GREENBRIAR CAPITAL CORP.
Management Discussion and Analysis
For the interim period ended September 30, 2011

November 29, 2011

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Greenbriar Capital Corp. ("Greenbriar" or "us" or "we" or "our" or the "Company") as at and for the three and nine months ended September 30, 2011 (the "financial statements"). All amounts are expressed in Canadian dollars unless otherwise stated. References to notes are with reference to the financial statements.

RECENT DEVELOPMENTS

- 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 and also closed the arm's length acquisition of approximately 160 acres of vacant land located in the City of Tehachapi, California. The Acquisition of the Property served as the Company's Qualifying Transaction for the purposes of the policies of the TSX Venture Exchange. Pursuant to the Offering, the Company raised gross proceeds of $2,050,000.

- 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.

- 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".

BUSINESS OVERVIEW

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. Greenbriar LLC will develop and own the Property.

Greenbriar's investment objective is to maximize returns to its shareholders through the acquisition, management, improvement and eventual sale of its real estate and any other properties it acquires in the future. Greenbriar has identified a business model predicated upon the increase in value attributed to raw land after certain improvements have been undertaken on the land. It is management's opinion that the greatest increase in value for real property generally occurs with a change in zoning whereby the permitted use of the property is changed from its historical permitted use to a revised land use. Typically, this may occur when a change of use is approved. For example, when a property that was previously zoned for agricultural use is then rezoned to permit residential or commercial development. Alternatively, a property that is already zoned for residential use may have its zoning amended to permit a greater number of dwelling units to be built, thereby increasing its value. Greenbriar will take a position in any of the development phases, including the complete construction phase to maximize shareholder value.

OVERVIEW OF THE PROJECT

<u>Tehachapi Project</u>

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.

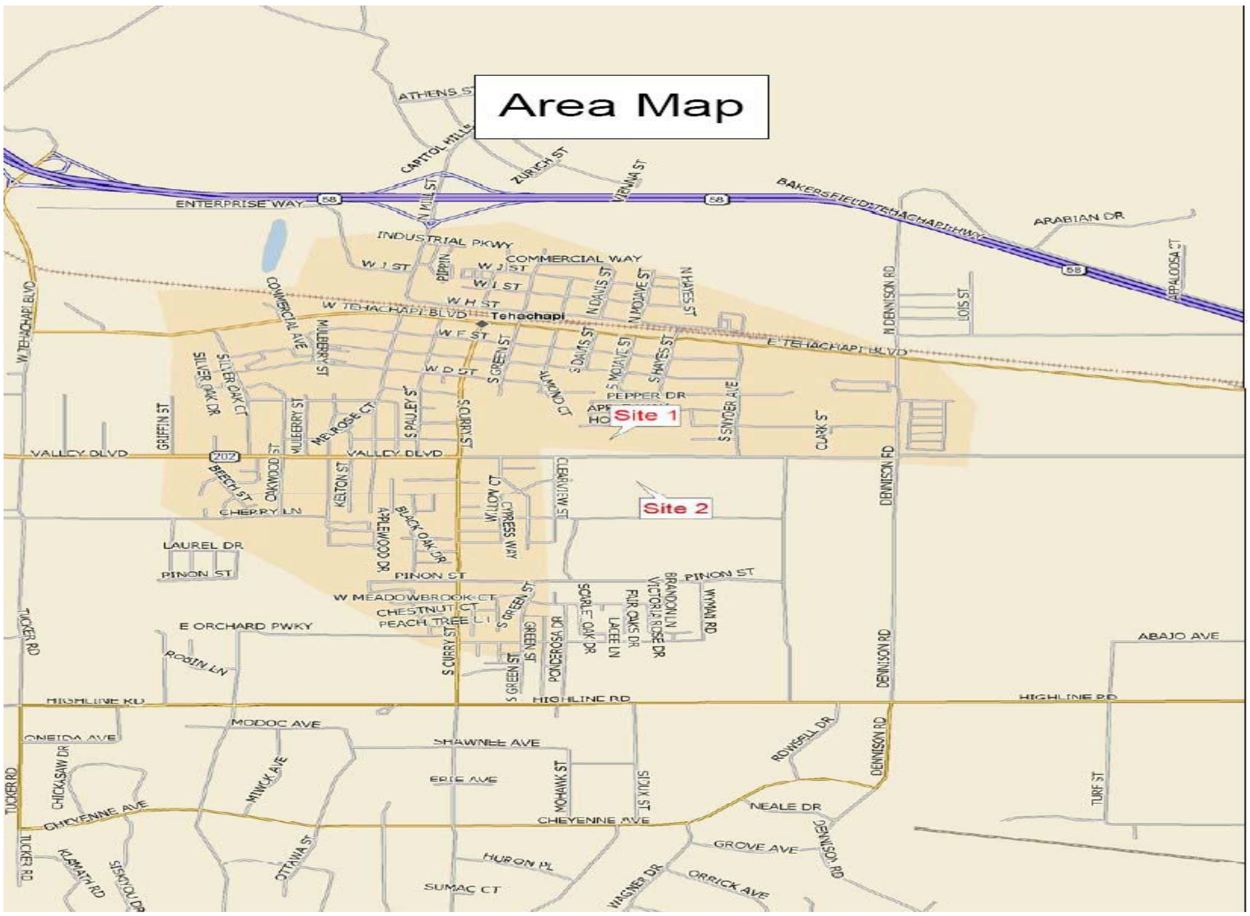
The Property comprises one of the largest undeveloped areas of land within the City of Tehachapi boundaries, situated close to the central business district.

