PARKIT ENTERPRISE INC

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED OCTOBER 31, 2013

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Management Discussion & Analysis ("MD&A") constitute forward-looking statements, which reflect, among other things, management's expectations regarding the Company and the Company's business. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or event to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements are current only as of the date of the MD&A. The Company disclaims any obligation to publicly update or revise such statements to reflect any change in expectations, events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those in the forward looking statements, except as required by National Instrument 51-102.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- Establishment and expansion of business segments
- Capital and general expenditures;
- Projections of market prices and costs;
- Expectations regarding the ability to raise capital; and
- Treatment under governmental regulatory regimes.

Actual results could differ materially from those anticipated in this MD&A as a result of the risk factors set forth below and elsewhere in the MD&A;

- Liabilities inherent in our operations;
- Uncertainties associated with estimated market demand and sector activity levels;
- Competition for, among other things, capital, acquisitions and skilled personnel;
- Fluctuations in foreign exchange or interest rates and stock market volatility; and
- The other factors discussed under "Risk Factors".

These factors should not be construed as exhaustive.

NON-IFRS MEASURES

Parkit Enterprise Inc. ("Parkit" or the "Company") uses the following non-IFRS measure, earnings before interest, tax, depreciation, and amortization ("EBITDA"), within this MD&A. EBITDA is a non-IFRS measure commonly used as a measurement tool in Canadian businesses. For the purposes of this MD&A, EBITDA is calculated as earnings determined under IFRS less amounts included for interest, taxes, depreciation and amortization included in the IFRS financial statements.

NOTE TO READER

This MD&A was prepared as of February 27, 2014 and includes information and expectations about the Company and outlook, based on currently available information. The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2013.

BUSINESS STRATEGY & OVERVIEW

Parkit's corporate strategy is to acquire US income-producing parking facilities. The Company has assembled a team and built a platform to purchase and aggregate a diversified portfolio of assets over the next three years. This will be accomplished by partnering with institutional capital in a focused strategy whereby off-market value acquisitions will be further enhanced by the adoption of automation and technology to enhance yields. Along with equity capital partners, Parkit has received interest from institutional lenders to provide non-recourse, long-term, asset-based financing for upwards of 75% of the acquisition costs at attractive rates. As General Partner and Portfolio Manager, Parkit will earn management fees and equity across the portfolio. Thus, this investment strategy provides income-stability with value upside to Parkit shareholders.

With interest rates near historic lows and cap rates at cyclical highs Parkit believes the timing is right to execute its growth strategy. The parking sector tends to follow the appreciation in capital prices currently evident in other conventional commercial real estate classes.

Parkit is a majority owner of a 4,200 stall, LEED Gold certified parking facility at Denver International Airport known as Canopy Airport Parking ("Canopy"). The asset's steady improvement in cash flows (trailing 12 month EBITDA of circa US$2.34 million) has resulted in a substantial increase in Parkit's equity. Recent appraisals completed for financing purposes currently value Canopy at US$38.0 million, and US$44.0 million upon stabilization expected in 2015.

Canopy incorporates multiple green building features in its design which include geothermal heating and cooling, LED lighting, electric vehicle charging stations, recycled asphalt and steel along with solar and wind energy sources. The facility continues to experience yield improvement with growth in revenue and occupancy.

Our equity partner, Propark America Inc., ("Propark") is the operator of the facility. Propark manages 425 facilities across 51 cities and 15 states, and has a 30 year history of managing and developing parking facilities.

The Company's shares trade on the TSX-Venture Exchange under the symbol PKT.

Please visit the following websites for further information:

Parkit Enterprise Inc.	www.parkitenterprise.com.
Canopy Airport Parking	www.canopyairportparking.com
Propark America Inc.	www.propark.com

Additional information related to the Company is available on SEDAR at www.sedar.com .

RECENT CORPORATE DEVELOPMENTS

Summary:

In 2013, management's revised corporate strategy has garnered Parkit stakeholder support and resulted in an infusion of new common equity, conversion of previous outstanding shareholder loans to equity, and retroactively reduced interest rate obligations. The replacement of short-term debt with fixed-term, non-recourse debt in the Canopy refinancing substantially improved the balance sheet structure and working capital subsequent to year-end. Based on currently appraised value (US$38.0 million), Parkit's equity in the asset is more than US$11.0 million (exclusive of applicable taxes), and increasing monthly as principal is repaid and cash flow improves. Future value at stabilization (September 2015) has been appraised at US$44.0 million. In summary, over the past year and subsequent to year-end, Parkit has improved its balance sheet, working capital position, and risk profile significantly, putting it in a position to now execute on the Parking Acquisition Fund ("PAF") described below.

Canopy Refinancing:

On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Canopy parking facility. The non-recourse, floating rate debt used to complete the recapitalization was provided by Capital Source Bank, a wholly-owned subsidiary of Capital Source Inc. (NYSE:CSE). This refinancing relieves the Company from its previous high interest debt burden and improves working capital considerably. All outstanding amounts owed by Parkit to Maxam Capital Corp. ("Maxam"), which represents 90% of loan interest and fees at year-end, have been repaid and all security has been released. The Wells Fargo construction loan at the asset level has also been repaid. Under the terms of the refinance loan agreement, interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%, the current interest rate. The maturity date of the loan is November 1, 2017 with an option to extend it to November 1, 2018.

Maxam Court Ruling:

On October 25, 2013, the Company received a favourable ruling from the BC Court of Appeal in determination of a $2,100,000 pre-payment fee that was sought by Maxam, but refuted by Parkit (please see news release dated October 25, 2013). The Court allowed Parkit's appeal, thereby removing any obligation to pay the fee upon payout of the Maxam loan.

Proposed Debenture offering to establish Parking Acquisition Fund:

On December 9, 2013 the Company announced a brokered private placement of up to $3,000,000 convertible debentures to establish a Parking Acquisition Fund ("PAF") and finance Company infrastructure growth. The convertible debentures will bear interest at the rate of 8% per annum, payable quarterly, and will mature two years from the date of issuance (the "Maturity Date"). The convertible debentures will be convertible on or before the Maturity Date, at the option of the holder, into common shares of the Company at a conversion rate of $0.50 per share.

