



URBAN SELECT CAPITAL CORPORATION
(formerly China Select Capital Partners Corp.)
(the “Company” or “Urban Select”)

**FORM 51-102F1- MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011**

The following management discussion and analysis (“MD&A”) has been prepared by management as of November 28, 2011, and should be read in conjunction with the unaudited interim consolidated financial statements and related notes of the Company for the three month period ended September 30, 2011, and the audited consolidated financial statements and related notes of the Company for the year ended June 30, 2011. The interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are

based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “may”, “will” and similar expressions identify forward-looking statements. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. 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 THE BUSINESS

Urban Select was incorporated on September 12, 2007 under the laws of British Columbia, Canada and was a Capital Pool Company as defined in the TSX Venture Exchange (“Exchange”) Policy 2.4. During the year ended June 30, 2010, the Company completed its qualifying transaction in accordance with the Exchange policy 2.4 by acquiring equity interests in certain entities. On April 22, 2010, the Company commenced trading on the Exchange as a Tier 2 Investment Issuer under the symbol “CH”. Effective October 20, 2011, the Company changed its name from China Select Capital Partners Corp. to Urban Select Capital Corporation.

The Company is a global investment management, financial advisory and private equity firm focused on investing growth capital into leading private and public companies across the Pan-Pacific region in sectors including cleantech and renewable energy, natural resources, chemicals, agriculture and consumer services. The Company’s management team is composed of talented and experienced investment professionals with extensive experience in investment banking, venture capital and venture fund management in Canada, China and the United States (“U.S”).

The Company has two wholly owned subsidiaries: Orient Venture Management Ltd. ("OVML.HK") and Orient Venture Capital Management (Suzhou) Co. Ltd. ("OVML.SZ"). OVML.HK is a holding company registered in Hong Kong, China. OVML.SZ is a wholly owned subsidiary of OVML.HK. On May 11, 2010, OVML.SZ obtained a business license from the Suzhou municipal government to operate as an onshore foreign fund management company in Suzhou, Jiangsu, China.

The Company is also in the process of raising capital for a closed end private equity fund: China Select Fund. The China Select Fund will provide growth capital to businesses in Tier II and Tier III cities with strong intellectual property, exceptional management and high potential to grow from sustainable macroeconomic growth trends in China. The China Select Fund will be managed by OVML.SZ. The Company will continue to support and sponsor the marketing and fundraising efforts and will be reimbursed for its expenses and fees incurred thus far once the fundraising is closed and OVML.SZ starts generating revenues through management and advisory services provided to the China Select Fund.

OVERALL PERFORMANCE

During the three month period ended September 30, 2011, the Company incurred a net loss of \$743,134 (2010 - \$584,723). The significant events for the three month period ended September 30, 2011 are as follows:

- On August 22, 2011 the Company announced that Min Kuang, president and director, was appointed as its chief executive officer and Zou Zhendong as its senior vice-president and director. Joseph Fodor, formerly the chief executive officer, is now the chairman of the board of directors. The Company also appointed Gary Thompson to its Advisory Board.

