Consolidated Financial Statements and Notes of

For the years ended December 31, 2013 and 2012

Greenbriar Capital Corp.

December 31, 2013 and 2012

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Independent Auditor's Report

To the Shareholders of
Greenbriar Capital Corp.

We have audited the accompanying consolidated financial statements of Greenbriar Capital Corp., which comprise the consolidated of financial position as at December 31, 2013 and December 31, 2012, and the consolidated statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Greenbriar Capital Corp. as at December 31, 2013 and December 31, 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which states that as at December 31, 2013, the Company had a working capital deficiency of $2,940,008, an accumulated deficit of $1,619,026 and incurred a net loss of $1,041,563 for the year then ended. These conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Chartered Accountants
April 30, 2014
Vancouver, Canada

GREENBRIAR CAPITAL CORP.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except share amounts)

	Notes	Years Ended December 31, 2013	2012
		$	$
Expenses			
Audit and tax		**38,580**	38,339
Bank charges		**3,121**	1,967
Consultant		**-**	20,000
Foreign exchange		**30,594**	20
Interest Expense		**1,873**	-
Land maintenance		**-**	8,945
Legal		**31,214**	20,357
Office		**44,472**	234
Project exploration		**15,500**	-
Public company		**48,107**	20,705
Salaries		**73,288**	44,248
Share-based compensation	10c	**454,018**	-
Travel		**285,542**	-
		1,026,309	154,815
Other Income (Expenses)			
Interest income		**14,813**	5,027
Share of loss of joint venture	5	**(30,067)**	-
Net loss		**(1,041,563)**	(149,788)
Other comprehensive loss			
Currency translation adjustment		**74,540**	(23,344)
Comprehensive loss		**(967,023)**	(173,132)
Basic and diluted loss per common share	10d	**(0.09)**	(0.01)
Weighted average number of common shares outstanding - basic and diluted		**11,150,301**	10,709,041

See accompanying notes to the consolidated financial statements.

GREENBRIAR CAPITAL CORP.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	As at December 31, 2013	As at December 31, 2012
		$	$
Assets			
Current assets			
Cash		**228,580**	652,962
Deposit	4	**151,615**	141,150
Interest receivable	4	**19,840**	5,027
GST receivable		**1,976**	875
Prepaid expenses		**48**	-
		402,059	800,014
Investment and advances	5	**2,906,602**	-
Option to acquire joint venture interest	5	**772,150**	-
Property held for development and sale	6	**1,154,599**	1,065,460
		5,235,410	1,865,474
Liabilities			
Current liabilities			
Accounts payable	7	**2,299,601**	5,767
Accrued interest		**27,854**	-
Accrued liabilities		**62,603**	31,759
Loans payable	8	**803,801**	-
		3,193,859	37,526
Shareholders' equity			
Share capital	10	**2,997,399**	2,156,836
Share-based compensation reserve	10c	**593,297**	231,877
Warrants reserve	11	**38,624**	59,981
Accumulated other comprehensive loss		**31,257**	(43,283)
Accumulated deficit		**(1,619,026)**	(577,463)
		2,041,551	1,827,948
		5,235,410	1,865,474

Nature of business and continuing operations (Note 1)
Commitments (Note 16)
Subsequent events (Note 17)

Approved by the Directors on April 30, 2014

(signed) Jeffrey Ciachurski
Jeffrey Ciachurski, Director

(signed) John Wardlow
John Wardlow, Director

See accompanying notes to the consolidated financial statements.

GREENBRIAR CAPITAL CORP.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Year Ended December 31, 2013	2012
		$	$
Operating activities			
Net loss		**(1,041,563)**	(149,788)
Item not involving cash			
Foreign exchange unrealized		**1,890**	(1,233)
Share-based compensation expense	10c	**454,018**	-
		(585,655)	(151,021)
Change in non-cash working capital			
Accounts payable		**2,293,834**	(1,863)
Accrued interest		**27,854**	-
Accrued liabilities		**30,844**	18,886
GST receivable		**(1,101)**	15,148
Interest receivable		**(14,813)**	(5,027)
Prepaid expenses		**(48)**	-
		1,750,915	(123,877)
Investing activities			
Investment and advances		**(2,906,602)**	-
Option to acquire joint venture interest		**(772,150)**	-
Property held for development and sale		**(16,489)**	(16,998)
Deposit	4	**(10,465)**	(141,150)
		(3,705,706)	(158,148)
Financing activities			
Loans payable		**803,801**	-
Shares issued for cash, net of issuance costs	10c	**726,608**	10,000
		1,530,409	10,000
Net cash outflow		**(424,382)**	(272,025)
Cash position, beginning of year		**652,962**	924,987
Cash position, end of year		**228,580**	652,962