Upon closing the debenture, Parkit expects to launch a PAF limited partnership offering ("PAF LP Offering"), the use of proceeds of which is intended to acquire an identified portfolio of properties.

Private Placement:

On September 24, 2013 the Company closed a private placement of $1,013,500 to reposition itself for the strategic growth strategy as an acquirer of income-producing parking facilities. Management and insiders participated in over 25% of the placement.

RECENT CORPORATE DEVELOPMENTS (Continued)

Re-negotiated Loans Payable:

A large portion of the Company's short term loans payable ($723,946) were re-negotiated to retroactively reflect a flat 10% interest rate vs. historic rates as high as 24%. In addition, the company is in discussion with lenders regarding converting short-term loans to shares. Finalization of these discussions is expected upon closing of the convertible debenture offering.

Positive Cash Flow from Operations:

For the first time, the Company recorded positive cash flow from operations for the year ended October 31, 2013 of $141,604. For the year ended October 31, 2013 the Canopy asset in Denver has made positive shareholder distributions of $2,058,622 (US$1,967,714). Of this amount, $1,623,860 (US$ 1,593,082) was received by Parkit, and $434,762 (US$374,632) was received by Propark and other minority investors. Subsequent to year-end approximately US$6,573,000 was distributed to Parkit from the proceeds of the US$16,500,000 refinancing for repayment of the Maxam loan.

Name Change and Share Consolidation:

The Company changed its corporate name to Parkit Enterprise Inc. from Greenscape Capital Group Inc. to better reflect the focus and business strategy going forward. Concurrent to this, it announced a 10-for-1 share consolidation to enable execution of its growth strategy.

OVERALL PERFORMANCE – CONSOLIDATED

Note: Revenues and expenses at Canopy are in US dollars and translated to CDN dollars for the financial statements. Thus year on year comparisons are subject to variation in foreign exchange fluctuation.

Sales during the year increased to $7,650,513 (2012 – $6,319,020), an increase of 21.1%. The increase in sales can be attributed to ongoing sales and promotional efforts as well as organic growth in occupancy year over year.

EBITDA in US dollars calculated at the Canopy asset level was US$2,344,833 (2012 – US$774,743). This represented a 202% increase year over year.

Net loss from continuing operations for the year ended October 31, 2013 was $2,982,762 (2012 – $3,575,548). Of this amount, $2,877,718 is attributable to the loan held with Maxam Capital Corp. which has been paid out in full subsequent to year end, on November 1, 2013, as is mentioned in the Recent Corporate Highlights section above. The company will enjoy significantly reduced interest and finance charges as a result for fiscal 2014. Removing this item the Company's Net loss from continuing operations would have resulted in a Net Loss of $104,044 vs. $3,575,548 in 2012 – an improvement of more than $3,000,000.

SELECTED ANNUAL INFORMATION - CONSOLIDATED

The following table presents consolidated information for the three most recently completed fiscal years:

	October 31, 2013	October 31, 2012	October 31, 2011
Total Assets	$ 18,011,747	$ 17,500,501	$ 19,479,296
Total Liabilities	20,515,512	18,579,765	19,476,247
Total Equity (Deficiency)	(2,503,765)	(1,079,264)	3,049
Sales	7,650,513	6,319,020	3,202,093
Net loss for the year	2,982,762	3,589,264	7,489,558
Loss attributable to parent	3,111,011	3,464,967	7,074,558
Loss per share – basic and diluted	$ 0.26	$ 0.54	$ 1.60

Explanation of significant changes in the statement of financial position for the years ended October 31, 2013 and October 31, 2012 is as follows:

Restricted cash decreased to $1,126,707 (2012 - $1,381,739) as the Company used some of the funds to pay down its loan balances.

Prepaid expenses and deposits increased to $993,752 (2012 - $33,485) primarily as a result of a deposit for loan closing fees of $725,000 in relation to the refinancing of Canopy.

Short-term loans payable increased to $1,956,379 (2012 – $1,394,414) as the Company took on additional debt financing to service other contractual obligations and accrued interest payable.

The Canopy parking lot facility book value decreased to $15,572,100 (2012 - $15,984,691) due to depreciation expense and cumulative translation adjustments.

The current portion of loans payable increased to $16,467,173 (2012 – $9,253,400) due to ongoing interest accruals as well as reclassification of the long-term component to current. Loans payable decreased to $Nil (2012 – $5,862,439) as a result of the above mentioned reclassification of the balance to current.

Subsequent to Year-End Event:

On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Denver Canopy parking facility. The non-recourse, floating rate debt used to complete the recapitalization was provided by Capital Source Bank, a wholly-owned subsidiary of Capital Source Inc. All outstanding amounts owed by the Company on the Maxam and Wells Fargo loans payable have been repaid, and security has been released. Under the terms of the new loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%, the current interest rate. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018.

ANNUAL INFORMATION - SEGREGATED

The following is a summary of the assets and liabilities of the company segregated by corporate head office and Canopy operations:

ASSETS AND LIABILITIES AS AT OCTOBER 31, 2013	Consolidated	Corporate	Canopy
ASSETS			
Current			
Cash	$ 268,884	$ 198,758	$ 70,126
Restricted cash	1,126,707	-	1,126,707
Accounts receivable	13,250	4,043	9,207
Prepaid expenses and deposits	993,752	790,840	202,912
Equipment	37,054	37,054	-
Parking lot facility	15,572,100	-	15,572,100
	$ 18,011,747	$ 1,030,695	$ 16,981,052
LIABILITIES			
Current			
Accounts payable and accrued liabilities	$ 1,634,392	$ 927,468	$ 706,924
Short-term loans payable	1,956,379	1,956,379	-
Current portion of loans payable	16,467,173	7,574,473	8,892,700
Convertible debentures	457,568	457,568	-
	$ 20,515,512	$ 10,915,888	$ 9,599,624

