

CARPINCHO CAPITAL CORP.

FORM 51-102F1

ANNUAL MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

Date

This management discussion and analysis ("MD&A") is dated October 27, 2011 and is in respect of the year ended June 30, 2011.

Introduction

The following MD&A of the financial condition and results of the operations of Carpincho Capital Corp. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended June 30, 2011. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2011, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The results for the period presented are not necessarily indicative of the results that may be expected for any future period.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Further information about the Company is available on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

Certain statements in this MD&A may constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use words such as "may", "will", "should", "could", "anticipate", "expect", "believe", "intend", "plan", "potential", "continue" and other similar terminology. These statements reflect management's current expectations regarding future plans, intentions, events, growth, operating performance and business prospects and opportunities and speak only as of the date of this MD&A. These forward-looking statements involve a number of risks and uncertainties. See "Risk Factors". New risk factors may arise from time to time and it is not possible for management of the Company to predict all of them or the extent to which any factor or combination of factors may cause its actual results, performance or achievements to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a

prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.

Description of Business

On October 18, 2010 Wombat Investment Trust acquired control of the Company through the purchase of all Class A Shares. At that time the board of directors was reconstituted and new officers appointed. The Company now carries on activities as a venture capital company and is seeking assets or businesses with superior growth potential to merge with or acquire. The Company is not restricting its search to any industry segment or geographic area. The Company will consider acquisitions of assets or businesses operated or located both inside and outside of Canada. All potential acquisitions will be screened initially by management of the Company to determine their economic viability. Approval of acquisitions will be made by the Board of Directors. The Board of Directors will examine proposed mergers and acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors. In exercising their powers and discharging their duties in relation to any proposed transaction, the directors will act honestly and in good faith with a view to the best interests of the Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The search for appropriate assets or businesses is continuing with several prospective transactions reviewed during the year. If and when discussions reach a point where disclosure would be appropriate, the Company will issue and file a press release providing full details.

Overall Performance

The Company intends to seek out prospective merger and acquisition opportunities. There can be no assurance that a suitable asset or business will be identified, or if identified, that a successful transaction will be concluded.

At June 30, 2011, the Company had assets of \$17,791 and shareholders' deficit of \$27,271. This compares with assets of \$68,387 and shareholders' equity of \$42,379 at June 30, 2010. At June 30, 2011, the Company had \$45,062 of current liabilities compared to current liabilities of \$26,008 at June 30, 2010.

At June 30, 2011, the Company had a working capital deficiency of \$27,271, compared to working capital of \$42,379 at June 30, 2010. The Company had cash and cash equivalents of \$13,017 at June 30, 2011, compared to \$68,387 at June 30, 2010. The decrease in cash during the year of \$55,370 was primarily attributable to operating expenses of \$105,343, including management fees paid of \$72,238, offset by a shareholder loan of \$25,000 and recovery of refundable taxes of \$34,747. The Company believes that additional financing will be required to fund its operating expenses as it searches for suitable assets or businesses to merge with or acquire. See "Liquidity and Financial Position".

Trends

The Company plans to search for suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders. Management monitors economic conditions and

estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Annual Financial Information

A summary of selected financial information for the years ended June 30, 2011, 2010 and 2009 follows:

	June 30, 2011	June 30, 2010	June 30, 2009
Total revenue	\$946	\$88,310	\$1,660,008
Net earnings (loss)	(\$104,397)	(\$122,332)	\$81,334
Total assets	\$17,791	\$68,387	\$19,907,899
Long-term financial liabilities	Nil	Nil	Nil

The Company declared no cash dividends during the above financial years.

Results of Operations

For the year ended June 30, 2011, the Company reported a net loss of (\$104,397) versus a net loss of (\$122,332) in the corresponding period in 2010. Interest, dividend and other revenue in 2011 of \$946 compares with revenues of \$88,310 in 2010, a decrease of 98.9%. This significant decrease can be accounted for by the disposition of income yielding investments in 2010 for cash and cash equivalents to fund redemptions as the Company wound-up its investment fund activities.