GREENBRIAR CAPITAL CORP

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Common shares		Share-based compensation reserve	Warrants reserve		Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
	Number	Amount		Number	Amount			
	#	$	$	#	$	$	$	$
Balance at December 31, 2011	10,700,000	2,137,792	240,921	287,000	59,981	(19,939)	(427,675)	1,991,080
Currency translation for adjustment	-	-	-	-	-	(23,344)	-	(23,344)
Exercise of options at $0.10	100,000	19,044	(9,044)	-	-	-	-	10,000
Net loss for the year	-	-	-	-	-	-	(149,788)	(149,788)
Balance as at December 31, 2012	**10,800,000**	**2,156,836**	**231,877**	**287,000**	**59,981**	**(43,283)**	**(577,463)**	**1,827,948**
Exercise of options at $0.10	100,000	19,043	(9,043)	-	-	-	-	10,000
Exercise of options at $0.75	125,000	177,305	(83,555)	-	-	-	-	93,750
Exercise of warrants at $0.50	287,000	203,481	-	(287,000)	(59,981)	-	-	143,500
Private placement of 111,000 shares at a price of $2.70 per common share, plus half warrant with whole warrant convertible into a new share at $3.00, net of issuance costs of $16,780 (Note 10 (b))	111,000	259,372	-	57,720	24,636	-	-	284,008
Private placement of 80,000 shares at a price of $2.50 per common share, plus half warrant with whole warrant convertible into a new share at $3.00 net of issuance costs of $4,650 (Note 10 (b))	80,000	181,362	-	40,000	13,988	-	-	195,350
Currency translation for adjustment	-	-	-	-	-	74,540	-	74,540
Net loss for the year	-	-	-	-	-	-	(1,041,563)	(1,041,563)
Share-based compensation	-	-	454,018	-	-	-	-	454,018
Balance as at December 31, 2013	**11,503,000**	**2,997,399**	**593,297**	**97,720**	**38,624**	**31,257**	**(1,619,026)**	**2,041,551**

See accompanying notes to the consolidated financial statements.

1) Nature of business and continuing operations

Greenbriar Capital Corp. ("Greenbriar" or "the Company") is a leading developer of renewable energy and sustainable real estate projects.

Greenbriar was incorporated under the British Columbia Business Corporations Act on April 2, 2009 and is a real estate issuer on the TSX Venture Exchange. The Company's registered records office is located at suite 1780 – 400 Burrard Street, Vancouver, V6C 3A6. 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 is no longer considered a Capital Pool Company. The Company's shares trade on the exchange under the symbol "GRB".

These 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 primary business is the acquisition, management, development, and possible sale of real estate and renewable energy projects. The Company has been successful to date in acquiring its first property and investments in other property projects, 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. The Company has no history of operations, earnings or revenues. As at December 31, 2013, the Company had a working capital deficiency of $2,791,800, an accumulated deficit of $1,619,026 and incurred a net loss of $1,041,563 for the twelve months then ended. 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 to undertake planned development, it could have a material adverse effect on its financial condition and cause significant doubt about the Company's ability to continue as a going concern. If the going concern basis was not appropriate for these consolidated 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.

2) Basis of preparation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective as of December 31, 2013. IFRS comprises IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs") and the former Standing Interpretations Committee ("SICs"). The Company's significant accounting policies are described in note 3.

3) Significant accounting policies

a) Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value as described in the significant accounting policies. All information is expressed in Canadian dollars unless otherwise stated and are prepared in accordance with the significant accounting policies outlined below.

b) 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 are 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 loss.

c) *Principles of consolidation*

Subsidiaries

These consolidated financial statements include the accounts of Greenbriar and its subsidiaries. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation. The Company consolidates subsidiaries where there is ability to exercise control. Control of an investee is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through the Company's power over the investee. Specifically, The Company controls an investee if, and only if, it has all of the following: power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated balance sheet. Profit for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary.

Joint Arrangements

A joint arrangement is defined as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. There are two types of joint arrangements, joint operations ("JO") and joint ventures ("JV").

A JO is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. The Company has no JO's.