Subsequent to September 30, 2011

- On October 20, 2011, the Company changed its name from China Select Capital Partners Corp. to Urban Select Capital Corporation. The name change was approved by the board of directors and by the TSX Venture Exchange. There is no consolidation of capital.
- The Company entered into a letter of intent ("Vena LOI") with Vena Resources Inc. ("Vena"), a Canadian junior mining company, whereby the parties agreed to establish a new company focused on gold exploration and development in Northern Peru. The new company is expected to be called Granja Gold Inc. ("Granja"). Pursuant to the Vena LOI, the Company has agreed to i) incorporate Granja as a wholly owned subsidiary of the Company; ii) transfer \$71,025 to Granja in consideration for 3,000,000 common shares of Granja and distribute these common shares to the company's shareholders pursuant to a plan of arrangement under the Business Corporations Act of British Columbia; and iii) Assist Granja with completion of an anticipated \$2,000,000 non-brokered private placement financing to be completed following the entering into of a definitive agreement. The transaction is subject to certain conditions including, but not limited to, the approval of shareholders of the Company, the approval of the TSX Venture Exchange, the approval of Supreme Court of British Columbia and entering into a definitive agreement.
- The Company entered into a letter of intent ("ARNEVUT LOI") with ARNEVUT Resources Inc. ("ARNEVUT"), a Colorado incorporated private company, whereby the parties agreed to establish a new company focused on precious metals exploration and development in the western United States. The new company is expected to be called ARNEVUT Exploration Corp. ("ARNEVUT Exploration"). Pursuant to the ARNEVUT LOI, the Company has agreed to i) incorporate ARNEVUT Exploration as a wholly owned subsidiary of the Company; ii) transfer \$71,025 to ARNEVUT Exploration in consideration for 3,000,000 common shares of ARNEVUT Exploration and distribute these common shares to the company's shareholders pursuant to a plan of arrangement under the Business Corporations Act of British Columbia; and iii) assist ARNEVUT Exploration with completion of an anticipated \$1,500,000 non-brokered private placement financing to be completed following the entering into of a definitive agreement. The transaction is subject to certain

conditions including, but not limited to, the approval of shareholders of the Company, the approval of the TSX Venture Exchange, the approval of Supreme Court of British Columbia and entering into a definitive agreement.

OUTLOOK

The stock markets experienced a significant downturn during the first quarter of fiscal 2012. Volatility is expected to continue for the remainder of 2011 as uncertainty over the European debt situation and the slowdown of the global economic growth will continue to permeate the financial markets. The Company will continue with its disciplined approach of finding investments that fit its investment criteria and provide the potential for superior risk-adjusted returns. The Company continues to assist its investee companies in developing and executing their strategies and enhancing their value propositions.

The Company will also look to leverage its core expertise into the development of its mergers and acquisitions and financial advisory business. This could include direct equity and debt investments from our balance sheet or financing raised from financial or strategic investors, advisory work and analytical efforts on financial modeling and business valuation.

Finally, the Company will focus on successfully closing the China Select Fund joint venture with a Chinese partner to build a long-term business plan in the China market.

INVESTMENT ACTIVITIES

As of September 30, 2011, the Company held an investment portfolio consisting of equity interests as listed below:

As at September 30, 2011	Number of Shares	Average Cost	Fair Value
Common shares of publicly traded companies:			
China Dongxiang (Group) Co. Ltd.	2,676,902	\$ 2,000,000	\$ 482,445
Synodon Inc.	1,018,112	229,075	142,536
You on Demand Holdings Inc.	1,000,000	84,876	55,062
Carmax Mining Corp.	500,000	100,000	70,000
Investments in other public companies		866,769	605,049
Common shares of privately held companies:			
Asia Select Acquisition III Corp.	1,542,858	3,110	3,206
BoardSuite Corp.	400,000	200,000	200,000
China Dredging Group Company Ltd.	29,996	151,450	151,450
Share purchase warrant:			
Brixton Metals Corp.	333,333	-	-
Carmax Mining Corp.	500,000	-	-
Synodon Inc.	555,556	-	-
BoardSuite Corp.	400,000	-	-
		\$ 3,635,280	\$ 1,709,748

The Company's investment activities are summarized as follows:

China Dongxiang (Group) Co., Ltd. ("Dongxiang", HK: 3818)

During fiscal 2010, the Company purchased 2,676,902 shares of Dongxiang in exchange for 10,000,000 of the Company's shares at a deemed value of \$0.20 per share pursuant to a share exchange agreement.

Dongxiang is a leading international sportswear brand enterprise based in China and is listed on the Stock Exchange of Hong Kong Limited under stock symbol “3818”. Dongxiang is primarily engaged in the design, development, marketing and wholesale of branded sportswear in China. Additional information concerning Dongxiang is available on Dongxiang’s website at www.dxsport.com.