ASSETS AND LIABILITIES AS AT OCTOBER 31, 2012	Consolidated	Corporate	Canopy
ASSETS			
Current			
Cash	$ 41,286	$ 2,598	$ 38,688
Restricted cash	1,381,739	-	1,381,739
Accounts receivable	59,300	59,300	-
Prepaid expenses and deposits	33,485	12,578	20,907
Parking lot facility	15,984,691	-	15,984,691
	$ 17,500,501	$ 74,476	$ 17,426,025
LIABILITIES			
Current			
Accounts payable and accrued liabilities	$ 1,872,974	$ 1,138,839	$ 734,135
Short-term loans payable	1,394,414	1,394,414	-
Current portion of loans payable	9,253,400	750,000	8,503,400
Convertible debentures	196,538	196,538	-
Loans payable	5,862,439	5,862,439	-
	$ 18,579,765	$ 9,342,230	$ 9,237,535

RESULTS OF OPERATIONS - CONSOLIDATED

Consolidated results of operations for the years end October 31, 2013 and 2012 were as follows:

	October 31, 2013	October 31, 2012
Sales	$ 7,650,513	$ 6,319,020
Operating expenses	6,120,056	5,813,945
Net operating income	1,530,457	505,075
Net loss for the year	(2,982,762)	(3,589,264)
Loss attributable to parent	(3,111,011)	(3,464,967)
Net loss per share – basic and diluted	(0.26)	(0.54)
Comprehensive loss attributable to parent	$ (2,712,836)	$ (3,253,136)

Sales are related to parking fees and other service charges at Canopy Airport Parking. The parking facility has seen regular increases in occupancy, subject to taking into account the variability of outbound flights at Denver International Airport at different times of year, thereby leading to a regular increase in sales revenues. Sales increased to $7,650,513 (2012 – $6,319,020). The increase in sales can be attributed to ongoing sales and promotional efforts as well as organic growth in occupancy year over year.

Operating expenses were $10,741,087, compared to $9,643,973 for the prior year. The increase is related primarily to an increase in interest, bank charges, and finance fees.

RESULTS OF OPERATIONS - SEGREGATED

To further explain the items making up the net loss for the year the Company has prepared separate information for the operations at the corporate head office and Canopy as outlined below.

	2013			2012		
INCOME (LOSS) FROM CONTINUING OPERATIONS	Consolidated	Corporate	Canopy	Consolidated	Corporate	Canopy
REVENUES						
Sales	$ 7,650,513	$ -	$ 7,650,513	$ 6,319,020	$ -	$ 6,319,020
OPERATING EXPENSES						
Advertising and promotion	271,519	-	271,519	192,226	-	192,226
Automobile and vehicle	779,005	-	779,005	710,351	-	710,351
General and administrative	591,808	51,078	540,730	452,117	(1,153)	453,270
Insurance	197,237	10,415	186,822	199,290	9,381	189,909
Credit card processing and bank charges	196,505	1,655	194,850	155,880	2,075	153,805
Management fees	857,527	351,000	506,527	522,749	219,132	303,617
Professional fees	483,188	268,557	214,631	382,474	214,895	167,579
Public Relations	37,822	37,822	-	69,663	69,663	-
Rent	420,058	20,793	399,265	522,037	32,579	489,458
Repairs and maintenance	286,058	-	286,058	106,473	-	106,473
Salaries and wages	1,523,740	19,124	1,504,616	1,320,049	24,325	1,295,724
Taxes and licenses	428,993	-	428,993	1,117,949	-	1,117,949
Travel and entertainment	46,596	21,869	24,727	62,687	9,405	53,282
	6,120,056	782,313	5,337,743	5,813,945	580,302	5,233,643
Net operating income	1,530,457	(782,313)	2,312,770	505,075	(580,302)	1,085,377
OTHER EXPENSE (INCOME)						
Accretion	-	-	-	82,309	82,309	-
Depreciation	1,144,722	446	1,144,276	1,131,120	3,472	1,127,648
Foreign exchange	38,113	38,113	-	(46,332)	(46,332)	-
Gain on settlement of debts	(104,102)	(104,102)	-	(142,107)	(142,107)	-
GST allowance	108,458	108,458	-	-	-	-
Loan interest and finance fees	3,438,196	2,951,150	487,046	2,519,553	1,900,668	618,885
Loss from equity investment	-	-	-	600,000	600,000	-
Share-based payments	-	-	-	143,378	143,378	-
Write-off of accounts payable	(112,168)	(112,168)	-	(207,298)	(207,298)	-
	4,513,219	2,881,897	1,631,322	4,080,623	2,334,090	1,746,533
Net income (loss) for the year from continuing operations	$ (2,982,762)	$ (3,664,210)	$ 681,448	$ (3,575,548)	$ (2,914,392)	$ (661,156)

RESULTS OF OPERATIONS - SEGREGATED (continued)

Corporate:

Significant items contributing to the net loss for the year from continuing operations of $3,664,210 (2012 – $2,914,392) were as follows:

Management fees are charged at the corporate level in lieu of salary. For the year ended October 31, 2013 management fees increased to $351,000 (2012 – $219,132) primarily as a result of the engagement of Rick Baxter CEO, Patrick Bonney CFO, and John LaGourgue COO.

Professional fees increased to $268,557 (2012 - $214,895). The expense includes charges for audit, accounting, and legal fees. The increase primarily related to legal fees incurred during the dispute with Maxam over a $2,100,000 prepayment fee sought by Maxam but refuted by Parkit. On October 25, 2013 the Company received a favourable ruling from the BC Court of Appeal in determination of the pre-payment fee. The Court allowed Parkit's appeal, thereby removing any obligation to pay the fee.

Loan interest and financing fees increased to $2,951,150 (2012 – $1,900,668). The increase is as a result of compounding interest as well as accrual of additional fees and charges primarily related to the Maxam loan facility.

Share-based payments decreased to $Nil (2012 - $143,378). No options vested or were granted in fiscal 2013.

Canopy:

Significant items contributing to the net income from continuing operations of $681,448 (2012 – net loss of $661,156) were as follows:

Sales increased to $7,650,513 (2012 – $6,319,020). Sales are related to parking fees and other service charges at Canopy Airport Parking. The increase over the prior year is primarily attributed to increases in occupancy.