A JV is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Company's investment in the JV is accounted for using the equity method. On acquisition, an equity method investment is initially recognized at cost. The carrying amount of equity method investments includes goodwill identified on acquisition, net of any accumulated impairment losses. The carrying amount of the investment is adjusted by The Company's share of post-acquisition net income or loss, depreciation, amortization or impairment of the fair value adjustments made at the date of acquisition, dividends, cash contributions and the Company's share of post acquisition movements in Other Comprehensive Income ("OCI").

Associates

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity. The Company does not have any investments in Associates.

Outlined below is information related to the Company's subsidiaries and joint arrangements at December 31, 2013:

	Place of business	Entity type	Economic interest	Method
Greenbriar Capital Holdco Inc.	USA	Subsidiary	100%	Consolidation
Greenbriar Capital (U.S.) LLC	USA	Subsidiary	100%	Consolidation
AG Solar One, LLC	USA	JV	50%	Equity
Blue Mountain Wind Holdings, LLC	USA	JV	50%	Equity

AG Solar One LLC owns 100% of PBJL Energy Corporation and Blue Mountain Wind Holdings LLC owns 100% of Blue Mountain Ranch LLC.

d) *Significant accounting judgments and estimates*

The preparation of these 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 reported 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 share-based compensation, warrants, going concern assessment, accruals, provisions, and determination of the functional currency and income tax provisions.

e) *Cash*

Cash consists of cash on deposit and short-term investments with a maturity at the date of purchase of 90 days or less.

f) *Investment and advances and option to acquire joint venture interest*

The Company is in the premature stage of construction with respect to its activities and accordingly follows the practice of capitalizing all costs related to the acquisition, environmental assessment, feasibility studies, security of property rights, financing, and initial construction. The costs will be amortized over the terms of the Power Purchasing Agreement (the "PPA") once the project commences commercial operations. The recoverability of the capitalized costs is dependent on the Company's ability to complete construction of the projects, meet its obligations under various agreements, and complete future operations and dispositions.

Option payments made by the Company are capitalized until the decision to exercise the option is made.

g) *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 fair value through profit or loss ("FVTPL")

Financial assets classified as FVTPL are measured at fair values 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 is below its cost.

Transaction 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.

h) *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.

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) *Taxation*

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax assets or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable or deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed 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 deferred tax asset to be recovered.

Deferred income tax relating to items recognized directly in equity is recognized in the consolidated statements of changes in equity and not in the consolidated statements of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

k) Share-based payments

The Company accounts for share-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 equity compensation reserve, and charged to earnings over the vesting period. If and when the stock options are exercised, the applicable amounts of equity compensation reserve are transferred to share capital.

l) 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.

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.

m) Recently adopted accounting standards

The adoption of the new and revised standards, amendments and interpretations issued by the IASB effective for periods beginning on or after January 1, 2013 has not had a material impact on the accounting policies, methods of computation or presentation applied by the Company.

IFRS 7 Financial Instruments: Disclosures

IFRS 7 was amended in December 2011 to require more extensive disclosure about the offsetting of financial instruments and is effective for annual periods beginning on or after January 1, 2013 with earlier adoption permitted.

IFRS 10 Consolidated Financial statements

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, *Consolidated and 22 Separate Financial Statements* and Standing Interpretation Committee - 12, *Consolidation - Special Purpose Entities*, and is effective for annual periods, beginning on or after January 1, 2013.

IFRS 11 Joint Arrangements

IFRS 11 supersedes IAS 31 – *Interests in Joint Ventures* and SIC 13 – *Jointly Controlled Entities – Non-Monetary Contributions by Venturers.* Under IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement ("joint operators") have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement ("joint venturers") have rights to the net assets of the arrangement. IFRS 11 requires that a joint operator recognize its portion of assets, liabilities, revenues and expenses of a joint arrangement, while a joint venture recognizes its investment in a joint arrangement using the equity method.

The Company accounts for its 50% investment in AG Solar One, LLC and Blue Mountain (note 5) as a joint venture as defined in IFRS 11, and accounts for the investment using the equity method.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 combines and enhances the disclosure requirements for the Company's subsidiaries, joint arrangements, associates and unconsolidated structured entities. The requirements of IFRS 12 include enhanced reporting of the nature of risks associated with the Company's interest in other entities and the effects of those interests on the Company's financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

IAS 1 Presentation of Financial Statements (amended standard)

The amendments to IAS 1 introduce changes to presentation of items of other comprehensive income. The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit and loss in the future if certain conditions are met from those that would never be reclassified to profit and loss. The amendments are to be applied retroactively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

IAS 19 Employee Benefits (amended standard)

The amended IAS 19 introduces various changes in accounting and disclosure requirements for defined benefit plans. The amended standard also finalizes proposals on accounting for termination benefits. Under the amended standard the termination benefits are recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, that includes the payment of a termination benefit, and when the entity can no longer withdraw the offer of the termination benefit.