Confederation Minerals Ltd. (“Confederation”, TSX.V: CFM)

On January 17, 2011 the Company entered into a subscription agreement with Confederation Mineral Ltd. (“Confederation”), whereby the Company purchased 178,500 units at a price of \$0.28 per unit for an aggregate investment of \$49,980. Each unit is comprised of one common share of Confederation and one share purchase warrant; each warrant entitling the Company to acquire one additional common share of Confederation at a price of \$0.45 for one year until January 17, 2012. In May 2011 the Company sold the 178,500 shares for net proceeds of \$123,250 and realized a gain of \$73,270 in operations. During the three months ended September 30, 2011, the Company exercised the warrants to acquire additional 178,500 shares of Confederation and subsequently sold 100,000 shares for a net gain of \$40,305.

Confederation is a junior resources exploration company engaging in mineral exploration in USA and Canada. Additional information concerning Confederation is available on SEDAR at www.sedar.com and on Confederation’s website at www.confederationmineralsltd.com.

RX Exploration Inc. (“RX”, TSX.V: RXE)

During fiscal 2010, the Company purchased 833,334 units of RX at a price of \$0.30 per unit for an aggregate investment of \$250,000. The RX units are comprised of one common share of RX and one share purchasing warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.40 per share for a period of two years. During the year ended June 30, 2010, the Company exercised its RX warrants and purchased 833,334 RX shares for \$333,334. The Company subsequently sold 1,466,333 RX shares for net proceeds of \$830,663 and realized a gain of \$320,719 in operations. During the three months ended September 30, 2011, the Company sold the remaining 200,335 RX shares and realized a gain of \$29,442.

RX is a junior resources exploration company engaging in mineral exploration in the state of Montana, USA and northern Ontario, Canada. Additional information concerning RX is available on SEDAR at www.sedar.com.

Synodon Inc. (“Synodon”, TSX.V: SYD)

During fiscal 2010, the Company purchased 1,111,112 units of Synodon at a price of \$0.225 per unit for an aggregate investment of \$250,000. The Synodon units are comprised of one common share of Synodon and one half of a share purchasing warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.3375 per share for a period of two years until April 13, 2012. In May 2011 the Company sold the 17,500 shares for net proceeds of \$4,075 and realized a gain of \$137 in operations. During the three months ended September 30, 2011, the Company sold 75,500 Synodon shares and realized a gain of \$1,432.

Synodon is an advanced remote sensing technology company which has developed a proprietary platform technology called realSens™ (the "Technology") that has been proven to be capable of measuring small ground-level gas concentrations from an aircraft flying up to 300 metres in altitude. Additional information concerning Synodon is available on SEDAR at www.sedar.com and on Synodon’s website at www.synodon.com.

Carmax Mining Corp. (“Carmax”, TSX.V: CXM)

On May 30, 2011 the Company entered into a share subscription agreement with Carmax to purchase 500,000 units at a price of \$0.20 per unit for an aggregate investment of \$100,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitling the Company to acquire one additional common share at a price of \$0.30 per share until May 30, 2012 and at a price of \$0.40 per share until May 30, 2013.

Carmax is a Canadian junior exploration company focused on exploring and developing gold, silver and copper properties. Carmax is currently exploring three projects: the Eaglehead in the prolific Quesnel trough in Northwestern British Columbia, the Gold Tip in the Cassiar terrane in Northern British Columbia and the Whiskeyjack on the Kirkland Larder Lake break in Northern Ontario. Additional information concerning Carmax is available on SEDAR at www.sedar.com and on Carmax's website at www.carmaxmining.com.

You on Demand Holdings Inc. (“YOD”, US OTCBB: CBBDD)

On May 31, 2011 the Company entered into a share subscription agreement with YOD to purchase 1,000,000 shares at a price of US\$0.088 per share for an aggregate investment of US\$88,000.

YOD is a Nevada corporation and headquartered in New York, New York. YOD provides pay-per-view and video on demand premium content and programming services in China. The company intends to offer movies to customers through its near video on demand, video on demand, and subscription video on demand services. It also operates a portfolio of businesses, including alliances with media operators, end-to-end content delivery, exclusive billing solution, governmental partnerships and approvals, and value added services. The company was formerly known as China Broadband, Inc. and changed its name to YOU On Demand Holdings, Inc. in February 2011. Additional information concerning YOD is available on EDGAR at www.sec.gov/edgar and on YOD's website at www.yod.com.

