARY OF QUARTERLY RESULTS

	Total Revenues	Loss Before Discontinued Operations	Net Loss for the Quarter	Net Loss Per share Basic and Diluted
March 31, 2011	\$ -	\$ (23,655)	\$ (23,655)	(0.00)
December 31, 2010	\$ -	\$ (5,910)	\$ (5,910)	(0.00)
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 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.

For the three months ended March 31 2011, the quarterly loss mainly consisted of accounting costs, relating to the identification and evaluation of a Qualifying Transaction.

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 March 31, 2011, the Company had cash of \$319,036 (\$323,780 – December 31, 2010) and working capital (current assets less current liabilities) of \$291,364 (\$315,019 – December 31, 2010).

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 March 31, 2011, the Company's financial instruments consist of cash, prepaid expenses, refundable tax credits, accounts payable and accrued liabilities. The amounts reflected in the balance sheet 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.

## **CHANGES IN ACCOUNTING POLICIES**

On January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The provisions of new and revised standards and interpretations are applicable and effective for the Company's financial year beginning on or after January 1, 2011. A summary of the new and revised standards and interpretations are outlined in Note 2 of the Interim Financial Statements for three months ended March 31, 2011.

## **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

### Transition to IFRS from GAAP

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.

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 at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The Company is not applying any exemptions on first-time adoption of IFRS.

The Company’s IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes.

### Impact 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.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the Company to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses.

A detailed summary of all of the Company’s significant accounting policies is included in Note 2 to the Interim Financial Statements for the three months ended March 31, 2011. Note 2 to the Interim Financial Statements for the three months ended March 31, 2011 provides a review of the significant changes to the reported Financial Position and Results of Operations of the Company under Canadian GAAP and IFRS.

The following is an outline of the estimates that the Company considers as critical in the preparation of its financial statements:

- (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.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

The International Accounting Standards Board (IASB) issued a number of new and revised International Accounting Standards (“IAS”), IFRSs, amendments and related IFRICs (hereinafter collectively referred to as the “new IFRS”) which are effective for the Company’s financial year beginning on January 1, 2011 and transition date. For the purpose of preparing and presenting interim financial statements, the Company has consistently adopted these new standards for the years ending December 31, 2011 and the interim period ending March 31, 2011.

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective for the interim period ended March 31, 2011.

- IFRS 9 -New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets. Effective for annual periods beginning on or after January 1, 2013.

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

## OTHER MD&A REQUIREMENTS

### *Outstanding Share Data*

	Common Shares #	Common Shares \$	Subscription Receipt \$	Warrants \$	Total \$
<b>Balance, December 31, 2009</b>	6,145,750	390,213	12	13,388	403,613
Exercise of warrants	2,625	401	(12)	(139)	250
<b>Balance, December 31, 2010</b>	6,148,375	390,614	-	13,249	403,863
<b>Balance, March 31, 2011</b>	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 March 31, 2011*

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 March 31, 2011 and May 16, 2011 the Company had 6,148,375 common shares outstanding having an average paid up value of \$0.06 per share.

As at March 31, 2011 and May 16, 2011 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](http://www.sedar.com).