The Property is comprised of five parcels of undeveloped real property located within the City of Tehachapi. Tehachapi is located in Kern County on the edge of the Mojave Desert, approximately 35 miles east-southeast of Bakersfield, California.

The legal description of each parcel is as follows:

- Parcel 1 – APN 417-012-01 (approx. 32.97 acres)
- Parcel 2 – APN 417-012-28 (approx. 60 acres)
- Parcel 3 – APN 417-012-27 (approx. 20 acres)
- Parcel 4 – APN 417-012-25 (approx. 19.16 acres)
- Parcel 5 – APN 417-012-14 (approx. 28.75 acres)

Parcels 1 through 4 ("Site 2") are contiguous and aggregate approximately 132 acres of land on the south side of Cummings Valley Boulevard (State Highway 202), a major east – west thoroughfare through Tehachapi. The parcels lie immediately east of Clearview Street and immediately north of Pinon Street. The new Tehachapi High School, which opened its doors in 2003, is located immediately to the east of the parcels. A previous owner of these parcels had received Tentative Tract Map ("**TTM**") approvals under TTM 6218 and TTM 6723 (discussed further below). Parcel 5 ("Site 1") comprises approximately 28 acres and lies north of parcels 1 through 4, on the north side of Cummings Valley Boulevard. A previous owner of this parcel had received TTM approval under TTM 6909 (discussed further below). The location of the Property is identified in the area map below:



Tentative Tract Maps 6218 and 6723

In 2004 a previous owner submitted a sub-division plan under TTM 6218 for a sub-division of the entire lands covered by Site 2. Zoning of these parcels was R-1 residential, which is defined in the Kern County Code of Ordinances as follows:

"The purpose of the Low-density Residential (R-1) district is to designate areas which will be suitable for traditional smaller lot, single-family homes and compatible uses. Maximum density is limited to ten (10) dwellings per net acre. Typically, the R-1 district will be characterized by the typical single-family subdivision. However, innovative low-intensity projects are allowed in combination with the Cluster (CL) combining district."

On June 13, 2006, at a special meeting of the Tehachapi Planning Council approval was granted to split this TTM into two segments, as follows:

(A) The eastern portion of the parcels was reclassified as TTM 6723, and approval was given for a subdivision of 173 properties on 39.16 acres, with an R-1-8 zoning. The suffix "8" means that the minimum lot size within a subdivision is 8,000 square feet. However, there are two exceptions to the minimum lot size, as follows:

1. If, for example, a proposed subdivision is adjacent to an existing subdivision and the existing subdivision is designed with lots that are predominantly 6,000 square feet to 6,500 square feet, then the proposed subdivision can have a transitional density / lot size design of 7,000 square foot minimum rather than the required 8,000 square foot minimum; and
2. If the project is a relatively large subdivision in terms of the number of lots, the applicant can design a subdivision with an 8,000 square foot average lot size design rather than an 8,000 square foot minimum lot size design.

On a Tentative Tract Map application submitted by a previous owner of a related property, the average lot size was approximately 7,000 square feet and this was accepted by the City of Tehachapi's Community Development Director as falling within one of the two exceptions noted.

(B) The western portion of Site 2 retained the classification TTM 6218, but the zoning was changed from R-1 to R-2, allowing for increased density on this portion of the site. A portion of the site abutting Cummings Valley Road is zoned R-3, the highest residential density zoning classification.