Advertising and promotion costs increased to $271,519 (2012 - $192,226). The increase is related to advertising and promotional campaigns for Canopy.

Automobile and vehicle costs are associated with fuel costs and bus leasing costs for Canopy as users of the Parking facility require transport to the airport terminal. The expense for the year $779,005 (2012 -$710,351). This increase corresponds with higher usage of Canopy and therefore higher transport costs to the terminal.

Credit card processing and bank charges increased to $194,850 (2012 – $153,805). The amount primarily relates to credit card processing fees and the increase is consistent with the increase in sales.

General and administrative costs increased to $540,730 (2012 - $453,270). The increase is due to additional costs incurred during the current year.

Insurance expense was $186,822 (2012 -$189,909). The decrease can be attributed to minor changes in the insurance policies purchased by the Company as well as taxes and fees charged.

Management fees increased to $506,527 (2012 - $303,617). Management fees related to charges incurred by Propark in relation to the day to day operation of the parking facility and are based on a percentage of sales. During the year ended October 31, 2013 there was an additional one-time charge of $101,940. The additional increase as compared to the prior year was consistent with the increase in sales during the year.

Professional fees increased to $214,631 (2012 – $167,579). The increase is primarily as a result of refinancing initiatives which were ongoing throughout the year.

RESULTS OF OPERATIONS – SEGREGATED (continued)

Canopy (continued):

Rent decreased to $399,265 (2012 - $489,458). The decrease was as a result of a reversal of accruals with respect to the operations of Canopy.

Repairs and maintenance increased to $286,058 (2012 - $106,473). The increase was related to repairs of certain equipment at Canopy.

Salaries and wages increased to $1,504,616 (2012 - $1,295,724). This amount relates to staffing at Canopy and staffing levels can fluctuate from period to period. The increase is attributed to an increase in staffing.

Taxes and licenses decreased to $428,993 (2012 - $1,117,949). This balance relates to property taxes, regulatory fees and license fees. The decrease is related to certain one-time charges incurred in 2012 which were not required in the current year.

Travel and entertainment decreased to $24,727 (2012 - $53,282). The decrease was due to reduced travel fees incurred by Propark management for site visits.

Loan interest and financing fees decreased to $487,046 (2012 – $618,885). The decrease is as a result of additional charges which were recorded in the prior year and not in the current year of $148,284.

Depreciation increased to $1,144,276 (2012 - $1,127,648). The increase is due to foreign currency translation adjustments as the cost basis of the Parking facility is recorded in US dollars and the Company reports in Canadian dollars.

FOURTH QUARTER RESULTS

The net income (loss) from continuing operations for the fourth quarter increased to $1,326,265 (2012 – $219,758). To further explain the items making up the net loss for the Company has prepared separate information for the operations of the corporate head office and Canopy as outlined below.

	2013			2012		
INCOME (LOSS) FROM CONTINUING OPERATIONS	Consolidated	Corporate	Canopy	Consolidated	Corporate	Canopy
REVENUES						
Sales	$ 2,066,297	$ -	$ 2,066,297	$ 1,977,041	$ -	$ 1,977,041
OPERATING EXPENSES						
Advertising and promotion	76,335	-	76,335	53,250	-	53,250
Automobile and vehicle	210,591	-	210,591	177,970	-	177,970
Credit card processing and bank charges	57,119	405	56,714	45,276	724	44,552
General and administrative	157,085	24,567	132,518	81,013	(21,197)	102,210
Insurance	47,822	2,874	44,948	53,626	3,505	50,121
Management fees	337,592	127,000	210,592	107,945	21,428	86,517
Professional fees	226,059	113,331	112,728	15,877	(12,190)	28,067
Public Relations	24,151	24,151	-	17,905	17,905	-
Rent	112,403	8,742	103,661	(124,644)	5,169	(129,813)
Repairs and maintenance	56,592	-	56,592	22,462	-	22,462
Salaries and wages	409,544	2,544	407,000	332,776	7,477	325,299
Taxes and licenses	122,857	-	122,857	412,010	-	412,010
Travel and entertainment	15,971	12,485	3,486	9,582	-	9,582
	1,854,121	316,099	1,538,022	1,205,048	22,821	1,182,227
Net operating income (loss)	212,176	(316,099)	(528,275)	771,993	(22,821)	794,814
OTHER EXPENSE (INCOME)						
Accretion	-	-	-	586	586	-
Depreciation	270,327	446	269,881	214,486	-	214,486
Foreign exchange	64,151	64,151	-	8,747	8,747	-
Gain on settlement of debts	(104,102)	(104,102)	-	(142,107)	(142,107)	-
GST allowance	108,458	108,458	-	-	-	-
Loan interest and finance fees	1,294,292	1,163,911	130,381	902,094	640,787	261,307
Loss from equity investment	-	-	-	181,925	181,925	-
Share-based payments	-	-	-	(59,166)	(59,166)	-
Write-off of accounts payable	(94,685)	(94,685)	-	(114,814)	(114,814)	-
	1,538,441	1,138,179)	400,262	991,751	515,958	475,793
Net income (loss) for the period from continuing operations	$ (1,326,265)	$ (1,454,278)	$ 128,013	$ (219,758)	$ (538,779)	$ 319,021

FOURTH QUARTER RESULTS

Corporate:

Management fees are charged at the corporate level in lieu of salary. During the fourth quarter management fees increased to $127,000 (2012 – $21,428) primarily as a result of the engagement of Rick Baxter CEO, Patrick Bonney CFO, and John Lagourgue COO.

Professional fees increased to $113,331 (2012 – recovery of $12,190). The expense includes charges for audit, accounting, and legal fees. The increase primarily related to legal fees incurred during the dispute with Maxam over a $2,100,000 prepayment fee sought by Maxam but refuted by Parkit. On October 25, 2013 the Company received a favourable ruling from the BC Court of Appeal in determination of the pre-payment fee. The Court allowed Parkit's appeal, thereby removing any obligation to pay the fee.

