Condensed Consolidated Interim Financial Statements
and Notes of

Greenbriar Capital Corp.

September 30, 2013

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of Greenbriar Capital Corp., (the "Company") have been prepared by and are the responsibility and the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Greenbriar Capital Corp.

September 30, 2013

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GREENBRIAR CAPITAL CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except share amounts)

(Unaudited)

	Notes	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
		$	$	**$**	$
Expenses					
Audit and tax		**7,707**	5,438	**25,869**	22,903
Bank charges		**675**	477	**1,703**	1,505
Consultant		**-**	5,000	**-**	15,000
Foreign exchange		**(1,543)**	29	**212**	27
Land Maintenance		**-**	8,959	**-**	8,959
Legal		**12,342**	6,597	**31,775**	18,876
Office		**16,406**	234	**34,608**	234
Project exploration		**4,047**	-	**11,245**	-
Public company		**13,215**	6,780	**28,303**	14,675
Salaries		**21,365**	10,621	**51,748**	33,153
Share-based compensation	7c	**142,242**	-	**267,464**	-
Travel		**116,749**	-	**231,300**	-
		333,205	44,135	**684,227**	115,332
Other Income (expense)					
Interest Income		**3,786**	1,470	**11,084**	1,470
Loss before income taxes		**(329,419)**	(42,665)	**(673,143)**	(113,862)
Current income tax expense		**-**	802	**-**	1,052
Net loss		**(329,419)**	(43,467)	**(673,143)**	(114,914)
Other comprehensive (income) loss					
Currency translation adjustment		**(25,448)**	(38,282)	**36,826**	(36,484)
Comprehensive loss		**(354,867)**	(81,749)	**(636,317)**	(151,398)
Basic and diluted loss per common share	7d	**(0.03)**	(0.00)	**(0.06)**	(0.01)
Weighted average number of common shares outstanding - basic and diluted		**11,008,538**	10,700,000	**11,062,108**	10,700,000

GREENBRIAR CAPITAL CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	Notes	As at September 30, 2013	As at December 31, 2012
		$	$
Assets			
Current assets			
Cash		**334,703**	652,962
Deposit	3	**146,208**	141,150
GST receivable		**1,224**	875
Interest receivable	3	**16,111**	5,027
Prepaid expenses		**8,332**	-
		506,578	800,014
Investment and advances	4	**951,223**	-
Property held for development and sale	5	**1,112,026**	1,065,460
		2,569,827	1,865,474
Liabilities			
Current liabilities			
Accounts payable		**225,717**	5,767
Accrued interest		**8,706**	-
Accrued liabilities		**40,619**	31,759
Loans payable	6	**588,440**	-
		863,482	37,526
Shareholders' equity			
Share capital	7	**2,556,665**	2,156,836
Equity compensation reserve	7c	**406,743**	231,877
Warrants reserve	8	**-**	59,981
Accumulated other comprehensive loss		**(6,457)**	(43,283)
Accumulated Deficit		**(1,250,606)**	(577,463)
		1,706,345	1,827,948
		2,569,827	1,865,474

General Information (Note 1)
Subsequent events (Note 12)

Approved by the Directors

(signed) Jeffrey Ciachurski
Jeffrey Ciachurski, Director

(signed) John Wardlow
John Wardlow, Director

GREENBRIAR CAPITAL CORP.
Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
	$	$	**$**	$
Operating activities				
Net loss	**(329,419)**	(43,467)	**(673,143)**	(114,914)
Item not involving cash				
Share-based compensation	**100,465**	-	**225,687**	-
Foreign exchange unrealized	**(781)**	(1,129)	**1,946**	(1,633)
	(229,734)	(44,596)	**(445,510)**	(116,547)
Change in non-cash working capital				
Accounts payable	**123,513**	5,983	**219,950**	(1,173)
Accrued interest	**8,706**	-	**8,706**	-
Accrued liabilities	**(10,201)**	7,235	**8,860**	9,978
Prepaid expenses	**(4,584)**	8,042	**(8,332)**	(7,024)
GST receivable	**1,646**	2,555	**(349)**	14,778
Interest receivable	**(3,785)**	(1,470)	**(11,084)**	(1,470)
	(114,439)	(22,251)	**(227,759)**	(101,458)
Investing activities				
Investment and advances	**(897,658)**	-	**(951,223)**	-
Property held for development and sale	**(4,256)**	(512)	**(11,686)**	(13,238)
Deposits	**-**	(141,150)	**(5,058)**	(141,150)
	(901,914)	(141,662)	**(967,967)**	(154,388)
Financing activities				
Loans payable	**588,440**	-	**588,440**	-
Shares and warrants issued for cash	**153,652**	-	**289,027**	-
	742,092	-	**877,467**	-
Net cash (outflow) inflow	**(274,261)**	(163,913)	**(318,259)**	(255,846)
Cash position, beginning of period	**608,964**	833,054	**652,962**	924,987
Cash position, end of period	**334,703**	669,141	**334,703**	669,141
Supplementary information:				
Cash paid during the period for income taxes	-	**802**	-	**1,052**

See accompanying notes to the condensed consolidated interim financial statements.