Asia Select Acquisition III Corp. (“ASI III”)

On July 29, 2010, OVML.HK entered into a share purchase agreement with ASI III, a Delaware corporation, to purchase 1,542,858 common shares of ASA III for US\$3,086. ASI III is a U.S. registered blank check company with a president and director in common with the Company. Additional information concerning ASI III is available on EDGAR at www.sec.gov/edgar.

Board Suite Corp. (“BoardSuite”)

During fiscal 2010, the Company purchased 400,000 BoardSuite units at a price of \$0.50 per unit for an aggregate investment of \$200,000. Each BoardSuite unit is comprised of one common share of BoardSuite and one share purchase warrant, entitling holder to acquire one additional BoardSuite share at a price of \$1.00 for a period of two years.

BoardSuite is a privately-held company founded in 2004 to provide products and services that organize and manage customer's corporate information and provide it to selected stakeholders securely, quickly, effectively and inexpensively. Additional information concerning BoardSuite is available on BoardSuite's website at www.boardsuitecorp.com.

China Dredging Group Company Ltd. (“China Dredging”)

On December 16, 2010 the Company entered into a securities purchase agreement with China Dredging to purchase 29,996 Class A Preferred Shares at a price of US\$5 per share for a total investment of US\$149,980. Each Class A Preferred Share is initially convertible into one ordinary share of China Dredging. The shares are subject to an escrow agreement dated as the closing date of the financing, whereby the shares will be released from escrow if China Dredging fail to meet either or both of the performance thresholds set forth for its fiscal 2010 (Adjusted Net Income of US\$48,142,735) and fiscal 2011 (Adjusted Net Income of US\$87,043,678).

China Dredging is a leading private dredging contractor domiciled in the British Virgin Islands (“BVI”) with operations in China. On October 27, 2010, China Dredging completed its merger transaction with Chardan Acquisition Corp. (CAC), a US-public-reporting shell company, also domiciled in the BVI. Following the merger, China Dredging is the surviving corporation and its management continues in place without change following the transaction. China Dredging will continue as a public reporting company in the United States but currently has no

registered or trading securities and does not yet maintain a listing on any stock exchange. China Dredging is currently in the process of going IPO on the Nasdaq under the symbol of “CLFF” in the United States and filed its preliminary prospectus on December 30, 2010 (Amendment #4 filed on June 28, 2011). Additional information concerning China Dredging is available on EDGAR at www.sec.gov/edgar and on China Dredging’s website at www.chinadredgingco.com.

Investments in other public companies

The Company’s investments in other public companies include equity investments in companies listed on various stock exchanges (or quotation systems), including those in Canada, the United States, Hong Kong, and Japan, thereby offering potential sources of liquidity and cash flow for Urban Select.

RESULTS OF OPERATIONS

For the three months ended September 30, 2011, the Company incurred a net loss of \$743,134 compared to a net loss of \$584,723 incurred in the three months ended September 30, 2010. The loss in the current period is primarily attributable to an unrealized loss on investments of \$674,858 (2010 - \$500,687), general operating expenses of \$171,202, mitigated by a realized gain of \$87,419 (2010 - \$106,852) from sale of investments.

The realized gain of \$87,419 is mainly from the sale of shares of RX and Confederation. The net unrealized loss of \$674,858 is a result of changes in the fair value of its investments from the prior period. The significant decline in market value of the investments was affected by the general market conditions. The largest contributor to the unrealized loss is steep depreciation of Dongxiang shares by \$336,776.

