LYNNWOOD CAPITAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended February 28, 2011

Management's Discussion and Analysis
For the year ended February 28, 2011

Dated as of June 13, 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 audited financial statements and the related Notes for the year ended February 28, 2011. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). 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 June 13, 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 audited financial statements of the Company prepared in accordance with Canadian GAAP.

	Year Ended February 28, 2011 $	For The Period September 28, 2009 to February 28, 2010 $
Total Revenues (Interest)	-	-
Income (loss) before other items	(182,739)	(16,033)
Net Loss and comprehensive loss	(182,739)	(16,033)

Loss and fully diluted loss per share	(0.14)	(0.00)
Total assets	408,639	349,967
Total long term debt	-	-
Dividend	-	-

Results of Operations
The Company was incorporated on September 28, 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 year ended February 28, 2011, the company recorded a net loss of $182,739 compared to $16,033 for the period from incorporation on September 28, 2009 to February 28, 2010. The loss in 2011 was primarily attributable to accounting and audit of $15,600 compared to $6,000 in 2010; business evaluation costs of $25,000 compared to $Nil in 2010; filing and transfer agent fees of $31,584 (due to the Company completing its IPO in during the year) compared to $Nil in 2010; legal of $20,957 compared to $10,000 in 2010; rent of $11,083 compared to $Nil in 2010 and stock-based compensation of $70,837 compared to $Nil in 2010.

Fourth Quarter
During the three months ended February 28, 2011, the Company recorded a net loss of $53,890 compared to $9,345 for the last quarter ended November 30, 2010. The major expenses for the current quarter were accounting and audit in the amount of $11,000 compared to $1,800 for the last quarter (the higher accounting and audit for the current quarter is due to accrual for the year end accounting and audit fees); business evaluation costs in the amount of $25,000 (due to write-off of an unsuccessful business evaluation) compared to $Nil for the last quarter; filing and transfer agent fees in the amount of $6,837 (due to payment of annual listing fees to the TSX-V) compared to $29 (net of filing fee overpayment of $775) for the last quarter; legal in the amount of $5,074 compared to $Nil for the last quarter; rent in the amount of $3,750 compared to $3,750 for the last quarter; Stock-based compensation in the amount of $Nil compared to $Nil for the last quarter; telephone in the amount of $431 compared to $646 for the last quarter and travel and promotion in the amount of $1,510 compared to $1,803 for the last quarter.

Summary of Quarterly Results

	4th Quarter	**3rd Quarter**	**2nd Quarter**	**1st Quarter**
Three Months Ended	**February 28, 2011 $**	**November 30, 2010 $**	**August 31, 2010 $**	**May 31, 2010 $**
Total Revenue (Interest)	-	-	-	-
Net Loss	(53,890)	(9,345)	(111,263)	(8,241)
Basic and diluted earnings (loss) per share	(0.03)	(0.00)	(0.08)	(0.00)
Total assets	408,639	447,047	456,392	349,726
Total long term debt	-	-	-	-
Dividend	-	-	-	-

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 February 28, 2011 the Company had cash and receivables of $408,639 compared with $344,967 at February 28, 2010. The working capital as at February 28, 2011 was $391,357. As at February 28, 2011, the Company had $408,639 in total assets and $17,282 in payables and accruals. The Company has no long term debt.

Since inception, the Company's capital resources have been limited to amounts raised from the private sale of common shares in the Company and the recently completed IPO (see "Description of Business and Overview"). The Company has not commenced operations and as at February 28, 2011 has no assets other than cash and HST recoverable. The proceeds from the private sale of common shares and the IPO are expected to provide the Company with minimum funds with which to identify and evaluate businesses or assets with a view to complete a Qualifying Transaction. However, if the Company identifies a target business, asset or property as its Qualifying Transaction, the Company may have to seek additional financing. There is no assurance that the Company will be able to identify a suitable Qualifying Transaction. Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction.

The Company is not exposed to any externally imposed capital requirement. There were no changes in the Company's approach to capital management during the year.

