RAILTOWN CAPITAL CORP.

Management's Discussion and Analysis of Financial Position and Results of Operations For the year ended September 30, 2012

Dated January 28, 2013

General

This Management Discussion and Analysis ("MD&A") has been prepared by management as of January 28, 2012 of the financial position of the Company and results of operations for the year ended September 30, 2012 and should be read in conjunction with the unaudited condensed financial statements of Railtown Capital Corp. ("Railtown" or the "Company") for the period ended September 30, 2012, and the audited financial statements for the period ended September 30, 2011 contained in the Company's prospectus dated December 22, 2011.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") which include International Accounting Standards and Interpretations adopted by the International Accounting Standards Board. All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Statements

This MD&A may contain forward-looking statements based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of January 28, 2013.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on May 11, 2011 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. During the fourth quarter, the company chose to not complete its IPO and is no longer

classified as a Capital Pool Company. The company has no active operations, however, its mandate remains that of identifying and evaluating business' and assets suitable for acquisition.
The head office of the Company is located at Suite 108, 329 Main Street, Vancouver, British Columbia, V6A 2S9. The registered office of the Company is located at Suite 108, 329 Main Street, Vancouver, British Columbia, V6A 2S9. The Company does not have any subsidiaries.

Selected Annual Information

Period	Year Ended Sep 30, 2012	Year Ended Sep 30, 2011
Revenue	$ -	$ -
Office Expense	$ 2,714.00	$ -
Financing Fee	$ 10,000.00	$ -
Bank Charges	$ 178.00	$ 34.00
Filing Fees	$ 18,484.00	$ 1,120.00
Professional Fees	$ 24,065.00	$ 16,160.00
Foreign Exchange	$ -	$ 735.00
Stock based Comp.	$ -	$ 29,832.00
Loss for the Period	$ 55,441.00	$ 47,881.00
Net Loss/Share	$ 0.01	$ 0.01
Fully Diluted Loss/share	$ 0.01	$ 0.01
Cash & Cash Equiv.	$ 22,260.00	$ 163,101.00
Current Assets	$ 22,260.00	$ 163,101.00
Working Capital	$ 16,510.00	$ 146,941.00

Results of Operations

During the year ended September 30, 2012, the Company recorded a loss of $55,441 (2011 - $47,881). The loss for the period was comprised of office expenses of $2713 (2011 - $nil) and bank charges $178 (2011 - $34). The Company incurred filing fees of $18,484 (2011 - $1,120), professional fees of $24,065 (2011 - $16,160), and Financing Fees of $10,000 (2011 - $nil), with the increased amounts all due to the costs of its unsuccessful IPO.

Quarterly Information

The following table sets forth selected unaudited financial information prepared by management of the Company:

Period	Jul 1 - Sep 30/12	Apr 1 - Jun 30/12	Jan 1 - Mar 31/12	Sep 30 - Dec 31/11	Inception - Sep 30/11
Revenue	$ -	$ -	$ -	$ -	$ -
Gen & Admin	11078.82	$ 1,568.00	$ 24,698.00	$ 18,097.00	$ 18,049.00
Stock Based Comp.		$ -	$ -		$ 29,832.00
Loss for the Period	11078.82	$ 1,568.00	$ 24,698.00	$ 18,097.00	$ 47,881.00
Net Loss/Share	$ -	$ -	$ 0.01	$ -	$ 0.01
Cash & Cash Equiv.	$ 22,260.00	$ 176,327.00	$ 138,065.00	$ 147,900.00	$ 163,101.00
Current Assets	$ 22,260.00	$ 186,327.00	$ 138,065.00	$ 149,197.00	$ 163,101.00
Working Capital	$ 16,510.00	$ 156,781.00	$ 108,339.00	$ 133,037.00	$ 146,941.00

The Fourth Quarter

During the fourth quarter ended September 30, 2012, the company recorded a loss in the amount of $18,097, the major factor contributing to this figure was the expensing of share issuance costs ($10,000) related to the IPO that was not completed. The reduction in Working Capital was primarily the result of the return of capital to shareholders in the amount of $135,000 during the quarter.

Liquidity and Capital Resources

The Company's working capital decreased to $16,510 from the prior year's $146,941 as a result expenses incurred, the return of capital in the amount of $135,000, the settling of subscriptions receivable in the amount of $50,010.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Contractual Obligations

During the year, the company has terminated its agreement with Haywood Securities Inc. (the "Agent"). The company currently has no contractual obligations.

Transactions with Related Parties

There are no transactions with related parties and management did not receive any compensation during the period from incorporation on May 11, 2011 to September 30, 2012. The directors and officers currently own 56% of the issued and outstanding common shares.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Financial Instruments

The Company's financial instruments consist of cash. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the financial instruments approximate their amortized cost value due to their short-term nature. Cash is stated at cost plus accrued value, which approximates market value. Investments of cash are of sufficient quality and diversity to ensure a high probability of liquidity at the accrued value, at such times as needed to meet financial obligations.

Share Capital

Authorized Capital:
Unlimited number of common shares and preferred shares without par value
Issued and outstanding:
4,500,000 common shares as at January 28, 2013
Fully diluted:
4,900,000 common shares as at January 28, 2013

The Company has granted 400,000 stock options with an exercise price of $0.10 and an expiry date of 5 years after the grant date of September 27, 2011. There are no warrants, or convertible securities, outstanding as at August 29, 2012.

Recent Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards whenthey become effective. The following pronouncements are being assessed to determine their impact on the Company's results and financial position:

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

New standard IFRS 10 "Consolidated Financial Statements"

This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint

Ventures"; IFRS 12 "Disclosures of Involvement with Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 11 "Joint Arrangements"

This new standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes lAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities-Non-monetary Contributions by Venturers. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 12 "Disclosure of Interests in Other Entities"

This new standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 13 "Fair value measurement"

This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. IFRS 13 is effect for annual periods beginning on or after January 1, 2013.

New interpretation IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

This new IFRIC clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013.

Amendments to IAS 32 "Financial Instruments: Presentation"

These amendments address inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

Financial statement presentation

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 "*Presentation of Financial Statements*" to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments and Other Instruments

The Company does not have any financial instruments, other than cash deposited with a major Canadian Chartered Bank.

Risks and Uncertainties

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government value added taxes.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Other Information

Additional information related to the Company, including its Prospectus, is available for viewing on SEDAR at www.sedar.com.

Directors and Officers
The Company's Directors and officers as at January 28, 2013, are:

Jason Moreau	President, CEO, CFO and Director
William Benjamin Catalano	Director
Alan Ji	Director
Martin Woodward	Director
Jane Ballantyne	Corporate Secretary

On behalf of the Board of Directors,

"Jason Moreau"

Jason MoreauPresident and Director