GREENBRIAR CAPITAL CORP

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)
(Unaudited)

	Common shares		Equity compensation	Warrants reserve		Accumulated other comprehensive	Accumulated	Total shareholders'
	Number	Amount	Reserve	Number	Amount	income (loss)	Deficit	equity
	#	$	$	#	$	$	$	$
Balance at January 1, 2012	10,700,000	2,137,792	240,921	287,000	59,981	(19,939)	(427,675)	1,991,080
Currency translation adjustment	-	-	-	-	-	(36,484)	-	(36,484)
Net loss for the period	-	-	-	-	-	-	(114,914)	(114,914)
Balance as at September 30, 2012	**10,700,000**	**2,137,792**	**240,921**	**287,000**	**59,981**	**(56,423)**	**(542,589)**	**1,839,682**
Balance at January 1, 2013	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
Currency translation for adjustment	-	-	-	-	-	36,826	-	36,826
Net loss for the period	-	-	-	-	-	-	(673,143)	(673,143)
Share-based compensation	-	-	267,464	-	-	-	-	267,464
Balance as at September 30, 2013	**11,312,000**	**2,556,665**	**406,743**	**-**	**-**	**(6,457)**	**(1,250,606)**	**1,706,345**

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of business and continuing operations

Greenbriar Capital Corp. 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 head office is located at 632 Foster Avenue, Coquitlam, British Columbia, V3J 2L7. 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. As at April 13, 2013, the Company owned a 50% interest in AG Solar One LLC, which owns 100% of PBJL Energy Corporation.

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 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 primary business is the acquisition, management, development, and possible sale of real estate. 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 September 30, 2013, the Company had a working capital deficiency of $356,904, an accumulated deficit of $1,250,606 and incurred a net loss of $673,143 for the nine 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, 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 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.

2. Significant accounting policies

(a) Statement of compliance and basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting.* These condensed consolidated interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements except for the adoption of new standards discussed below and do not include all of the information required for full annual financial statements. As such, these financial statements should be read in conjunction with our consolidated financial statements for the year ended December 31, 2012. These condensed consolidated interim financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee. All information is expressed in Canadian dollars ("CDN") unless otherwise stated.

2. Significant accounting policies (cont'd)

(b) *Adoption of new and revised standards and interpretations*

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the Company's annual consolidated financial statements for the year ended December 31, 2012. 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 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 4) 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 9 Financial Instruments

IFRS 9 will replace IAS 39 for classification and measurement of financial assets and financial liabilities and will be effective for annual periods beginning on or after January 1, 2015. The Company is currently assessing the potential impact of this new standard on the consolidated financial statements.

3. Deposit

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 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 which the Company is currently working on an extension of the agreement.

4. Investment and advances

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")

(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 July 12, 2013 the company signed a Membership Interest Purchase Agreement with a subsidiary of Alterra Power, 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 Power Purchasing Agreement (the "PPA").

(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 $450,000 for the initial 50% ownership which was financed by way of a loan from the spouse of the CEO (Note 6).

5. 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:

	As at	
	September 30, 2013	December 31, 2012
Land acquisition	1,069,536	1,035,632
Property taxes	32,081	19,749
Land development	3,867	3,744
Land appraisal & related fees	6,542	6,335
	1,112,026	1,065,460

The unrealized foreign exchange translation gain for the nine months ended September 30, 2013 was $34,880 (2012 – ($34,851)). For the nine months ended September 30, 2013, the Company had property taxes of $11,686 (2012 - $13,238).

6. Loans Payable

On August 1, 2013, the Company entered into a loan agreement in the amount of US $500,000 with the spouse of the CEO. The loan bears interest in the amount of 10% per annum and is repayable on January 31, 2014. In addition, the Company entered into a loan agreement with the CEO of the Company in the amount of CDN $75,000, with the same terms as the US $500,000 loan.

7. Share capital

(a) *Authorized*

Unlimited number of common shares without par value.

(b) *Private placement of units*

On September 22, 2011, the Company closed a non-brokered private placement offering of 4,100,000 common shares at a price of $0.50 per share for total gross proceeds of $2,050,000. The shares were subject to a holding period which expired on January 23, 2012. Total share issuance costs relating to the non-brokered private placement amounted to $379,321 and are recorded as a deduction from common shares.

(c) *Stock option plan*

The Company has a stock option plan (the "Plan") to issue up to and not to exceed 10% of the issued and outstanding common shares. Under the Plan, each option entitles the holder to acquire one common share at its exercise price.

On August 31, 2012, 100,000 stock options at $0.57 were granted to an officer of the Company. On November 28, 2012, these stock options expired after his resignation.