Loan interest and financing fees increased to $1,163,911 (2012 – $640,787). The increase is as a result of compounding interest as well as accrual of additional fees and charges.

Canopy:

Sales increased to $2,066,297 (2012 – $1,977,041). Sales are related to parking fees and other service charges at Canopy Airport Parking. The increase over the prior year is primarily attributed to increases in occupancy.

Advertising and promotion costs increased to $76,335 (2012 - $53,250). The increase is related to ongoing advertising and promotional campaigns underway.

Automobile and vehicle increased to $210,591 (2012 – $177,970). These costs are associated with fuel costs and bus leasing costs for Canopy as attendees of the facility require transport to the Airport terminal. The increase in costs is in line with the increase in revenue for the period.

Credit card processing and bank charges increased to $56,714 (2012 – $44,552). The amount primarily relates to credit card processing fees and the increase is consistent with the increase in sales.

General and administrative costs increased to $132,518 (2012 - $102,210). The increase is due to the increased level of activity related to refinancing and implementing future growth strategies.

Management fees increased to $210,592 (2012 – $86,517). Management fees related to charges incurred by Propark in relation to the day-to-day operation of the parking facility and are based on a percentage of sales. During the fourth quarter there was an additional one-time charge of $101,940. The additional increase as compared to the prior fourth quarter was consistent with the increase in sales during the period.

Professional fees increased to $112,728 (2012 – $28,067). The increase is primarily as a result of refinancing activities, which were ongoing throughout the year.

Rent increased to $103,661 (2012 - recovery of $129,813). The increase was as a result of a reversal of accruals with respect to the operations of Canopy as well as translation differences arising from a weaker Canadian dollar.

Salaries and wages increased to $407,000 (2012 – $325,299). This amount relates to staffing at Canopy and staffing levels can fluctuate from period to period. The increase is attributed to increased staffing as well as foreign currency translation differences.

Taxes and licenses decreased to $122,857 (2012 – $412,010). This balance relates to property taxes, regulatory fees and license fees associated with Canopy. The decrease is related to certain one-time charges incurred in 2012 which were not required in the current year.

FOURTH QUARTER RESULTS (Continued)

Canopy:

Travel and entertainment decreased to $3,486 (2012 - $9,582). The decrease was due to reduced travel for Propark management site visits.

Depreciation increased to $269,880 (2012 - $214,486). The expense is related to depreciation of the Canopy parking facility with the components being depreciated over their respective useful lives. The increase over the comparative period was as a result of the timing of asset additions as well as foreign currency translation as a result in fluctuation of the US versus Canadian Dollar.

Loan interest and financing fees decreased to $130,381 (2012 – $261,307). The decrease is related to a decrease in additional charges.

SUMMARY OF QUARTERLY RESULTS – CONSOLIDATED

The following table sets forth selected financial information of the Company on a consolidated basis for each of the eight most recent financial quarters (in thousands`000`):

	2013			
Financial	October 31, 2013	July 31, 2013	April 30, 2013	January 31, 2013
Sales	$ 2,067	$ 2,167	$ 1,814	$ 1,603
Total operating and other expenses	3,392	2,935	2,235	2,071
Comprehensive loss attributable to the parent	931	629	403	750
Loss from continuing operations	1,326	768	420	468
Per Share – basic and diluted	$ (0.12)	$ (0.06)	$ (0.04)	$ (0.04)

	2012			
Financial	October 31, 2012	July 31, 2012	April 30, 2012	January 31, 2012
Sales	$ 1,977	$ 1,819	$ 1,185	$ 1,338
Total operating and other expenses	2,196	2,727	2,406	2,564
Comprehensive loss attributable to the parent	144	939	1,457	713
Loss from continuing operations	219	908	1,221	1,227
Per Share – basic and diluted	$ (0.05)	$ (0.09)	$ (0.21)	$ (0.20)

LIQUIDITY - CONSOLIDATED

Management has prepared a strategy and path for financing and future growth of the Company. The Company expects that this strategy, combined with the effects of the US$16,500,000 re-financing of Canopy completed November 1, 2013, will provide improved liquidity (see below subsequent events section for further detail). As of the date of this MD&A the Company is in the process of completing a private placement of up to $3,000,000 in convertible debentures.

At October 31, 2013, the Company had working capital deficiency of $18,112,919 (2012 – $11,201,516) including cash of $268,884 (2012 – $41,286) and restricted cash of $1,126,707 (2012 – $1,381,739). Of the working capital deficiency $9,922,247 (2012 – $3,405,315) related to corporate head office and $8,190,672 (2012 – $7,796,201) related to the operations of Canopy. The Company expects that the deficiency will be addressed gradually over the year as a result of the initiatives discussed above.

The Company's guaranteed loan with Wells Fargo Bank totalling $8,892,700 (US$8,500,000) matured on October 1, 2013. Wells Fargo worked amicably with the Company in support of its refinancing of Canopy and on November 1, 2013, subsequent to year end, the Company repaid the loan in full.

Additionally, the Company's non-revolving term credit facility with a balance of $7,574,473 was deemed to be in default due to violation of certain covenants. Each of the facilities has been repaid in conjunction with the US$16,500,000 refinancing as noted above.

In January 2013, the Company's mezzanine lender, Maxam Corp., elected to accelerate its loan on the basis that the Company was in breach of certain debt service coverage ratios despite the Company being current with payment obligations. It sought immediate repayment as well as a $2,100,000 prepayment fee. On October 25, 2013 the Company received a favourable ruling from the BC Court of Appeal removing any obligation to pay the prepayment fee. On November 1, 2013 subsequent to year end the Company repaid the loan in full and all security was released.

During the year cash was generated in operating activities totalling $141,604 (2012 – outflow of $1,078,900) which represented an increase of $1,220,504. The increase reflects the cash generated from increasing sales at the Canopy parking facility.

Cash outflows from investing activities increased to $16,877 (2012 – inflow of $108,370). During the prior year the Company received a refund on the deposit of equipment of $108,370 while in the current year the Company spent $10,000 on the acquisition of equipment and $6,877 on additions to the parking facility.

