

**GREENBRIAR CAPITAL CORP.**  
**Management Discussion and Analysis**  
**For the period ended June 30, 2012**

**August 29, 2012**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Greenbriar Capital Corp. ("Greenbriar" or "us" or "we" or "our" or the "Company") for the period ended June 30, 2012 (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**

**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, possible development 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**

Tehachapi Project

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 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.

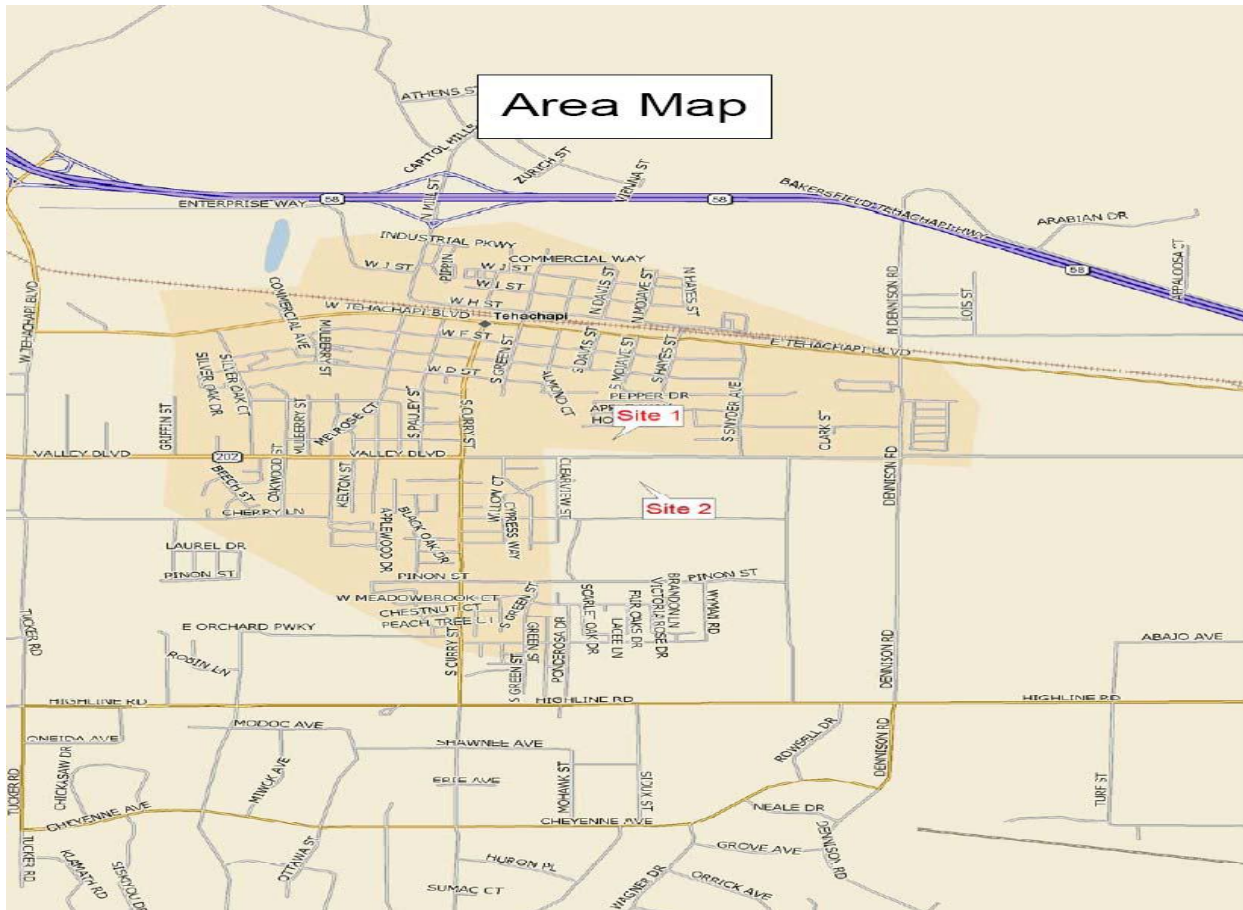
The Property comprises one of the largest undeveloped areas of land within the City of Tehachapi boundaries, situated close to the central business district.

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 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 ft<sup>2</sup>, 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 ft<sup>2</sup>.

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, possible development 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.

A proposal for planning services associated with the conceptual development for the Property was accepted on April 17, 2012. It will cost approximately \$4,000 to prepare a site boundary map and three conceptual plans incorporating various land uses such as commercial, residential, and/or open space, and the appropriate residential densities at high, medium and low.