R-2 zoning is defined in the Kern County Zoning Ordinances as follows:

> "The purpose of the Medium-density Residential (R-2) District is to designate areas for singlefamily, duplex, and other medium-density multifamily residential uses. The maximum density allowed is sixteen (16) dwelling units per net acre. While single-family houses and duplexes typify this district, other innovative housing techniques, including clustering and zero lot line developments are permitted in combination with the Cluster (CL) Combining District."

R-3 zoning is defined in the Kern County Zoning Ordinances as follows:

> "The purpose of the High-density Residential (R-3) District is to designate areas appropriate for a variety of medium-density to high-density residential living environments, including apartments, townhouses and condominiums. The maximum density allowed is twenty nine (29) dwelling units per net acre. The R-3 District may only be applied to those urban areas of the County which have adequate utility, street, and public facility capacity."

R-2 zoning allows for a minimum lot size of 2,722 ft2, resulting in significantly higher density than R-1, while R-3 zoning allows for even greater density with a minimum lot size of only 1,500 ft2.

Pursuant to the Tehachapi Planning Department, tentative tract maps are originally approved for a two year period, requiring one year extension thereafter. The Tentative Tract Maps 6218 and 6723 obtained by a prior owner of the Property have expired and are no longer valid.

Tentative Tract Map 6909

In 2006 a previous owner submitted a sub-division plan under TTM 6909 for a sub division of the entire lands covered by Site 1. Zoning of this parcel is R-1-8 residential, which is defined above.

On August 24, 2006, at a special meeting of the Tehachapi Planning Commission approval was granted and approved for a subdivision of 89 properties on 25.96 acres, with an R-1-8 zoning. The suffix "8" means that the minimum lot size within a subdivision is 8,000 square feet. However, there are two exceptions to the minimum lot size, which exceptions are set out in the foregoing disclosure for TTM 6218 and TTM 6723.

On a tentative tract map application submitted by a previous owner of a related property, the average lot size was approximately 7,268 square feet. This was accepted by the Planning Commission. Tentative tract maps are originally approved for a two year period, requiring one year extension thereafter. Tentative Tract Map 6909 obtained by a prior owner of the Property has expired and is no longer valid.

Development Strategy

In the case of the Property, prior owners have already completed the work, and incurred the costs, of rezoning the property to its current R-1, R-2 and R-3 zoning status. Due to the severe downturn in the residential real estate market in the United States, however, the Property became available at prices that are considered to be more indicative of land zoned for agricultural use.

As a result, the Company's investment objective is to maximize returns to its shareholders through the acquisition, management, improvement and eventual sale of the Property and any other properties it acquires in the future. The Company expects that it may take between two to seven years to complete the sale of the Property. The disposition of the Property may be done in various stages depending on market demand. Greenbriar's operations will be funded from the net proceeds of the September 27, 2011 non brokered private placement.

Based on discussions with an urban planner in California, management believes it will cost approximately $120,000 to redraw the Tentative Tract Maps and hire consultants to liaise with the Community Development Director to obtain tentative approval of a revised tract map. Management will commence this work in the fourth quarter of 2011, which is estimated to take one year to complete.

The Company's marketing efforts will commence when the Tentative Tract Maps for the Property have been revised. Marketing plans will include retaining a national real estate brokerage firm to assist the Company in promoting, marketing and selling the Property. It is expected that the Company's marketing costs and expenses will be limited to standard commission rates payable to real estate agents in such transactions.

The Company's sales plan involves selling options to a builder / developer for them to acquire the properties over a period of time. In return for being granted an option the builder / developer will undertake, at its sole cost, the process whereby the Tentative Tract Maps are approved by the City of Tehachapi, resulting in the issuance of Approved Tract Maps. Once Approved Tract Maps are issued, the builder / developer will have thirty six months to complete construction, although extensions may be sought. Based on perceived demand for housing, the builder / developer would exercise its option to acquire a certain number of properties at a pre-determined price.

As of September 30, 2011 the Company has capitalized US $1,040,000 for the property acquisition and US $3,400 in construction in progress relating to project development.

SELECTED QUARTERLY INFORMATION

For the three and nine months ended September 30, 2011 and 2010

	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010[(1)]	2011	2010[(1)]
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ 8,301	$ 3,821	$ 45,364	$ 24,150
Loss per share, basic and diluted	$ 0.00	$ 0.00	$ 0.01	$ 0.00
Weighted average common shares outstanding, basic and diluted	6,565,215	6,148,375	6,288,777	6,148,280

[1] The Company restated its comparative period net loss to be in conformity with International Financial Reporting Standards (IFRS). No transitional differences were identified upon restatement.