IAS 27 Separate Financial Statements

IAS 27 was re-issued by the IASB in May 2011 to only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The consolidation guidance is now included in IFRS 10.

IAS 28 Investments in Associates and Joint Ventures (amended standard)

IAS 28 was updated to incorporate the accounting for joint ventures because the equity method is now applicable to both joint ventures and associates. The disclosure requirements from IAS 28 (as revised in 2003) have been included in IFRS 12.

n) Accounting standards issued but not yet effective

The Company is currently assessing the potential impacts of these new standards on its consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 will replace IAS 39 for classification and measurement of financial assets and financial liabilities. At present, the current version of IFRS 9 does not include a mandatory effective date. However, IFRS 9 is available for early application. The Company is currently evaluating the impacts the final standard is expected to have on its consolidated financial statements.

IAS 32 Financial Instruments: Presentation

IAS 32 provides further clarity around details relating to the right of set-off and application of offsetting criteria under certain circumstances. The amendments to IAS 32 are effective for annual periods beginning on or after January 1 2014. The Company is still evaluating the impacts of the standard on its consolidated financial statements.

IFRIC 21 Levies Imposed by Governments

In May 2013, the IASB issued IFRIC 21 that sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that give rise to pay a levy and when a liability should be recognized.

4) Deposit

	2013	2012
	$	$
Leidos Engineering (i)	**10,465**	-
I.M.W Industries (ii)	**141,150**	141,150
Total deposits	**151,615**	141,150

(i) On October 31, 2013, the Company made an advanced payment to Leidos Engineering, LLC to provide independent engineering services that will allow the Company to advance its project development in Puerto Rico under the minimum technical requirements set forth by the Puerto Rico Electric Power Authority ("PREPA").

(ii) The Company entered into an installation agreement dated July 12, 2012 with the San Juan Marriott Hotel in San Juan, Puerto Rico (the "Installation agreement") to purchase and install a 300 ton heat recovery unit for $510,408 payable at completion. On July 12, 2012, the Company made a deposit to I.M.W. Industries of $141,150 for the purchase of the heat recovery unit.

On August 24, 2012, the Company entered into an agreement to have Green Matters Inc. take over the installation agreement. The Company had approved a loan facility to Green Matters Inc. for $141,150 plus interest of 10% per annum due August 23, 2013. At December 31, 2013, total outstanding interest receivable was $19,840 (2012 - $5,027). On February 22, 2014, the Company extended the term of the loan until February 22, 2015 and it will continue to bear interest of 10% per annum.

5) Investment and advances and option to acquire joint venture interest

Included in investment and advances is the Company's interest in AG Solar One, LLC ("AG Solar") and Blue Mountain Wind Holdings, LLC ("Blue Mountain") which consists of the following amounts:

	AG Solar (a)	Blue Mountain (b)	Total
	$	$	$
Initial contribution	-	670,131	670,131
Funds advanced	520,626	1,745,912	2,266,538
Share of loss of joint venture	-	(30,067)	(30,067)
Total investment and advances	520,626	2,385,976	2,906,602
Option to acquire joint venture interest (c)	772,150	-	772,150

(a) AG Solar

In April 2013, the Company entered into a 50/50 partnership, AG Solar, with Alterra Power Corp ("Alterra"). The partnership was created to develop 100 MW's of solar generation capacity in Puerto Rico under a Master Renewable Power Purchase and Operating Agreement with the Puerto Rico Electric Power Authority which the partnership, through its wholly owned subsidiary, PBJL Energy Corporation, currently has rights to.

On October 1, 2013, the Company entered into a one year option agreement which gives the Company the exclusive right and option to lease up to 775 acre site in Puerto Rico for the construction and operation of the 100 MW solar photovoltaic electric generating facility ("Solar facility"). The option agreement provides for a lease term of twenty-five years and may be extended for up to four additional consecutive periods of five years each, at the Company's option. Upon execution of the option agreement, the Company paid US $50,000 and is required to pay two additional option payments at four and eight months after the effective date of the agreement.