Cash used in financing activities totalled $38,108 as compared to an inflow of $258,012. Significant financing activities completed during the year were as follows:

- Completed private placements which raised gross proceeds of $1,491,593 through the issuance of 5,164,186 common shares
- Repaid loans in the amount of $1,587,644 (net of new loans granted)
- Issued a convertible debenture in the amount of $300,000
- Distributed $434,762 to non-controlling interest partners

LIQUIDITY - CANOPY

Green Park Denver LLC, the operating company of Canopy and subsidiary of Parkit has the following share structure:

		Number of units	Percentage ownership
Class A	Greenswitch America Inc. (Parkit)	812,004	81.2%
Class A	Rocky Mountain Parking LLC*	100,000	10%
Class A	Other**	87,996	8.8%
Class B	Rocky Mountain Parking LLC*	1,000,000	100%
	Total	2,000,000	

* Rocky Mountain Parking LLC is an affiliate of Propark America West LLC.
** Non-related outside investors

Unlike Class A units, Class B units have no rights or obligations to the assets and liabilities of GP LLC. Further, Class A units are entitled to 100% of the distributions until 100% of the original contributed capital is returned. Thereafter, Class A units are entitled to 80% of distributions until 150% of capital is returned; thereafter, 60% of distributions until 200% of capital is returned; and thereafter 50% of all remaining distributions. Entitlement to distributions is summarized in the following table:

Equity Cash Flow Distribution	Class A	Class B	Class A return %	Cumulative Class A return $US	Cumulative Class B return $US
First $US 11.08M	100%	0%	100%	11.08M	-
Next $US 6.92M (up to US$18.00M)	80%	20%	150%	16.62M	1.38M
Next $US 9.23M (up to US$27.24M)	60%	40%	200%	22.16M	5.08M
Excess	50%	50%			

In total $2,058,622 (US$1,967,714) was distributed to the Class A unit holders during the year ended October 31, 2013. Of this amount $1,623,860 (US$1,593,082) was received by Parkit and $434,762 (US$374,632) was received by the other Class A unit holders. Subsequent to year-end approximately US$ 6,573,000 was distributed to Parkit from the proceeds of the US$16,500,000 refinancing for repayment of the Maxam loan.

The net effect of this waterfall is that if Canopy were to sell for US$ 38.0 million (current third party valuation), Parkit would receive approximately US$ 11.0 million in distributions net of asset level debt, exclusive of any applicable taxes.

CAPITAL RESOURCES

Contractual Obligations and Commitments:

Canopy Ground Lease

The Company has a ground lease agreement relating to the premises of the Canopy parking facility. With the refinancing of Canopy, management has exercised its option to extend the lease to 2035.

The annual lease expense from 2014 to 2030 will be the greatest of 5% of Net Sales or US$500,000 per annum. From 2030 to 2035, during the first option period, the lease expense will be the greatest of 7% of net sales or US$625,000.

There are three remaining options of five years each, however at the exercise of each option, the landlord has the right to terminate under certain conditions.

CRA Dispute:

During fiscal 2013 the Company received re-assessment notices from Canada Revenue Agency ("CRA") denying $108,458 of input tax credit refunds. The Company disagrees with CRA's position and is vigorously defending its claim to these refunds. Due to the uncertainty around CRA decisions as well as the length of time necessary to obtain a resolution of this issue, the Company has taken a full allowance against the receivable.

The CRA has also issued notice to the Company proposing to deny a further $172,000 of GST/HST refunds already received by the Company. The Company strongly disagrees with CRA's proposal and will vigorously defend its right to these refunds. The outcome of this reassessment cannot be determined at this time and no provision has been recorded in these financial statements.

Other:

There are no other expenditures not yet committed but required to maintain the Company's capacity, or to meet the Company`s plans for growth and development activities.

There are currently no identified trends in the Company`s Capital resources. The US$16.5 million refinancing will be used to settle two existing debt facilities with balances of $7,574,473 and $8,892,700 (denominated in US$8,500,000). There will be a change in the mix of capital as a greater percentage of the balance will now be denominated in US dollars.

The Company is in the process of completing a private placement of up to $3,000,000 in convertible debentures to establish a Parking Acquisition Fund and finance the Company's infrastructure growth. The convertible debentures will bear interest at the rate of 8% per annum, payable quarterly, and will mature two years from the date of issuance (the "Maturity Date"). The convertible debentures will be convertible on or before the Maturity Date, at the option of the holder, into common shares of the Company at a conversion rate of $0.50 per share.

There are no other sources of financing that the Company has arranged but not yet utilized.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

On December 9, 2013 the Company announced a private placement of up to $3,000,000 in convertible debentures to establish a Parking Acquisition Fund and finance Company infrastructure growth. The convertible debentures will bear interest at the rate of 8% per annum, payable quarterly, and will mature two years from the date of issuance (the "Maturity Date"). The convertible debentures will be convertible on or before the Maturity Date, at the option of the holder, into common shares of the Company at a conversion rate of $0.50 per share.

OUTSTANDING SHARE DATA

As at the date of this report, the Company has 15,952,180 issued and outstanding common shares, 554,500 common share stock options outstanding, and 3,258,786 common share purchase warrants outstanding.

FINANCIAL INSTRUMENTS - CONSOLIDATED

The fair value of the Company's accounts receivable, accounts payable and accrued liabilities, loans payable, and convertible debentures approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments, cash and restricted cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities. 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's policy is to deal only with creditworthy counterparties. None of the Company's financial assets are secured by collateral or other credit enhancements. In respect of accounts receivable, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company's receivables consist mainly of input tax credits from the Government of Canada. The Company is currently in dispute with the CRA over its entitlement to goods and services tax refunds. As discussed in Note 11 of the financial statements, the Company has provided an allowance against these receivables until this dispute is resolved.

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 October 31, 2013, the Company had a cash balance of $268,884 and a restricted cash balance of $1,126,707 to settle current liabilities of $20,515,512. The Company expects to fund these liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings, and from funds raised in the subsequent debt refinancing of US$16,500,000.