The general operating expenses excluding stock-based compensation expenses and foreign exchange loss were \$106,793 (2010 - \$222,412). The general operating expenses for the current period primarily relate to management of the Company’s own investment portfolio while the 2010 expenses include costs of significant marketing and fundraising activities of the China Select Fund. The Company expects to recover part of the expenses related to the China Select Fund once the capital target of the fund is reached. Some of the significant general operating expenses are as follows:

- Consulting fees of \$48,219 (2010 - \$80,651) are comprised of fees to the Company’s management of \$46,219 (2010 - \$64,786) and to other corporate consultants of \$2,000 (2010 - \$15,865).
- Office and miscellaneous of \$11,794 (2010 - \$31,006) has decreased significantly from the prior period as a result of the Company’s efforts to reduce costs.
- Wages and salaries of \$17,688 (2010 - \$16,570) are the salary expenses for the Company’s administrative personnel and are comparable to the prior period.
- Foreign exchange loss of \$21,338 (2010 - \$5,915) is due to significant decline of the Canadian dollar against the US dollar during the current period.
- Stock-based compensation expenses of \$43,071 (2010 - \$nil), a non-cash charge, are the estimated fair value of the vesting portion of stock options granted during the quarter. The Company used the Black-Scholes option pricing model for the fair value calculation.

SUMMARY OF QUARTERLY RESULTS

Results for the eight most recent quarters ending with the last quarter for the three months ending on September 30, 2011 are:

	For the Three Months Ending							
	Fiscal 2012	Fiscal 2011				Fiscal 2010		
	Sept. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2009
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Income Statement Data								
Total revenues (losses)	(571,932)	(419,640)	(56,663)	(491,916)	(356,395)	613,341	-	-
Income (loss) before discontinued operations and extraordinary items	(743,134)	(550,639)	(228,122)	(686,854)	(584,723)	251,994	(105,369)	(67,401)
Net income (loss)	(743,134)	(550,639)	(228,122)	(686,854)	(584,723)	251,994	(105,369)	(67,401)
Income (loss) per common share outstanding – basic and diluted								
Income (loss) before discontinued operations and extraordinary items	(0.03)	(0.02)	(0.01)	(0.02)	(0.02)	0.03	(0.02)	(0.01)
Net income (loss) per share	(0.03)	(0.02)	(0.01)	(0.00)	(0.02)	0.03	(0.02)	(0.01)

The financial data presented above is derived from the Company's financial statements, which are prepared in accordance with accounting principles generally accepted in Canada and in Canadian dollars.

LIQUIDITY AND CAPITAL RESOURCES

During the first quarter, the cash balance increased by \$383,465 (2010 – increased by \$178,713). Cash used in operating activities was \$89,415 (2010 - \$208,665). The Company received net proceeds of \$300,790 from sale of a portion of its marketable securities and \$405,365 from its short-term deposit. Cash used in purchase of investment was \$364,013 (2010 - \$nil). The Company received net proceeds of \$130,918 (2010 - \$nil) from bank loan advance.

As at September 30, 2011, the Company had a cash balance of \$515,007 compared to \$131,542 as at June 30, 2011. The Company had working capital as at September 30, 2011 of \$1,845,412 compared to working capital of \$2,545,494 as at June 30, 2011.

The Company generates cash flows primarily from equity financings and from the disposition of its investments. Approximately 79% of the Company's investments are in common shares of companies traded on various stock exchanges (or quotation systems), including those in Canada, the United States, Hong Kong, and Japan, thereby offering potential sources of liquidity and cash flow for Urban Select. During the three months ended September 30, 2011, the Company disposed of investments for net proceeds of \$300,790.

On May 20, 2011, the Company entered into a revolving demand credit facility agreement with a Canadian Chartered bank. The credit facility is available by way of prime rate loan or LIBOR rate loan and has borrowing capacity of \$534,000 (4,000,000 Hong Kong dollars). At September 30, 2011, the outstanding balance of the credit facility was \$443,652 and the average interest rate was 2.2% per annum. The outstanding balance is due on demand and collateralized by the Company's investments held in the bank.