On December 1, 2013, the Company entered into a three year option agreement which gives the Company the exclusive right and option to lease a 161 acre site in Puerto Rico to expand the Solar facility. The option agreement provides for a lease term of twenty-five years and may be extended for up to four additional consecutive periods of five years each, at the Company's option. Upon execution of the option agreement, the Company paid US $35,000 and is required to pay after the first year, an additional $10,000 in advance each successive four month periods for the next two years.

In addition, the Company has entered into a service agreement with a leading environmental consulting firm based in Puerto Rico for completing environmental site studies, completing the environmental assessment and for filing a site location authorization with the jurisdictional permitting authorities for review and approval of the construction and operation of the 100MW project. On December 3, 2013, an environmental impact statement was prepared for the project and a permit application was filed with the jurisdictional agency.

For the year ended December 31, 2013, the Company had advanced funds to AG Solar of $520,626 for environmental assessments, land lease option payments, and consulting services.

(b) *Blue Mountain*

On August 2, 2013, the Company, through its wholly owned subsidiary, Greenbriar Capital Holdco Inc., completed its acquisition agreement of the 80 Megawatt ("MW") Blue Mountain, Utah Wind Energy Project, USA ("Blue Mountain"). The acquisition has immediately granted the Company a 50% interest and then allows the Company to perform two milestones, increasing its ownership to 100%. The Company paid US $630,000 for the initial 50% ownership, which was financed by way of a loan from the spouse of the CEO (note 8).

On December 9, 2013, the Company commenced construction of Blue Mountain. The Blue Mountain Project has a twenty year energy sales agreement with PacifiCorp, a subsidiary of Mid-American Energy Holdings Company. Construction of the Blue Mountain has been awarded to RMT, Inc. ("RMT").

For the year ended December 31, 2013, the Company had advanced funds to Blue Mountain of $1,937,378 for environmental and wind resource assessments, consulting services, and initial construction performed by RMT. Blue Mountain had a net loss of $60,134 in which the Company accounted for 50% of its shared loss of $30,067.

(c) *Option to acquire interest in AG Solar*

On July 12, 2013, the Company signed a Membership Interest Purchase Agreement with Magma Energy (U.S.) Corp. ("Magma"), a subsidiary of Alterra, and amended on October 11, 2013 whereby the Company will purchase from Alterra its 50% interest in and to the shares of AG Solar One, LLC. The consideration will be US $1.25 Million. Payment is due in 5 tranches of US $250,000 each, due on the 17th of each month commencing with October 17, 2013. Upon complete payment of all five tranches to Alterra, the Company will retain a 100% ownership interest in and to the PPA. As at December 31, 2013, the Company has paid the first payment of US $250,000 and has accrued two additional payments totaling US $500,000.

6) Property held for development and sale

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, (the "Property") as its qualifying transaction under the rules of the TSX Venture Exchange. The purchase price for the real property was US $1,040,000 and was in the form of cash consideration. The vendor was the sole owner of the property.

On February 26, 2013 (the "effective date"), the Company signed an Agreement of Purchase and Sale and Escrow Instructions (the "Agreement") for the sale of its 160 acres of real property held in the city of Tehachapi for US $2,300,000. This agreement was cancelled in April 2013.

The Company's property held for development and sale consist of the following:

	2013	2012
	$	$
Land acquisition	**1,106,248**	1,035,632
Property taxes	**37,585**	19,749
Land development	**4,000**	3,744
Land appraisal & related fees	**6,766**	6,335
	1,154,599	1,065,460

The unrealized foreign exchange translation gain for the year ended December 31, 2013 was $72,649 (2012 – ($22,111)). For the year ended December 31, 2013, the Company had property taxes of $16,489 (2012 - $16,998).

7) Accounts Payable

	2013	2012
	$	$
Project related accounts payables (i)	**2,206,093**	-
Other accounts payable (ii)	**93,508**	5,767
Total Accounts Payable	**2,299,601**	5,767

(i) Total project related accounts payable include costs for the AG Solar and Blue Mountain projects. At December 31, 2013, $1.2 Million is payable to RMT for initial construction of the Blue Mountain project, $515,025 is payable to Alterra for the option to acquire interest in AG Solar, $155,539 is payable to Akin Gump for legal fees related to Blue Mountain, and the remainder $308,013 to various vendors related to the two projects.

(ii) Other accounts payable include costs related to the Company and not to the AG Solar or Blue Mountain projects.