The Company's marketing efforts will commence after the conceptual development is completed and approved by the City of Tehachapi. 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 conceptual plans are approved by the City of Tehachapi. Once approval is 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.

On June 23, 2011, the Company received a summary appraisal report from a registered U.S. real estate appraiser in accordance with the Uniform Standards and Professional Appraisal Practice for its property held for development and sale.

The valuation was based on a “sales comparison approach” in which the appraiser determined the fair value as \$1,980,000 if the two sites were sold together and \$345,000 for site 1 and \$2,130,000 for site 2 if sold separately.

As of June 30, 2012 the Company had capitalized \$1,085,601 for the property acquisition inclusive of \$25,841 in conversion costs and property taxes relating to project development.

## RESULTS OF OPERATIONS

### Expenses

	Three months ended June 30,				Six months ended June 30,			
	2012	2011	Variance	Variance	2012	2011	Variance	Variance
	\$	\$	\$	%	\$	\$	\$	%
Accounting	-	8,371	-8,371	-100%	-	21,129	-21,129	-100%
Audit and tax	5,686	1,750	3,936	225%	17,465	6,500	10,965	169%
Bank charges	568	128	440	344%	1,028	155	873	563%
Consultant	10,000	-	10,000	100%	10,000	-	10,000	100%
Foreign exchange	-19	731	-750	-103%	-2	731	-733	-100%
Legal	11,610	273	11,337	4153%	12,279	1,380	10,899	790%
Office	-	106	-106	-100%	0	106	-106	-100%
Public company	4,504	2,049	2,455	120%	7,895	6,812	1,083	16%
Salaries	11,502	-	11,502	100%	22,532	-	22,532	100%
Travel	-	-	-	0%	-	250	-250	-100%
Net loss before income taxes	\$ 43,851	\$ 13,408	\$ 30,443	227%	\$ 71,197	\$ 37,063	\$ 34,134	92%

Expenses increased 227% to \$43,851 and 92% to \$71,197 for the three and six months ended June 30, 2012, compared to \$13,408 and \$37,063 for the comparative period. The increase can largely be attributed to the following:

#### Accounting

For the three and six months ended June 30, 2012, the Company incurred \$Nil (\$8,371 – three months ended June 30, 2011) and \$Nil (\$21,129 – six months ended June 30, 2011) of accounting expenses. The Company hired a temporary consultant in the three and six months period ended June 30, 2011 to assist with the analysis for completing a Qualifying Transaction.

#### Audit and tax

For the three and six months ended June 30, 2012, the Company incurred \$5,686 (\$1,750 – June 30, 2011) and \$17,465 (\$6,500 – June 30, 2011) of audit and tax expenses. The increase for the three and six months ended June 30, 2012 compared to the comparative period relates to the expanded scope of the year end audit.

#### Consultant

For the three and six months ended June 30, 2012, the Company incurred \$10,000 (\$Nil – June 30, 2011) and \$10,000 (\$Nil – June 30, 2011) of consultant expenses. The Company compensated a part-time consultant for performance of business development activities.

#### Legal

For the three and six months ended June 30, 2012, the Company incurred \$11,610 (\$273 – June 30, 2011) and \$12,279 (\$1,380 – June 30, 2011) of legal expenses. The increase for the three and six months ended June 30, 2012 compared to the comparative period relates to advisory services on potential development opportunities.

#### Public company

For the three and six months ended June 30, 2012, the Company incurred \$4,504 (\$2,049 – June 30, 2011) and \$ 7,895 (\$6,812– June 30, 2011) of public company expenses. The increase for the three months ended June 30, 2012 relates to the annual filing fee being fully expensed in quarter one of 2011 compared to expensing the fee over a period of twelve months in 2012.

#### Salaries

For the three and six months ended June 30, 2012, the Company incurred \$11,502 (\$Nil – June 30, 2011) and \$22,532 (\$ Nil– June 30, 2011) of salary expenses. The Company hired two part-time staff to assist with regulatory compliance and land development activities in the fourth quarter of 2011.

#### Comprehensive Loss

Comprehensive loss was \$22,250 and \$69,649 for the three and six months ended June 30, 2012, was \$13,408 and \$37,063 comprised of the following items:

- A net loss of \$43,851 and \$71,447 for the three and six months ended June 30, 2012; and
- Mark-to-market currency translation loss of \$21,601 and \$1,798.