At present, management believes that the Company has sufficient capital resources to meet its anticipated capital requirements for fiscal 2012. If the Company identifies profitable investment opportunities, additional financings will be required for growth of the investment portfolio. The Company is currently looking to leverage its core expertise into the development of its mergers and acquisitions and financial advisory business. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Going Concern

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. At present, the Company has not yet commenced profitable operations and the value of its investment portfolio is dependent on stock selection, equity market and currency movements. The Company expects to receive revenue from management and advisory activities to be provide to the China Select Fund. In the event that additional financing is not received or operating profits are not generated, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The consolidated financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Included in due from related parties is \$2,564 (June 30, 2011 - \$5,509) advanced to related parties for services to be rendered to the Company. Amounts due from related parties also include \$34,373 (US\$33,086) (June 30, 2011 - \$31,905) of a loan to a company controlled by the President of the Company. The loan bears no interest and is repayable on or before the earlier of (1) June 17, 2017 or (2) when the company controlled by the President completes a business combination.

The Company entered into the following transactions with related parties during the three months ended September 30, 2011:

- a) Incurred consulting fees of \$31,000 (2010 - \$33,000) to a company controlled by the President of the Company.
- b) Incurred consulting fees of \$15,219 (2010 - \$30, 776) to two directors of the Company.
- c) Incurred accounting fees of \$nil (2010 - \$4,500) to a former officer of the Company.
- d) Incurred directors fees of \$nil (2010 - \$2,400) to three non-management directors of the Company.
- e) Received management fee income of \$2,929 (2010 - \$3,139) from two companies controlled by the President of the Company.
- f) Purchased 1,542,858 common shares of Asia Select Acquisition III Corp., a company with a president and director in common with the Company, for a price of US\$3,086 under a share purchase agreement during the three months ended September 30, 2010.
- g) Repaid the promissory note of \$200,000 outstanding as at June 30, 2010 to a member of the Company's investment committee together with accrued interest of \$9,956 during the three months ended September 30, 2010.

These transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

The Company has a Management Incentive Bonus Program (the "Program") under which a bonus of 20% of after-tax cash income and realizations on certain Company's corporate investments will be paid to management annually as applicable. As at September 30, 2011, no amount was paid or payable under the Program.

SUMMARY OF OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited number of common shares without par value and unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series. The Company has no preferred shares issued and outstanding at June 30 and September 30, 2011. The Company's issued and outstanding share capital as at the date of this report is as follows:

Issued and Outstanding Common shares	28,403,000
Stock options	2,190,000
Warrants	6,255,000
Agent's options	200,000
Agent's warrants	991,500
	38,039,500

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to the assessment of the Company's ability to continue as a going concern, valuation of investments, determination of fair value of stock-based compensation and future income taxes. Actual results could differ from these estimates.

FUTURE ACCOUNTING CHANGES

International financial reporting standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with international financial reporting standards ("IFRS") for Canadian enterprises with public accountability ("PAEs"). For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. In January 2011 the AcSB approved an amendment which provides Canadian companies currently applying CICA AcG-18 with the option to defer adoption of IFRS until January 1, 2013. Accordingly, the Company will adopt IFRS for the fiscal period beginning July 1, 2013 and will issue their first financial statements in accordance with IFRS, including comparative information, for the interim period ending September 30, 2013. The Company is currently evaluating the impact that this new standard may have on its consolidated financial statements. The detail of the Company's IFRS project is summarized under **Changeover Plan to International Financial Reporting Standards**.

FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents and investments as held-for-trading. Receivables and due from related parties are classified as loans and receivables. Accounts payable and accrued liabilities and bank loan have been classified as other financial liabilities.

The carrying values of receivables, accounts payable and accrued liabilities, and bank loan approximate their fair values due to the relatively short period to maturity of these financial instruments. Cash and cash equivalents and investments are at fair value and categorized within three hierarchy levels as explained below.

Fair Value

CICA Handbook Section 3862 “Financial Instruments – disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

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 and cash equivalents	\$ 515,007	\$ -	\$ -	\$ 515,007
Investments	\$ 1,355,092	\$ -	\$ 354,656	\$ 1,709,748

During the three months ended September 30, 2011, no financial instruments were transferred in and out of Level 3 of the fair value hierarchy.