RESULTS OF OPERATIONS

Expenses

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2011	2010[(1)]	**2011**	2010[(1)]
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
Net loss	$ 8,301	$ 3,821	$ 45,364	$ 24,150

[1] The Company restated its comparative period net loss to be in conformity with International Financial Reporting Standards (IFRS). No transitional differences were identified upon restatement.

<u>Accounting</u>
For the three and nine months ended September 30, 2011, the Company incurred $Nil ($Nil – September 30, 2010) and $21,129 ($Nil – September 30, 2010) of accounting expenses. The Company entered into an acquisition agreement with Marks & KilKenny LLC in 2011 and required the assistance of third party consultants to assist with the due diligence process.

Audit and tax
For the three and nine months ended September 30, 2011, the Company incurred $1,750 ($1,750 – September 30, 2010) and $8,250 ($5,250 – September 30, 2010) of audit and tax expenses. The increase for the nine months ended September 30, 2011 compared to the comparative period relates to $3,000 of tax compliance costs for its 2010 & 2009 tax returns.

Bank charges
For the three and nine months ended September 30, 2011, the Company incurred $265 ($5 – September 30, 2010) and $420 ($37 – September 30, 2010) of bank charge expenses. Additional bank charges were incurred in the three and nine months ended September 30, 2011 reflecting the increase in activity in our bank account due to the acquisition agreement with Marks & KilKenny LLC and the ordering of cheques for new bank accounts set up for Greenbriar USA and LLC.

Foreign exchange
For the three and nine months ended September 30, 2011, the Company incurred $196 ($Nil – September 30, 2010) and $927 ($Nil – September 30, 2010) of foreign exchange expenses. The Company opened three US bank accounts in the nine months ended September 30, 2011 and incurred foreign exchange losses on its US cash balances due to a depreciation in the US dollar for the first six months ended June 30, 2011 and slightly offset by an appreciation of the US dollar in the three months ended September 30, 2011.

Legal
For the three and nine months ended September 30, 2011, the Company incurred $Nil ($236 – September 30, 2010) and $1,380 ($6,342 – September 30, 2010) of legal expenses. The decrease in legal expenses for the nine months ended September 30, 2011 compared to the comparative period relates to decreased general counsel activity in the third quarter of 2011 while the Company focused its attention to the Marks & KilKenny acquisition. Legal due diligence costs associated with the acquisition have been recorded as a deduction to equity as share issuance costs.

Office
For the three and nine months ended September 30, 2011, the Company incurred $Nil ($Nil – September 30, 2010) and $106 ($Nil – September 30, 2010) of office expenses. The increase in office expenses relates primarily to required miscellaneous office supplies.

Public company fees
For the three and nine months ended September 30, 2011, the Company incurred $6,090 ($1,830 – September 30, 2010) and $12,902 ($12,486 – September 30, 2010) of public company expenses. The increase for the three months ended September 30, 2011 relates to an increase in transfer agent fees relating to the non-brokered private placement closed on September 22, 2011.

Travel
For the three and nine months ended September 30, 2011, the Company incurred $Nil ($Nil – September 30, 2010) and $250 ($35 – September 30, 2010) of travel expenditures. The nine months ended September 30, 2011 included travel related costs associated with the acquisition agreement with Marks & KilKenny LLC.

SUMMARY OF QUARTERLY RESULTS

	Total Revenues	Net Income (loss) For the Quarter	Net Income (loss) Per Share Basic and Diluted
September 30, 2011	$ -	$ (8,301)	$ (0.00)
June 30, 2011	-	(13,408)	(0.00)
March 31, 2011	-	(23,655)	(0.00)
December 31, 2010[(1)]	-	(5,910)	(0.00)
September 30, 2010[(1)]	-	(3,821)	(0.00)
June 30, 2010[(1)]	-	(8,148)	(0.00)
March 31, 2010[(1)]	-	(12,181)	(0.00)
December 31, 2009[(2)]	-	(51,964)	(0.01)
September 30, 2009[(2)]	$ -	$ (42,540)	$ (0.02)

[1] The Company restated its comparative period net loss to be in conformity with International Financial Reporting Standards (IFRS). No transitional differences were identified upon restatement.
[2] Prepared under Canadian Generally Accepted Accounting Principles (GAAP).

The Company's quarterly net income or loss has fluctuated widely over the past eight periods. The fluctuations between quarters can largely be attributed to the level of activity in identifying and evaluating qualifying transactions when the Company was a Capital Pool Company. 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".