Expenses for the 2011 year were \$105,343 versus \$361,610 in the prior year, a decrease of 70.9% as the Company transitioned from an investment fund to a venture capital company. Legal, audit and shareholder reporting expenses were significantly higher in 2011 at \$26,851 versus \$145,519 in 2010, reflecting significantly higher fees and costs related to the special shareholders' meeting held to approve the early redemptions of the Series 1 Shares, Series 2 Shares and Equity Shares and wind-up of the fund. General and administrative expenses of \$6,254 were down by 90.7% from \$67,100 in 2010, reflecting the elimination of fund management costs and the generally reduced ongoing costs resulting from the change in business operations.

Overall Objective

For the 2012 fiscal year, the Company plans to continue to search for suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders. See "Risk Factors".

Summary of Quarterly Results

A summary of selected financial information for the previous three quarters follows. Prior to these periods, the Company reported its financial information as a mutual fund corporation and accordingly did not prepare quarterly interim financial statements. Therefore this information is not available.

	Q4 2011 (unaudited)	Q3 2011 (unaudited)	Q2 2011 (unaudited)
Total revenue	\$42	Nil	\$904
Net income (loss)			
- Total	(\$37,945)	(\$796)	(\$12,979)
- Per share	(\$0.008)	(\$0.0002)	(\$0.003)

Liquidity and Financial Position

As at June 30, 2011, the Company had a working capital deficiency of \$27,271. Management believes that additional funding will be required to fund the Company's general and administrative expenses as it searches for suitable assets or businesses to merge with or acquire. Wombat Investment Trust, the owner of all Common Shares, has advised that it intends to advance the Company on commercial terms sufficient funds to enable it to conduct its venture capital activities and meets its public company reporting obligations until such time as it completes a merger or acquisition transaction. There can be no assurance that additional financing will be available or on terms acceptable to the Company.

Transactions with Related Parties

For the year ended June 30, 2011, the Company did not enter into any transactions with related parties other than incurring legal fees in the amount of \$12,249 from a law firm in which a director and officer of the Company is a director, officer and shareholder and the Company also loaned \$25,000 from a shareholder for working capital purposes. The loan is unsecured, non-interest bearing and repayable on demand.

Off-Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Proposed Transactions

As at the date hereof, there were no proposed transactions of a material nature being considered by the Company.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to allocations of distributions received from income trusts among distributions, interest and other income, or the return of capital, are based on estimates of the categorization of distributions provided by those income trusts and accrued liabilities. These allocations may change once final categorizations of the distributions are received from the respective income trusts. Financial results as determined by actual events could differ from those estimates.

Future Accounting Changes

International Financial Reporting Standards “IFRS”

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended September 30, 2011. The Company's 2011-2012 interim and annual financial statements will include comparative 2010 financial statements adjusted to comply with IFRS.

IFRS Transition Plan

The Company will work with its advisors with the planning and implementation of its transition to IFRS. Due to the very limited operations currently conducted by the Company, the Company does not anticipate any significant changes to transition to IFRS.

Impact of Adopting IFRS on the Company's Business

As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and its systems and processes can accommodate the necessary changes.

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies. The Company's staff and advisers involved in the preparation of the financial statements will be trained on the relevant aspects of IFRS and the anticipated changes to accounting policies.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements, particularly in the areas of

Risk Factors

At the present time, the Company does not hold any interest in an operating asset or business. The Company's viability and potential success lie in its ability to identify and successfully complete the merger with or acquisition of a suitable asset or business and, if completed, to develop, exploit and generate revenue out of such future asset or business. Management believes that the Company's ability to identify and complete a transaction will be greatly influenced by the strength of the capital markets. Markets that are robust and receptive to equity financings and initial public offerings are expected by management to be most favourable for the completion of a transaction. Revenues, profitability and cash flow from any future asset or business acquisition involving the Company is difficult to predict and will be influenced by factors unknown to management at the present time. The Company has limited financial resources and, although a shareholder has indicated a willingness to fund the Company's activities, there is no assurance that additional funding will be available to it. Failure to obtain such additional financing could result in the Company not being able to meet its general and administrative expenses or maintain its public company status, and could delay or indefinitely postpone the identification of suitable assets or business or the completion of a transaction once a suitable asset or business has been identified.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Designation of Securities	Number or Principal Amount Outstanding	If Convertible, Exercisable or Exchangeable for Common Shares, Maximum Number of Common Shares Issuable
Common Shares	5,000,000	N/A
TOTAL (maximum number of Common Shares - fully-diluted)		5,000,000

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements, and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting

(ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.