On February 18, 2013, 250,000 stock options at $0.75 were granted to a director of the Company. The options vest over an 18 month period and expire on February 18, 2018.

On June 10, 2013, 200,000 stock options at $2.60 were granted to an officer of the Company. The options vest over an 18 month period and expire on June 10, 2018.

On July 26, 2013, 250,000 stock options at $2.60 were granted to employees of the Company. The options vest over an 18 month period and expire on July 26, 2018.

The Company recorded $267,464 of share-based compensation expense during the nine months ended September 30, 2013 (2012 - $Nil).

	September 30, 2013	September 30, 2012 [1]
Expected life (in years)	5.00	-
Risk-free interest rate	1.48% - 1.72%	-
Expected volatility	78% - 80%	-
Dividend yield	-	-

(1) No stock options were granted during the nine months ended September 30, 2012.

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 nine months ended September 30, 2013 is $902,747 (2012 - $Nil).

7. Share capital (continued)

(c) Stock option plan (continued)

A summary of stock option information as at September 30, 2013 is as follows:

	Shares	Weighted average exercise price
		$
Options outstanding as at December 31, 2011	700,000	0.44
Options exercised	(100,000)	0.10
Options forfeited	(100,000)	0.10
Options outstanding as at December 31, 2012	500,000	0.48
Options granted	700,000	1.94
Options exercised	(225,000)	0.46
Options outstanding as at September 30, 2013	975,000	1.53

	Stock options outstanding			Options exercisable	
Exercise price	Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number of options outstanding and exercisble	Weighted average exercise price
$		$	Years		$
0.57	400,000	0.57	3.16	400,000	0.57
0.75	125,000	0.75	4.39	-	-
2.60	200,000	2.60	4.70	50,000	2.60
2.60	250,000	2.60	4.82	62,500	2.60
	975,000	1.53	4.06	512,500	1.02

(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 three and nine months ended September 30, 2013 and, 2012, because to do so would be anti-dilutive.

8. Warrants

As at September 30, 2013, there were no share purchase warrants outstanding.

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

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

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

9. 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*

	September 30, 2013	December 31, 2012
	$	$
Loans and receivables		
Cash	334,703	652,962
Deposit	146,208	141,150
Interest and GST receivable	17,335	5,902
	498,246	800,014
Other liabilities		
Accounts payable	225,717	5,767
Accrued liabilities	40,619	31,759
	266,336	37,526

(b) *Fair value*

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

9. Financial instruments (cont'd)

(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 short term investment; 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.

10. 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 land held for development and potential acquisitions.

The Company considers the items included in 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 nine months ended September 30, 2013, there has been no change in the Company's management of capital policies.

11. Segmented information

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance.

(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.

11. Segmented information (cont'd)

	Canada	USA	Total
	$	$	$
As at September 30, 2013			
Total Assets	873,792	1,696,035	2,569,827
Non-current Assets	-	1,112,026	1,112,026
As at December 31, 2012			
Total Assets	779,503	1,085,971	1,865,474
Non-current Assets	-	1,085,971	1,085,971
Nine months ended September 30, 2013			
Operating loss	(674,519)	(9,708)	(684,227)
Interest income	11,084	-	11,084
Loss for the period	(663,435)	(9,708)	(673,143)
Nine months ended September 30, 2012			
Operating loss	(104,240)	(11,092)	(115,332)
Interest income	1,470	-	1,470
Loss for the period	(102,770)	(11,092)	(113,862)

12. Related party transactions

In addition to related party transactions described in Notes 6 and 14, the Company had the following related party transactions:

(a) The following expenses were paid to key management personnel of the Company:

	Nine months ended	
	September 30, 2013	September 30, 2012
	$	$
Salaries & wages	25,350	22,967
Management fees	-	15,000
Total	25,350	37,967

(b) For the nine months ended September 30, 2013, the Company had paid consultant fees of $Nil (2012 - $15,000) to the Chief Executive Officer ("CEO") for performance of business development activities.

13. Commitments

As at September 30, 2013, the Company had the following commitments outstanding:

2013 – US $130,000
2014 – US $245,000

14. Subsequent events

In addition to the subsequent events described in Note 4, the Company had the following events subsequent to September 30, 2013:

- The Company appointed a new Chairman of the Board, Mr. Daniel Kunz and granted Mr. Kunz 250,000 stock options at a price of $2.50 per share. In addition, the Company entered into a loan agreement, whereby Mr. Kunz loaned the Company US $200,000 bearing interest of 10% per annum, compounded monthly. The loan is due February 28, 2014.

- The Company completed a private placement in the amount of 111,000 units at $2.70 per unit for gross proceeds of $299,700. Each unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to acquire a common share of the Company for $3.00 until October 15, 2015. Of the 111,000 units, 74,000 were issued to the CEO and a director of the Company.