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

As at October 31, 2013 and, October 31, 2012 the Company did not have any investments in investment-grade short-term deposit certificates or short-term debt issued by the federal government. The Company is not exposed to interest rate risk on its loans with the exception of its long term loan disclosed in Note 14(a), as the interest rates on all other loans are fixed. The Company is exposed to interest rate risk on its long term loan disclosed in Note 14(a) of the financial statements as the loan bears interest at a rate of LIBOR + 4%. A 1% change in LIBOR would affect net loss for the year by approximately $90,000.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and loans payable that are denominated in US dollars. A 10% fluctuation in the US dollar against the Canadian dollar would affect net loss for the year by approximately $865,000.

c) Price risk

The Company is exposed to price risk with respect to 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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

SIGNIFICANT ACCOUNTING POLICIES:

Use of estimates and critical accounting judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period may result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

Estimates:

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty. Expected volatility is derived from a time series of post market prices therefore may not be an accurate representation of future volatility.

Significant judgments:

The depreciation of the parking facility requires management to estimate the useful lives of the assets as a cash and cost generating unit. The Company considers both internal and external information in determining the useful lives and depreciation methods, which are reviewed at each reporting date and adjusted as required.

Possible impairment of the parking facility requires management's judgements and estimates. Impairment consideration requires management to evaluate, at least annually, for indicators that the carrying value is impaired and may not be recoverable. Management considers both external and internal sources of information in assessing whether there are any indicators that the parking facility may be impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of the parking facility. Internal sources of information the Company considers include the actual and expected economic performance of the assets, including the Company making estimates of future after-tax cash flows expected to be derived from the parking facility using an appropriate discount rate.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended October 31, 2013:

IFRS 9	New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets[iii]
IFRS 10	New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities[i]
IFRS 11	New standard to account for the rights and obligations in accordance with a joint agreement[i]
IFRS 12	New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39[i]
IFRS 13	New standard on the measurement and disclosure of fair value[i]
IAS 1 (Amendment)	Presentation of other comprehensive income[ii]
IAS 28 (Amendment)	New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures[i]

i) Effective for annual periods beginning on or after January 1, 2013
ii) Effective date unknown due to postponement
iii) Effective date currently not established

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

SUBSEQUENT EVENTS

a) On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Canopy parking facility. The non-recourse, floating rate debt used to complete the recapitalization was provided by Capital Source Bank, a wholly-owned subsidiary of Capital Source Inc. This refinancing relieves the Company from its previous high interest debt burden and improves working capital considerably. All outstanding amounts owed by the Company to the lenders have been repaid, and the security has been released. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%. The maturity date of the loan is November 1, 2017, with an option to extend to November 1, 2018.

b) On December 9, 2013 the Company announced a private placement of up to $3,000,000 convertible debentures to establish a Parking Acquisition Fund and finance Company infrastructure growth. The convertible debentures will bear interest at the rate of 8% per annum, payable quarterly, and will mature two years from the date of issuance (the "Maturity Date"). The convertible debentures will be convertible on or before the Maturity Date, at the option of the holder, into common shares of the Company at a conversion rate of $0.50 per share.

c) On January 14, 2014 the Company received proceeds of $190,000 from a promissory note bearing interest at 8% per annum maturing on April 29, 2014.

SUBSEQUENT EVENTS (Continued)

The below table demonstrates specific transactions mentioned above and does not contemplate day to day operations of the Company. The following table shows the effect of subsequent events a) and c) noted above.

AS AT	October 31, 2013 (Audited)	Adjustments (Unaudited)	November 1, 2013 (Unaudited)
ASSETS			
Current			
Cash	$ 268,884	$ 1,316,707	$ 1,585,591
Restricted cash	1,126,707	(1,126,707)	-
Accounts receivable	13,250	-	13,250
Subscriptions receivable	-	-	-
Prepaid expenses and deposits	993,752	(725,000)	268,752
Current assets held for liquidation	-	-	-
	2,402,593	(535,000)	1,867,593
Equipment	37,054	-	37,054
Parking lot facility	15,572,100	-	15,572,100
	$ 18,011,747	$ (535,000)	$ 17,476,747
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current			
Accounts payable and accrued liabilities	$ 1,634,392	$ -	$ 1,634,392
Short-term loans payable	1,956,379	190,000	2,146,379
Current portion of loans payable	16,467,173	(16,467,173)	-
Convertible debentures	457,568	-	457,568
	20,515,512	(16,277,173)	4,238,339
Loans payable	-	15,688,527	15,688,527
	20,515,512	(588,646)	19,926,866
Equity (Deficiency)			
Share capital (Note 16)	16,725,618	-	16,725,618
Subscriptions (receivable) received in advance	(25,000)	-	(25,000)
Equity portion of convertible debentures (Note 15)	39,983	-	39,983
Reserves (Note 16)	614,712	-	614,712
Accumulated other comprehensive income (loss)	449,787	-	449,787
Non-controlling interest (Note 10)	1,329,093	-	1,329,093
Deficit	(21,637,958)	53,646	(21,584,312)
	(2,503,765)	53,646	(2,450,119)
	$ 18,011,747	$ (535,000)	$ 17,476,747

Further detail will be published in the Company's first quarter condensed consolidated financial statements for the period ended January 31, 2014. As a result of the transactions above the working capital deficiency of the Company on a consolidated basis at November 1, 2013 decreased to approximately $2,370,746 from a deficiency of $18,112,919 as at October 31, 2013.