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, 2011, the Company had cash of $1,035,833 ($323,780 – December 31, 2010) and working capital (current assets less current liabilities) of $945,217 ($315,019 – December 31, 2010).

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 and also closed the arm's length acquisition of approximately 160 acres of vacant land located in the City of Tehachapi, California. Pursuant to the Offering, the Company raised gross proceeds of $2,050,000.

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

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 project development.

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 employs two part-time employees, to develop the property and manage the Company.

The Company does not have any other contingent or contractual obligations.

RISKS & UNCERTAINTIES

Credit, Liquidity, Interest, Currency and Commodity Price Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at September 30, 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 a large Canadian financial institution with an issuer credit rating of AA- by Standard & Poor's. 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 for the ensuring year.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, the attractiveness of the properties to residents, supply and demand for housing, and competition from other available housing and various other factors. Demand for residential real estate in the United States could be adversely affected by weakness in the national, regional and local economies, changes in supply of, or demand for, similar or competing properties in an area and the excess amount of units in a particular market. To the extent that any of these conditions occur, they are likely to affect market value for residential building lots, which could cause a decrease in the Company's future potential sales revenue from the Property.

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 and nine months ended September 30, 2011.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Transition to IFRS from GAAP

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.

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 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 JUDGEMENTS & ESTIMATES

The preparation of interim 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.

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 and nine months ended September 30, 2011. Note 2 to the Interim Financial Statements for the three and none months ended September 30, 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.

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

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, on its directors, using the *Black-Scholes Pricing Model*, which requires an assumption of the risk-free rate, expected lives of the stock options, and their related volatilities.

(b) The Company has recorded warrants using the *Black-Scholes Pricing Model,* which requires an assumption of the risk-free rate, expected lives of the warrants, and their related volatilities.

(c) Future income tax assets are recognized to the extent it is more likely than not they will be realized.

RECENT ACCOUNTING PRONOUNCEMENTS

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.

CHANGES IN INTERNAL CONTROLS

Management assessed the effectiveness of the Company's internal controls over financial reporting for the year ended December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework*. Based on this assessment, management believed that, as of December 31, 2010, our internal controls over financial reporting were effective based on those criteria.

No other changes in the Company's internal controls, or other factors that have materially affected, or are reasonably likely to materially affect these controls, have occurred during the period ended September 30, 2011.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any system of controls and procedures over financial reporting and disclosure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

OTHER MD&A REQUIREMENTS

Outstanding Share Data

	Common Shares #	Common Shares $	Warrants #	Warrants $
Balance, December 31, 2009	6,145,750	390,213	254,250	13,388
Exercise of warrants	2,625	401	(2,625)	(139)
Balance, December 31, 2010	6,148,375	390,614	251,625	13,249
Exercise of warrants	251,625	38,411	(251,625)	(13,249)
Non-brokered private placement (1)	4,100,000	1,670,679	-	-
Warrants granted (2)	-	-	287,000	59,981
Balance, September 30, 2011	10,500,000	2,099,704	287,000	59,981

(1) 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 at midnight 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.

(2) On September 22, 2011 the Company granted 287,000 warrants as a condition of the non-brokered private placement offering. The warrants can be exercised at any time, have a two year life, and are exercisable at $0.50 per share. The broker warrants have been valued using the Black-Scholes option-pricing model.

Summary of Options Granted During the Period

On September 22, 2011 the Company granted 287,000 warrants as a condition of the non-brokered private placement offering. The warrants can be exercised at any time, have a two year life, and are exercisable at $0.50 per share. The broker warrants have been valued using the Black-Scholes option-pricing model.

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:	10,500,000 common shares

Description of Options and Warrants as at September 30, 2011

Type of Security	Number or Amount	Exercise or Conversion Price	Expiry Date
Stock Options	400,000	$0.10	September 18, 2019
Warrants	287,000	$0.50	September 22, 2013

Number and Recorded Value for Shares Issued and Outstanding

As at September 30, 2011 and November 29, 2011 the Company had 10,500,000 common shares outstanding having an average paid up value of $0.20 per share.

As at September 30, 2011 and November 29, 2011 the Company had 400,000 stock options and 287,000 warrants outstanding.

Total Number of Shares in Escrow or Subject to Pooling Agreement

3,955,500 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.

ADVISORY ON FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains certain 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.

Forward-looking statements in this Management's Discussion and Analysis include references to:

- *Management's Development Strategy including estimated urban planner costs, timelines, marketing efforts and sales targets and timing.*