

RAILTOWN CAPITAL CORP.

Management's Discussion and Analysis of Financial Position and Results of Operations
For the Period ended June 30, 2014.

General

This Management Discussion and Analysis ("MD&A") has been prepared by management as of August 25, 2014 of the financial position of the Company and results of operations for the quarter ended June 30, 2014 and should be read in conjunction with the unaudited condensed interim financial statements of Railtown Capital Corp. ("Railtown" or the "Company") for the period ended June 30, 2014, and the audited financial statements for the year ended September 30, 2013. The financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), using Accounting Standard 34 – Interim Financial Reporting ("IAS 34"), which include International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

All amounts are expressed in Canadian dollars unless otherwise indicated.

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. The Company chose to not complete its IPO and is no longer classified as a Capital Pool Company, 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.

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 August 25, 2014.
- 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.

Going Concern

As at June 30, 2014, the Company is not able to finance day to day activities through operations. The continuing operations of the Company are dependent upon its ability to identify a viable business

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opportunity. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its condensed interim statement of financial position.

Liquidity and Capital Resources

As at June 30, 2014, the Company's working capital deficiency increased to \$10,802 (September 30, 2013 – \$3,485) as a result of the payment of filing fees and professional fees. As at June 30, 2014, the Company had cash on hand of \$40,648 (September 30, 2013 - \$39,801).

During the period ended June 30, 2014, the Company issued 500,000 common shares for gross proceeds of \$10,000.

Contractual Obligations

The Company has no contractual obligations.

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.

Results of Operations for the nine months ended June 30, 2014

During the nine months ended June 30, 2014, the Company was inactive, save for its continued evaluation of potential acquisition targets, and as a result the Company recorded a loss of \$17,317 (2013 - \$4,738) and a loss per share of \$nil (2013 - \$nil).

The loss for the nine month period was primarily due to filing fees of \$7,771 (2013 - \$3,891) paid to the transfer agent and professional fees of \$9,450 (2013 – \$719) paid for accounting services. The increase over the prior period is due to increased costs related to professional fees..

Results of Operations for the three months ended June 30, 2014

During the three months ended June 30, 2014, the Company was inactive, save for its continued evaluation of potential acquisition targets, and as a result the Company recorded a loss of \$7,468 (2013 - \$34) and a loss per share of \$nil (2013 - \$nil).

The loss for the three month period was primarily due to professional fees of \$7,450 (2013 - \$nil) paid for accounting services.

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Quarterly Information.

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

Period	Jul 1 – Sep 30/12	Oct 1 – Dec 31/12	Jan 1 – Mar 31/12	Apr 1 – Jun 30/13
Revenue	\$ -	\$ -	\$ -	\$ -
Gen & Admin	\$ 11,078	\$ 30	\$ 4,674	\$ 34
Stock Based Comp.	\$ -	\$ -	\$ -	\$ -
Loss for the Period	\$ 11,078	\$ 30	\$ 4,674	\$ 34
Net Loss / Share	\$ -	\$ -	\$ -	\$ -
Cash	\$ 22,260	\$ 22,230	\$ 17,556	\$ 17,522
Current Assets	\$ 22,260	\$ 22,230	\$ 17,556	\$ 17,522
Working Capital (Deficiency)	\$ 16,510	\$ 16,480	\$ 11,860	\$ 11,772
Period	Jul 1 – Sep 30/13	Oct 1 – Dec 31/13	Jan 1 – Mar 31/14	Apr 1 – Jun 30/14
Revenue	\$ -	\$ -	\$ -	\$ -
Gen & Admin	\$ 15,258	\$ 20	\$ 9,829	\$ 7,468
Stock Based Comp.	\$ -	\$ -	\$ -	\$ -
Loss for the Period	\$ 15,258	\$ 20	\$ 9,829	\$ 7,468
Net Loss / Share	\$ -	\$ -	\$ -	\$ -
Cash	\$ 39,801	\$ 38,495	\$ 40,666	\$ 40,648
Current Assets	\$ 39,801	\$ 38,495	\$ 40,666	\$ 41,358
Working Capital (Deficiency)	\$ (3,485)	\$ (3,505)	\$ (3,334)	\$ (10,802)

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 June 30, 2014. The directors and officers currently own 56% of the issued and outstanding common shares.

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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.

The reader should refer to the unaudited June 30, 2014 condensed interim financial statements and the audited September 31, 2013 financial statements on www.sedar.com for additional details

Recent accounting pronouncement – Not yet adopted

Please refer to the June 30, 2014 financial statements on www.sedar.com for all accounting policies not yet adopted.

Share Capital

Authorized capital:

Unlimited number of common shares and preferred shares without par value

Issued and outstanding:

5,000,000 common shares as at August 25, 2014

Fully diluted:

5,400,000 common shares as at August 25, 2014

Stock options

The Company has granted 400,000 stock options with an exercise price of \$0.10 and an expiry date of September 27, 2016. There are no warrants, or convertible securities, outstanding as at August 25, 2014.

Other Information

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