Risk management

The Company’s financial instruments and risk exposures are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company’s credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. Receivables mainly consist of harmonized sale tax due from the provincial government of British Columbia. The Company’s credit exposure to amounts due from related parties is equal to their carrying amounts. The Company manages credit risk on its investments through thoughtful planning, strict investment selection criteria and significant due diligence of investment opportunities. Management and the Board of Directors review the financial condition of the investee companies regularly.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at September 30, 2011, the Company had assets of \$2,327,152 to settle liabilities of \$465,311. The Company’s current financial liabilities consists of accounts payable and accrued liabilities of \$21,281 and bank loan of \$444,030 and may mature within the next fiscal period. The accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The bank loan is repayable on demand and collateralized by the Company’s investments held in the bank. The Company generates cash flows primarily from equity financings, advisory fees and from the disposition of its investments. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company’s investments focus on late-stage cleantech and renewable energy, natural resources, chemicals, agriculture, consumer services or other selected sectors with high growth potential. These investments can at times be relatively illiquid, and if the Company decides to dispose of certain securities, it may not be able to do so at favourable prices at that time, or at all. The Company

maintains a conservative liquidity position by having sufficient investments which are freely tradable and relatively liquid to fund its obligations as they become due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. The Company is exposed to market risk through its investments in equity securities.

As at September 30, 2011, approximately 79% of the fair value of the Company's investment was in publicly-traded companies. If security market prices were higher or lower by 5% as at September 30, 2011, the carrying value of its investments and unrealized gains (losses) on investments would be increased or decreased by approximately \$68,000, respectively.

The Company holds investments in companies which do business in different countries and accordingly, are subject to foreign exchange risk. As at September 30, 2011, the Company's investment portfolio dominated in U.S. and Hong Kong dollars and Japanese Yuan represented over 50% of the Company's assets. A significant change in foreign exchange rates can have a significant impact to the profitability of these companies and in turn the Company's fair value of these investments. General speaking, a 1% rise or fall in the value of the Canadian dollar against the foreign assets held would result in a decrease or increase of the net assets by approximately \$8,500, respectively.

The Company is exposed to interest rate risk to the extent that cash and cash equivalents maintained at the financial institutions and bank loan outstanding. The interest rate risks on cash and cash equivalents are not considered significant. The bank loan is based on either on prime rate of Bank of Canada or on London Interbank Offered Rate (LIBOR). As of September 30, 2011, if the prevailing interest rates had been raised or lowered by 1%, net assets could possibly have decreased or increased, respectively by approximately \$370.

The Company manages market risk by developing a diversified portfolio of investments. The Company has established an investment committee to monitor its investment portfolio on an ongoing basis and to review the status of its investments in accordance with the investment policy.

CHANGEOVER PLAN TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In February 2008, the AcSB confirmed that publicly accountable enterprises are required to adopt IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. In January 2011 the AcSB approved an amendment which provides Canadian companies currently applying CICA AcG-18 with the option to defer adoption of IFRS until January 1, 2013. Accordingly, the Company will adopt IFRS for the fiscal period beginning July 1, 2013 and will issue their first financial statements in accordance with IFRS, including comparative information, for the interim period ending September 30, 2013.

The Company's IFRS project consists of three phases – scoping and planning, evaluation and design, and implementation and review. The Company has completed the scoping and planning stage which included putting together an initial project plan, education, and identification of a number of differences between Canadian GAAP and IFRS that relate to the Company. The Company is now in the evaluation and design stage.

In phase one the Company had identified some areas where there is the most potential for a significant impact to the Company's consolidated financial statements. These areas do not represent a complete list of expected changes and may be subject to change as the Company progresses through the second phase. The areas which could have a material impact are as follows.

- *First-time Adoption of International Financial Reporting Standards ("IFRS 1")*

The adoption of IFRS requires the application of IFRS 1 which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has not yet made any final decisions on policies or elections on IFRS 1 and

therefore continues this process into the fourth quarter of fiscal 2011.