The Company's issued and outstanding shares were 9,200,000 at February 28, 2011 and 9,250,000 at June 13, 2011.

The Company has established a stock option plan for its directors, officers and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. As of the date of this report, 900,000 directors and officers options are outstanding and 150,000 agent's options are outstanding.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related Parties

During the year ended February 28, 2011, the Company paid or accrued accounting fees of $7,600 (2010 - $Nil) to an accounting firm of which an Officer of the Company is a partner. As of February 28, 2011, $3,000 (2010 - $Nil) in accounts payable and accrued liabilities was due to the accounting firm. The transaction was in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Contractual Commitments

There are no contractual commitments.

Subsequent Event

Subsequent to February 28, 2011, the Company issued 50,000 shares pursuant to 50,000 agent's options exercised at $0.10 per share.

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, 2011 (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, 2010 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.

Approach:

There are five phases that will be followed to ensure compliance with IFRS as follows: (1) identification of key accounting issues; (2) analysis of accounting standards; (3) determination of accounting policies; (4) implementation; and (5) post implementation review. The implementation team consists of an external consultant and internal resources.

Training:

The Company's external consultant has taken steps to become proficient in IFRS, including participating in IFRS training sessions.

Accounting Policies impacted:

The detailed analysis of the accounting policies impacted by the IFRS convergence has been completed and great effort will be put in the financial statements presentation, as IFRS requires more disclosure. Based on the analysis of expected accounting differences conducted so far, the following is a non-exhaustive list of the IFRS accounting policies that could have a potential impact on the financial statements of the Company:

First Time adoption (IFRS 1):

IFRS 1 provides guidance to entities on the general approach to be taken when first adopting IFRS. The underlying principle of IFRS 1 is retrospective application of IFRS standards in force at the date an entity first reports using IFRS. IFRS1 acknowledges that full retrospective application may not be practical or appropriate in all situations and prescribes:

- optional exemptions from specific aspects of certain IFRS standards in the preparation of the Company's opening balance sheet; and

- mandatory exceptions to retrospective application of certain IFRS standards.

IFRS 1 contains disclosure requirements to highlight changes made to financial statement items due to the transition to IFRS.

Stock-based payments (IFRS 2)
Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Company at the grant date instead of recognizing the entire compensation expense and only recording actual forfeiture as they occur.

Information systems:
The accounting processes of the Company are simple and no major challenges are expected. The Company expects that no historical data have to be regenerated to comply with some of the choices to be made under IFRS 1.

Internal Controls:
Since the Company is listed on the TSX-V, management does not make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109. Management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support their certification of the financial statements and MD&A, more specifically assessing that the SEDAR filings are presenting fairly the results of the Company. Management will make sure that once the convergence process is completed, it can still certify its filings.

Impact on the business:
The business processes of the Company are simple and no major challenges are currently expected at this point to operate under IFRS. The Company has no compensation arrangements that will be affected by the IFRS implementation. The Company's Stock Option Plan is not affected by ratios or financial targets. Business processes will be monitored through 2011-2012 to detect unsuspected impact.

Financial Instruments
All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

CICA Handbook Section 3862, Financial Instruments – requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Fair value

The carrying value of accounts payable and accrued liabilities approximated their fair value because of the short term nature of these instruments.

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 401,879	$ -	$ -	$ 401,879

FINANCIAL INSTRUMENTS AND RISK
The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2011, the Company had a cash balance of $401,879 to settle current liabilities of $17,282. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
The Company has cash balances and no interest-bearing debt. As of February 28, 2011, the Company has no interest bearing term deposits.

(b) Foreign currency risk
The Company does not have any assets or liabilities in a foreign currency.

(c) Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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

1. The Company has not commenced commercial operations, and has no assets other than cash and HST recoverable, 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; and

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.

June 13, 2011

On behalf of Management and the Board of Directors,

"Robert Lipsett"

President and Chief Executive Officer, Director