8) Loans Payable

On August 1, 2013, the Company entered into a loan agreement for US $500,000 with the spouse of the Company's CEO ("Initial Loan"). The loan bears interest at 10% per annum and is repayable on March 20, 2014. In addition, the Company entered into a loan agreement with the CEO of the Company for $100,000 under the same terms as the Initial Loan ("Secondary Loan"). Any non-reimbursable expenses incurred by the CEO on the Company's corporate credit card may be offset against the Secondary Loan.

On November 1, 2013, Mr. Daniel Kunz, a director of the Company, loaned the Company US $200,000 ("Director's Loan"). Under the terms of the loan agreement, the loan bears interest at 10% per annum, compounded monthly and repayable on February 28, 2014.

Subsequent to December 31, 2013, both the Initial Loan and the Secondary Loan have been extended to March 20, 2016 and the Director's Loan to February 28, 2015.

9) Income Taxes

A reconciliation of the (provision) recovery for income taxes is as follows:

	2013	2012
	$	$
Net loss	**(1,041,563)**	(149,788)
Statutory tax rate	**26.0%**	25.0%
Recovery of income taxes based on combined Canadian and provincial statutory rates	**(270,806)**	(37,447)
Add/Deduct:		
Non-deductible expenses	**122,151**	-
Future rate difference	**6,296**	-
Changes in unrecognized deferred tax assets	**142,359**	37,447
	-	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2013	2012
	$	$
Unrecognized deductible temporary differences and unused tax losses		
Share issue costs [1]	**148,753**	255,261
Non-capital and net operating loss carryforward	**1,141,231**	553,061
	1,289,984	808,322
Unrecognized deferred tax asset	**(1,289,984)**	(808,322)
Net deferred tax assets	-	-

[1] Share issue costs are credited directly to equity with a complimentary unrecognized deferred tax asset resulting in a nil recognized deferred tax asset.

In assessing the realizability of deferred tax assets ("DTA"), management considers whether it is probable that some portion or all of the DTA will not be realized. The ultimate realization of DTA is dependent upon the generation of deferred taxable income during the periods in which those temporary differences become deductible. As of December 31, 2013 and 2012, the Company does not believe it meets the criteria to recognize DTA.

At December 31, 2013, the Company has total non-capital and net operating loss carryforwards of approximately $1,141,231 which expire as follows:

	$
2029	75,288
2030	52,045
2031	163,100
2032	221,199
2033	629,599
	1,141,231

10) Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Private placement of units

On October 24, 2013, the Company completed a non-brokered private placement offering of 111,000 units (the "units") at a price of $2.70 per unit for total gross proceeds of $299,700 of which $274,755 was allocated to common shares and $24,945 to the shares purchase warrants based upon the relative fair values. Each unit was comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share in the capital of the Company at a price of $3.00 for a period of 24 months from the date the warrants were issued. The Company paid PI Financial Corp. ("PI") a finder's fee of cash commission equal to 6% of the proceeds by certain investors and 2,220 finder's warrants (the "Finder's Warrants") entitling PI to acquire up to 2,220 common shares in the capital of the Company at a price of $3.00 per share for a period of 24 months from the date that the Finder's Warrants were issued. Total share issuance costs relating to the non-brokered private placement amounted to $16,780 of which $15,384 was allocated to common shares and $1,396 allocated to share purchase warrants based upon the relative fair values.

On December 12, 2013, the Company closed a portion of the non-brokered private placement offering of 2,800,000 Units. The Company issued 80,000 units at a price of $2.50 per unit for total gross proceeds of $200,000 of which $4,317 was allocated to common shares and $ $333 to share purchase warrants based upon the relative fair values. Each unit was comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share in the capital of the Company at a price of $3.00 for a period of 24 months from the date the warrants were issued. Total share issuance costs relating to the non-brokered private placement amounted to $4,650 and are recorded as a deduction from share capital.

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 granted in 2013 vest over 18 months, from the date of grant, and expire five years from the date of grant.

The Company recorded $454,018 of share-based compensation expense during the year ended December 31, 2013 (2012 - $Nil).

The fair value of each option granted during the year was estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2013	2012
Expected life (in years)	**5.0**	-
Risk-free interest rate	**1.48% - 1.72%**	-
Expected volatility	**76% - 80%**	-
Dividend yield	**-**	-
Forfeiture rate	**3.36%**	-

The expected stock price volatility is based on the historic volatility of the Company's shares (based on the life of the share-based options).

The fair value of share-based options granted during the year ended December 31, 2013 is $1,378,360 (2012 - $Nil).