• *Share-Based Payment* (“IFRS 2”)

IFRS and Canadian GAAP largely converge on the accounting treatment for share based transaction with only a few differences. For stock options that vest in installments, IFRS 2 requires the Company to determine the fair value of each installment as a separate share option grant while Canadian GAAP treats the entire grant of stock options as a pool and recognize expense on a straight line basis. In addition, under IFRS the Company must make an estimate of stock options that are forfeited before they vest whereas under Canadian GAAP the Company records forfeitures as they occur. The change in this accounting policy is not expected to have a material impact on the Company’s consolidated financial statements.

• *Foreign Currency* (“IAS 21”)

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity’s financial results and position should be measured using the currency of the primary economic environment in which the entity operates. Currently the functional currency of the consolidated entity is the Canadian dollar which is also the presentation currency of the Company’s consolidated financial statements. The management will assess the appropriate functional currency based on existing circumstances which may have a significant impact on the Company’s consolidated financial statements.

• *Income Taxes* (“IAS 12”)

Fundamentals of accounting for income taxes are the same under IFRS as they are under Canadian GAAP. In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. The IASB is currently reviewing IAS based on various meetings and comments received and will consider whether to propose limited amendments. The Company does not expect any changes to its accounting policies related to income taxes that would have a material impact on its consolidated financial statements.

Upon completion of the second phase, the Company will move into the implementation phase, in which it will update its significant accounting policies, adjust its accounting systems, and design tools and processes for the preparation of IFRS information, including comparative and opening balance sheet information. In addition, the Company will evaluate its internal and disclosure control processes as a result of its conversion to IFRS. The Company will also design model IFRS financial statements including all note disclosures and disclosures required for the MD&A.

The Company will continue monitor the development of the IFRS standards. As a result of the ongoing development of the IFRS standards, the final impact of IFRS on the Company’s financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards and evaluate the impact to its consolidated financial statements, between now and the conversion date to ensure all relevant changes are addressed.

SUBSEQUENT EVENT

Subsequent to September 30, 2011,

- i) The Company entered into a letter of intent (“Vena LOI”) with Vena Resources Inc. (“Vena”), a Canadian junior mining company, whereby the parties agreed to establish a new company focused on gold exploration and development in Northern Peru. The new company is expected to be called Granja Gold Inc. (“Granja”).

Pursuant to the Vena LOI, the Company has agreed to:

1. Incorporate Granja as a wholly owned subsidiary of the Company;
2. Transfer \$71,025 to Granja in consideration for 3,000,000 common shares of Granja and distribute these common shares to the company's shareholders pursuant to a plan of arrangement under the Business Corporations Act of British Columbia;

3. Assist Granja with completion of an anticipated \$2,000,000 non-brokered private placement financing to be completed following the entering into of a definitive agreement.

The transaction is subject to certain conditions including, but not limited to, the approval of shareholders of the Company, the approval of the TSX Venture Exchange, the approval of Supreme Court of British Columbia and entering into a definitive agreement.

- ii) The Company entered into a letter of intent ("ARNEVUT LOI") with ARNEVUT Resources Inc. ("ARNEVUT"), a Colorado incorporated private company, whereby the parties agreed to establish a new company focused on precious metals exploration and development in the western United States. The new company is expected to be called ARNEVUT Exploration Corp. ("ARNEVUT Exploration").

Pursuant to the ARNEVUT LOI, the Company has agreed to:

1. Incorporate ARNEVUT Exploration as a wholly owned subsidiary of the Company;
2. Transfer \$71,025 to ARNEVUT Exploration in consideration for 3,000,000 common shares of ARNEVUT Exploration and distribute these common shares to the company's shareholders pursuant to a plan of arrangement under the Business Corporations Act of British Columbia;
3. Assist ARNEVUT Exploration with completion of an anticipated \$1,500,000 non-brokered private placement financing to be completed following the entering into of a definitive agreement.

The transaction is subject to certain conditions including, but not limited to, the approval of shareholders of the Company, the approval of the TSX Venture Exchange, the approval of Supreme Court of British Columbia and entering into a definitive agreement.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of September 30, 2011. They have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com and on the Company web site at www.chinaselectcapital.com.

APPROVAL

The Board of Directors of Urban Select Capital Corporation has approved the contents of this management discussion and analysis. A copy of this MD&A will be provided to anyone who requests it.