

LYNNWOOD CAPITAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarter ended November 30, 2010

Management's Discussion and Analysis **For the quarter ended November 30, 2010**

Dated as of January 18, 2011

The purpose of this Management's Discussion and Analysis ("MD&A") is, as required by regulators, to explain management's point of view on Lynnwood Capital Inc. ("Lynnwood" or the "Company") past performance and future outlook. This report should be read in conjunction with the unaudited interim financial statements and the related Notes for the three and nine months ended November 30, 2010 and in conjunction with the Company's audited financial statements for the year ended February 28, 2010 where necessary. All amounts are expressed in Canadian dollars unless otherwise noted. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com

Forward-looking statements

Certain sections of this Management Discussion and Analysis may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of January 18, 2011.

Description of Business and Overview

Lynnwood Capital Inc. is a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than cash. Until such time as the Company completes a Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities.

On May 3, 2010, the Company received final receipts for its initial public offering ("IPO") to issue 2,000,000 common shares at a price of \$0.10 per share for total gross proceeds \$200,000. The Company completed the IPO on June 30, 2010 and commenced trading on the TSX Venture Exchange ("TSX-V") on July 6, 2010 under the symbol LCI.P

Selected Financial Information

The following selected financial data is derived from the unaudited financial statements of prepared in accordance with Canadian GAAP.

	Three Months Ended November 30, 2010	Three Months Ended August 31, 2010	Three Months Ended May 31, 2010	For The Period September 28, 2009 to February 28, 2010
Total Revenues (Interest)	\$ -	\$ -	\$ -	\$ -
Income (loss) before other items	\$ (9,345)	\$ (111,263)	\$ (8,241)	\$ (16,033)

Net Loss	\$ (9,345)	\$ (111,263)	\$ (8,241)	\$ (16,033)
Loss and fully diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)
Total assets	\$ 447,047	\$ 456,392	\$ 349,726	\$ 349,967
Total long term debt	\$ -	\$ -	\$ -	\$ -
Dividend	\$ -	\$ -	\$ -	\$ -

Results of Operations

The Company was incorporated on September 28, 2009. Accordingly comparative figures to the three and nine months period ended November 30, 2010 were not presented as there were no operations from the date of incorporation to November 30, 2009. The Company does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the three months ended November 30, 2010, the Company recorded a net loss of \$9,345 compared to \$111,263 for the last quarter ended August 31, 2010. The major expenses for the current quarter were accounting and audit in the amount of \$1,800 compared to \$1,800 for the last quarter; Filing and transfer agent fees in the amount of \$29 (net of filing fee overpayment of \$775) compared to \$18,022 for the last quarter; legal in the amount of \$Nil compared to \$15,883 for the last quarter. The higher filing and transfer agent fees and legal expense for the previous quarter was due to the Company incurred costs associated with the completion of its initial public offering of 2,000,000 shares. Rent in the amount of \$3,750 compared to \$3,583 for the last quarter; Stock-based compensation in the amount of \$70,837 compared to \$70,837 for the last quarter (as a result of the Company granting 900,000 stock options to directors and officers); Telephone in the amount of \$646 compared to \$487 for the last quarter and Travel and promotion in the amount of \$1,803 compared to \$623 for the last quarter.

Summary of Quarterly Results

		3rd Quarter	2 nd Quarter	1st Quarter
Three Months Ended		November 30, 2010	August 31, 2010	May 31, 2010
Total Revenue (Interest)		\$ -	\$ -	\$ -
Net Loss		\$ (9,345)	\$ (111,263)	\$ (8,241)
Basic and diluted earnings (loss) per share		\$ (0.00)	\$ (0.01)	\$ (0.00)

Liquidity and Capital Resources

The Company does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition. As at November 30, 2010 the Company had cash, receivables and prepaid of \$447,047 compared with \$344,967 at February 28, 2010. The working capital as at November 30, 2010 was \$445,247. As at November 30, 2010, the Company had \$447,047 in total assets and \$1,800 in payables and accruals. The Company has no long term debt.

The Company's issued and outstanding shares were 9,200,000 at November 30, 2010 and 9,200,000 at January 18, 2011.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related Parties

During the quarter ending November 30, 2010, the following expenses were charged by a company where an officer of the Company is a partner:

	<u>2010</u>
Accounting fee	\$1,800

All transactions with related parties were within the normal course of business and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

Contractual Commitments

There are no contractual commitments.

Critical Accounting Estimates

A detailed summary of the Company's significant accounting policies is included in Note 3 to the Audited Financial Statements for the year ended February 28, 2010 (the Annual Audited Financial Statements).

Future Accounting Policies

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after March 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning March 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

International Financial Reporting Standards ("IFRS")

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after March 1, 2011. The transition date of March 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

1. The Company has not commenced commercial operation, and has no assets other than cash, has no history of earnings and shall not generate earnings to pay dividends until at least after the completion of the Qualifying Transaction;

2. Until the completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification of and evaluation of potential Qualifying Transactions;
3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

Management's responsibility for financial statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

January 18, 2011

On behalf of Management and the Board of Directors,

"Robert Lipsett"

President and Chief Executive Officer, Director