A summary of stock option information as at December 31, 2013 is as follows:

	Number of options	Weighted average exercise price
		$
Balance at December 31, 2011	700,000	0.44
Granted	-	-
Exercised	(100,000)	0.10
Forfeited	(100,000)	0.10
Expired	-	-
Balance at December 31, 2012	500,000	0.48
Granted	950,000	2.09
Exercised	(225,000)	0.46
Forfeited	-	-
Expired	-	-
Balance at December 31, 2013	1,225,000	1.29

	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 exercisable	Weighted average exercise price
$		$	Years		$
0.57	400,000	0.57	2.91	400,000	0.57
0.75	125,000	0.75	4.14	-	-
2.60	200,000	2.60	4.44	100,000	2.60
2.60	250,000	2.60	4.57	62,500	2.60
2.50	250,000	2.50	4.83	62,500	2.50
	1,225,000	1.73	4.10	625,000	1.29

d) 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 years ended December 31, 2013 and, 2012, because to do so would be anti-dilutive.

11) Warrants

Share purchase warrants outstanding as at December 31, 2013:

Expiry date	Share purchase warrants outstanding	Finder's warrants outstanding	Black-scholes value	Exercise price
			$	$
October 24, 2015	55,500	2,200	24,636	3.00
December 18, 2015	40,000	-	13,988	3.00
	95,500	2,200	38,624	

Each share purchase warrant and finder's warrant entitles the holder to acquire one common share of the Company upon the payment of the exercised price as indicated for a period of 24 months from the date the warrants were issued.

On January 23, 2013 and March 19, 2013, 143,500 and 13,500 warrants were exercised respectively for total proceeds of $78,500.

On August 26, 2013 and September 19, 2013, 77,500 and 52,500 warrants were exercised respectively for total proceeds of $65,000.

The share purchase warrants and broker's warrants issued were fair-valued using the Black-Sholes option pricing model with the following weighted average assumptions:

	2013	2012
Expected life (in years)	**2.00**	-
Risk-free interest rate	**1.1% - 1.11%**	-
Expected volatility	**30%**	-
Dividend yield	**-**	-

No warrants were issued during the year ended December 31, 2012.

The expected stock price volatility is based on the historic volatility (based on the life of the warrants).

The fair value of warrants issued during the year ended December 31, 2013 is $38,624 (2012 - $Nil).

12) 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) *Categories of financial instruments*

	2013	2012
	$	$
Loans and receivables		
Cash	**228,580**	652,962
Deposits	**151,615**	141,150
Interest receivable	**19,840**	5,027
	400,035	799,139
Other liabilities		
Accounts payable	**2,299,601**	5,767
Accrued interest	**27,854**	-
Accrued liabilities	**62,603**	-
Loans payable	**803,801**	31,759
	3,193,859	37,526

b) *Fair value*

Financial instruments consist of cash, interest receivables, deposits, accounts payable, accrued liabilities and loans payable. The fair values of all financial instruments are considered to approximate their carrying values due to their short term nature.

c) *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 and on its deposits; however, management does not believe this exposure is significant.

d) *Credit risk*

The Company is exposed to credit risk through its cash which is held in large Canadian financial institutions with high credit rating, deposits and other receivables. The Company believes the credit risk is insignificant. The Company's exposure is limited to amounts reported within the statement of financial position.

e) *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. In order to meet its financial obligations, the Company will need to generate cash flow from the sale or otherwise disposition of property or raise additional funds. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating commitments:

	1 to 3 months	Less than 1 year	1 to 5 years	Total
			$	$
Accounts payable	428,114	1,871,487	-	2,299,601
Accrued liabilities	62,603	-	-	62,603
Accrued interest liabilities	-	27,854	-	27,854
Corporate loans	-	-	803,801	803,801
Land lease payments	50,000	80,000	30,000	160,000
	540,717	1,979,341	803,801	3,353,859

13) Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The primary use of capital will be used for the development of its properties and acquisitions.

The Company considers the items included in short-term loans and shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. During the year ended December 31, 2013, there has been no change in the Company's management of capital policies.

14) Segmented information

a) Operating segment

The Company currently operates in one business segment being property acquisition and development.

b) Geographic segments

The Company currently has two geographic segments: Canada and the United States of America ("USA"). The head office and management operate in Canada and the Company's long term assets are in the USA.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The Company is primarily involved in the acquisition and development of wind and solar energy farms in the United States and has determined that is reportable operating segment is based on the fact that the Company's projects have the same economic characteristics and represent the manner in which the Company's chief decision maker views and evaluates the Company's business. The Company has one reportable operating segment.