RELATED PARTY TRANSACTIONS - CONSOLIDATED

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

During the year ended October 31, 2013 the Company entered the following related party transactions:

Name	Relationship	Consulting	Bonus	Professional	Office, admin, rent	Share based payments	Total
Richard Baxter	CEO, director	$120,000	$ -	$ -	$ -	$ -	$120,000
Patrick Bonney	CFO, director	54,000	25,000	-	-	-	79,000
John LaGourgue	COO, director	80,000	-	-	-	-	80,000
Robert Emri	Director	-	-	-	-	-	-
Pace Goldman	Director	-	-			-	-
Shoni Bernard	Secretary	-		12,000		-	12,000
Mark Devereux	Former director	-	-	-	-	-	-
Brad Scharfe	Former CEO, Former director	5,000	-	-	-	-	5,000
Bryan Slusarchuk	Former CEO, Former director	-	-	-	-	-	-
Rob Geisthardt	Former CFO, former director	-	-	-	-	-	-
Skanderbeg Capital Partners Inc.	Related company to former officers and directors*	-	-	-	57,502	-	57,502
Total		$259,000	$25,000	$12,000	$57,502	-	$353,502

During the year ended October 31, 2012 the Company entered the following related party transactions:

Name	Relationship	Consulting	Bonus	Professional	Office, admin, rent	Share based payments**	Total,
Brad Scharfe	CEO, director	$47,000	$ -	$ -	$ -	$11,613	$58,613
Rob Geisthardt	CFO	6,007	-	-	-	10,558	16,565
John LaGourgue	COO, director	20,000	-	-	-	10,558	30,558
Edward Wright	Director	7,350	-	-	-	-	7,350
Mark Devereux	Former director,	72,900	-	-	-	-	72,900
Bryan Slusarchuk	Former CEO, director	30,000	-	-	-	10,558	40,558
Skanderbeg Capital Partners Inc.	Related company officers and directors*	-	-	-	55,448	-	55,448
Total		$183,257	$ -	$ -	$55,448	$43,287	$281,992

RELATED PARTY TRANSACTIONS – CONSOLIDATED (Continued)

* Skanderbeg Capital partners is a private company partially owned by Brad Scharfe and Bryan Slusarcuk and provides management and professional services to public companies.

** 417,500 stock options were issued to related parties during the year ended October 31, 2012

The following balances were owing to related parties:

Name	Service	October 31, 2013	October 31, 2012
Richard Baxter	Expense reimbursement	$ 21,084	$ -
Patrick Bonney	Expense reimbursement	764	-
John LaGourgue	Expense reimbursement	6,453	22,400
Shoni Bernard	Professional fees	2,753	-
Mark Devereux	Consulting, expense reimbursement	42,253	42,253
Brad Scharfe	Consulting, expense reimbursement	33,000	106,941
Brad Scharfe	Short term loans, accrued interest	316,921	175,159
Bryan Slusharchuk	Consulting, expense reimbursement	14,000	14,000
Skanderbeg Capital Partners Inc.	Office, administration, rent	26,631	69,605
Total		$ 463,859	$ 430,358

The following amounts were borrowed from related parties in the form of short term loans from related party to allow the company to maintain debt covenants and for working capital purposes:

	Principal balance and accrued interest		Interest expense	
Name	2013	2012	2013	2012
Brad Scharfe	$ 316,921	$ 175,159	$ 27,265	$ 8,662

Other transactions with related parties were as follows:

a) During fiscal 2013 the Company negotiated the write-down of $94,548 in accounts payable to $Nil owing to Brad Scharfe for no consideration. The amount was recorded as a gain in the statement of operations.

b) During fiscal 2013 the Company issued 312,918 common shares at a value of $156,459 to settle accounts payable to Skanderbeg Capital Partners Inc.

c) During fiscal 2012 the Company completed a shares for debt settlement whereby $1,193,705 of short-term loans, $386,618 in accounts payable and $574,125 in convertible debentures were converted to 4,308,896 shares. Of the total $816,028 of short-term loans and $19,332 in accounts payable owed to companies controlled by directors were converted to 1,670,720 shares.

The measurement basis for all related party transactions noted above was the negotiated amount. There are no ongoing contractual or other commitments resulting from the above transactions.

CONTROLS AND PROCEDURES

For the purposes of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Company is a Venture Issuer and has made no representations relating to the design and evaluations of the disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") and it has not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

PRINCIPAL BUSINESS RISK FACTORS

Liquidity Concerns and Future Financing Requirements

We may require additional financing in order to fund our businesses or business expansion. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

General Economic Factors

The willingness of airline passengers to spend money on parking instead of using sources of public transit may be dependent upon general economic conditions. Additionally, if general economic forces lag there is a possibility that air transport demand will decrease thereby directly affecting demand for airport related parking facilities.

Competition

The parking facility directly competes with existing parking facilities surrounding the Denver International Airport. Canopy competes by offering the first and only indoor parking facility at the Denver International Airport.

Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies, assets or establishing business relations that we believe will complement our current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

Industry Regulation

There can be no assurances that we may not be negatively affected by changes in United States, Canadian federal, provincial or other legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

PRINCIPAL BUSINESS RISK FACTORS (Continued)

Our operations are governed by a broad range of federal, state, provincial and local environmental, health and safety laws and regulations, permits, approvals, common law and other requirements that impose obligations relation to, among other things: worker health and safety. As such there are potential liability risks (including potential civil actions, compliance or remediation orders, fines and other penalties) with respect to certain aspects of our businesses.

Conflicts of Interest

Certain of our directors and officers are, and may continue to be, involved in consulting activities outside of their roles with the Company. Situations may arise where the other interests of these directors and officers may conflict with our interests. Directors and officers of the Company with conflicts of interest will be subject to and follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dependence on, and Protection of, Key Personnel

We depend on the continued support and involvement of our directors and officers to develop our business and operations, and the services of our key technical, sales, marketing and management personnel. The loss of any of these key persons could have a material adverse effect on our business, our results of operations, our ability to implement our business plans, and our financial condition. Our success is also highly dependent on our continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and we cannot provide assurance that we will be able to attract or retain highly qualified personnel in the future. Our inability to attract and retain highly qualified technical, sales, marketing and management personnel may adversely affect our future growth and profitability. It may be necessary for us to increase the level of compensation paid to existing or new employees to a degree that our operating expenses could be materially increased. We do not currently maintain corporate life insurance policies on key employees.

Currency Fluctuations

Our revenue is earned in U.S. dollars, and our operating expenses are incurred in Canadian and U.S. dollars. Fluctuations in the exchange rate between the U.S. and Canadian dollar may have a material adverse effect on our business, financial condition and operating results.