## SUMMARY OF QUARTERLY RESULTS

	Total Revenues	Net loss For the Quarter	Net loss Per Share Basic and Diluted
	\$	\$	\$
June 30, 2012	-	(43,851)	(0.00)
March 31, 2012	-	(27,596)	(0.00)
December 31, 2011	-	(257,292)	(0.04)
September 30, 2011	-	(8,301)	(0.00)
June 30, 2011	-	(13,408)	(0.00)
March 31, 2011	-	(23,655)	(0.00)
December 31, 2010	-	(5,910)	(0.00)
September 30, 2010	-	(3,821)	(0.00)

The Company's quarterly net loss has fluctuated widely over the past eight quarters. The fluctuations between quarters can largely be attributed to the recognition of costs related to Qualifying Transactions in the period it was incurred. Net loss in the quarter ended December 31, 2011 was significantly greater than other quarters mainly due to the issuance of stock-based compensation in that quarter.

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 June 30, 2012, the Company had cash of \$833,054 (\$109,208 – June 30, 2011) and working capital (current assets less current liabilities) of \$835,830 (\$168,276 – June 30, 2011).

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.

These condensed consolidated interim 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 consolidated interim financial statements, then significant adjustments would be necessary to the carrying value of assets and liabilities, the reported statement of loss and comprehensive loss and the financial position 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

For the three and six months ended June 30, 2012, the Company paid \$17,800 (\$Nil - June 30, 2011) and \$25,600 (\$Nil – June 30, 2011) to the key management personnel of the company.

## SUBSEQUENT EVENTS

In July 2012, the Company made an investment of \$141,150 in a renewable energy technology. This technology, a heating, ventilating, and air conditioning unit, may become part of the future development of the properties the Company currently owns. This investment will result in a rate of return of 10% per annum. The full amount of the investment and interest will be repaid to the Company by February 22, 2013.

## CONTINGENCY AND CONTRACTUAL OBLIGATIONS

The Company employs two part-time employees and one part-time consultant, to develop the property and manage the Company. If the part-time consultant were deemed to be an employee of the company, the Company could be contingently liable for employer related withholdings and costs.

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 June 30, 2012, the Company's financial instruments consist of cash, HST receivable, accounts payable and accrued liabilities. Cash is reported at fair value. The other 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 ensuing year.

Cash is stated at amounts compatible with those prevailing in the market, are highly liquid, and are maintained with prime financial institutions for high liquidity.

### Fair value hierarchy

As of June 30, 2012, the undernoted were reported at fair value.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	833,054	-	-	833,054
	833,054	-	-	833,054

### *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.

## CRITICAL ACCOUNTING JUDGEMENTS & ESTIMATES

The preparation of these condensed consolidated 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 Consolidated Financial Statements for the year ended December 31, 2011.

Areas that often require significant management estimates and judgment include stock-based compensation, warrants, going concern assessment, 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 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

At the date of authorization of these condensed consolidated interim financial statements, the IASB has issued the following new and revised standards, amendments and interpretations which are not yet effective for the year ended December 31, 2012.

- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets and financial liabilities (iii)
- 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 a joint arrangement (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 (i)

- (i) Effective for annual periods beginning on or after July 1, 2012
- (ii) Effective for annual periods beginning on or after January 1, 2013
- (iii) Effective for annual periods beginning on or after January 1, 2015

The Company is currently assessing these new and revised standards and interpretations to determine the potential impact on the consolidated financial statements.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no change in the Company's internal controls over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

## 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

### *Disclosure of Outstanding Share Data*

#### *Summary of Securities Issued During the three and six months ended June 30, 2012*

	Common Shares #	Common Shares \$	Warrants #	Warrants \$
<b>Balance, December 31, 2011</b>	10,700,000	2,137,792	287,000	59,981
<b>Balance, June 30, 2012</b>	10,700,000	2,137,792	287,000	59,981

There were no changes to the Company's securities for the three and six months ended June 30, 2012.

### *Summary of Securities at the End of the Reporting Period*

Authorized Capital: unlimited common shares without par value

Issued and Outstanding: 10,700,000 common shares

### *Description of Options and Warrants as at June 30, 2012*

Type of Security	Number or Amount	Exercise or Conversion Price	Expiry Date
Stock Options	200,000	\$0.10	September 18, 2019
Stock Options	<u>500,000</u>	\$0.57	November 28, 2016
Total Stock Options	<u>700,000</u>		
Warrants	287,000	\$0.50	September 22, 2013

### *Number and Recorded Value for Shares Issued and Outstanding*

As at June 30, 2012 and August 29, 2012, the Company had 10,700,000 common shares outstanding having an average paid up value of \$0.20 per share.

As at June 30, 2012 and August 29, 2012, the Company had 700,000 stock options and 287,000 warrants outstanding.

### *Total Number of Shares in Escrow or Subject to Pooling Agreement*

A total of 3,810,000 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).

## 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.*