	Canada	USA	Total
	$	$	$
As at December 31, 2013			
Total assets	389,651	4,846,543	5,236,194
Non-current assets	148,208	4,834,135	4,982,343
As at December 31, 2012			
Total assets	779,503	1,085,971	1,865,474
Non-current assets	-	1,065,460	1,065,460
Year ended December 31, 2013			
Operating loss	(1,044,891)	(10,701)	(1,055,592)
Interest income	14,813	-	14,813
Loss for the period	(1,030,078)	(10,701)	(1,040,779)
Year ended December 31, 2012			
Operating loss	(140,338)	14,477	154,815
Interest income	5,027	-	5,027
Loss for the period	(135,311)	(14,477)	(149,788)

15) Related party transactions

Key management includes directors and officers of the Company. In addition to related party transactions described in note 8, the Company had the following expenses paid to key management:

	2013	2012
	$	$
Salaries & wages	**33,150**	30,767
Management fees	**-**	20,000
Share-based compensation	**356,936**	-
Total	**390,086**	50,767

For the year ended December 31, 2013, the Company had paid consultant fees of $Nil (2012 - $20,000) to the Chief Executive Officer ("CEO") for performance of business development activities.

16) Commitments

As at December 31, 2013, the Company had the following commitments outstanding:

	2014	2015	2016	**Total**
	US$	US$	US$	**US$**
Environmental assessment agreement (i)	10,000	-		**10,000**
Financial advisory agreement (ii)	70,000	-		**70,000**
Puerto Rico land lease (iii)	110,000	30,000	20,000	**160,000**
	190,000	30,000	20,000	**240,000**

(i) On September 11, 2013, the Company entered into a service agreement with Intuitive Consulting Management LLC for the preparation of documents and studies in order to obtain authorizations required for the construction of the Puerto Rico solar project. A total of $215,000 US$ was paid upon signing of the agreement, completion of Environmental Assessment ("EA") studies, and the submission of the EA to the Puerto Rico Environmental Quality Board ("PREQB"). The final payment of $10,000 US$ will be due upon approval of the EA by the PREQB.

(ii) On August 22, 2013, the Company entered into a financial advisory agreement with Rabobank to assist with project financing for the 80MW Blue Mountain wind project in Utah. The Company agreed to pay Rabobank a monthly fee of $10,000 US$ (the "Retainer") until the earlier of a) the closing date of the proposed financing or b) July 31, 2014, but may be extended upon the mutual consent of both parties.

(iii) The Company entered into two separate land options agreements with Jose Arturo Acosta, leasing a total of 936 acres of land in the Municipality of Lajas and Guanica of Puerto Rico. The Company made initial payments on the execution date of each options agreement and will thereafter pay advances for each successive four month periods during the option term. The annual rent will be revised once the land area needed for the energy facility is determined and will have an initial term of twenty-five years with an extension of four consecutive periods of five years each.

17) Subsequent events

In addition to the subsequent events described elsewhere in the notes, the Company had the following events subsequent to December 31, 2013:

a) On January 1, 2014, the Company entered into two, five year option agreements which gives the Company the exclusive right and option to lease up to a total of 653 acres in Puerto Rico as land for the construction and operation of the 100 MW solar photovoltaic electric generating facility. The option agreements provides for a lease term of twenty-five years and may be extended for up to fout additional consecutive periods of five years each, at the Company's option.

b) On January 28, 2014, the Company closed a portion of the non-brokered private placement, previously announced on December 12, 2013 (note 10(b)). The Company issued 210,000 units at a price of $2.50 per share for total gross proceeds of $525,000. Each unit was comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share in the capital of the Company at a price of $3.00 for a period of 24 months from the date the warrants were issued.

c) On March 10, 2014, the Company closed a further portion of the non-brokered private placement, previously announced on December 12, 2013 (note 10(b)). The Company issued 100,000 units at a price of $2.50 per share for total gross proceeds of $250,000. Each unit was comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share in the capital of the Company at a price of $3.00 for a period of 24 months from the date the warrants were issued.

d) On April 14, 2014, the Company entered into an agreement with the Land Authority of Puerto Rico and deposited US $75,000 to lease an additional 51 acres of land for the construction and operation of the 100 MW solar photovoltaic electric generating facility. The lease agreement provides for a term of thirty years.