ROCKY MOUNTAIN LIQUOR INC

(formerly Humber Capital Corporation)

Ticker: "RUM"

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 27, 2010

ROCKY MOUNTAIN LIQUOR INC

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This management discussion and analysis is dated April 27, 2010.

The following is a discussion of the consolidated financial condition and operations of Rocky Mountain Liquor Inc (the "Company") for the periods indicated and of certain factors that the Company believes may affect its prospective financial condition, cash flows and results of operations. This discussion and analysis should be read in conjunction with the audited consolidated financial statements and accompanying notes of the Company for the 12 months ended December 31, 2009. The Company's sole investment is in Anderson's Liquor Inc. The Company owns 100% of Anderson's Liquor Inc. ("Andersons") headquartered in Edmonton Alberta, which owns and operates private liquor stores in that province.

The Company's audited financial statements and the notes thereto have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are reported in Canadian dollars. References to notes are to notes of the financial statements unless otherwise stated.

FORWARD LOOKING INFORMATION AND STATEMENTS ADVISORY

This management discussion and analysis contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "might" and similar expressions is intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this management discussion and analysis contains forward-looking information and statements pertaining to the following: (i) the stability of retail liquor sales; (ii) the ability to acquire additonal liquors stores and/or locations; (iii) increased revenues and margins due to tax increase, (iv) the ability to purchase inventory at a discount, (v) on going impact from price inflation, (vi) one-time impact from repricing of inventory from the April 2009 tax increase and its recission in July 2009 and (vii) other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. All statements other than statements of historical fact contained in this management's discussion and analysis are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed or recent acquisitions and the benefits to be derived therefrom, and plans and objectives of or involving the Company.

The forward-looking information and statements contained in this management discussion and analysis reflect several material factors, expectations and assumptions including, without limitation: (i) demand for adult beverages; (ii) the ability to acquire additonal liquors stores and/or locations; (iii) the Company's ability to secure financing to suit its growth strategy; (iv) the integration risk and requirments for the purchase or development of liqour stores; (v) the Company's future operating and financial results; (vi) treatment under governmental regulatory regimes, tax, and other laws; and (vii) the ability to attract and retain employees for the Company.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and

described in the forward-looking statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: (i) impact of economic events affecting discretionary concumer spending; (ii) ability to obtain required finacing to continue growth strategy; (iii) changes in Government regulation of the retail liquor industry; (iv) impact from competition in the market's where the Company operates; (v) ability to source locations and acquisitions for growth strategy; (vi) actions by governmental or regulatory authorities including changes in income tax laws and excise taxes; (vii) the ability of the Company to retain key personnel; (viii) the Company's ability to adapt to changes in competition; (ix) the impact of supplier disruption or delays; (xi) the maintenance of management information systems; (xii) the impact of increases in labour costs, shortages or labour relations; (xiii) the impact of weather on its affect on consumer demand, and (ix) the ability to complete construction projects.

The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forwardlooking information and statements contained in this discussion and analysis speak only as of the date of this management discussion and analysis, and the Company assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Throughout this management discussion and analysis references are made to "EBITDA", "operating margin", "operating margin before non-recurring items", "operating margin as a percentage of sales", and other "Non-GAAP Measures". A description of these measures and their limitations are discussed below under "Non-GAAP Measures". See also "Risk Factors" also discussed below.

Additional information relating to the Company, including all other public filings is available on SEDAR (www.sedar.com).

KEY HIGHLIGHTS FOR THE FORTH QUARTER

During the three-month period ended December 31, 2009, the Andersons acquired a new liquor store in North Central Alberta.

RECENT DEVELOPMENTS SINCE PERIOD ENDED DECEMBER 31, 2009

- Andersons completed the purchase of one store in Fort McMurray
- Andersons has also successfully acquired two stores in Northern Alberta.
- The Company has announced the new construction of 4 locations, with two projects underway and expected to be completed in Q2, and two projects awaiting approvals.

OUTLOOK

Management is pleased with the results over the past year of operations, both in terms of the growth strategy put into action and the results achieved. This is the Company's first full year of operations since the qualifying transaction, and as a result fiscal 2010 reporting will be comparable on a quarter-by-quarter basis.

Significant growth was achieved during fiscal year 2009 due to the acquisition, and development of 7 new stores, increasing from 19 to 26 stores in operation. We expect increased sales for Fiscal 2010 due to full year results for these new stores. With the addition of 3 stores, acquired in the first quarter of Fiscal 2010, we are continuing our growth strategy. Four other new development locations have been announced and remain at various stages of approval and development. If all locations obtain required approvals, we will have 33 stores in operations.

Sufficient financing arrangements are in place to complete all proposed developments. As well to complement our aggressive growth strategy in Alberta, we are currently evaluating liquor store opportunities in British Columbia. We believe we are well positioned to capitalize on improvements in the Western Canadian economy and consumer demand.

Margins in 2010 will moderate as compared to 2009 due to a reversal of government taxation in 2009, pricing sensitivity response to current economic conditions and our entry into Liquor Service segment. On April 7, 2009 the Alberta government increased taxation on all liquor products by varying margins. By the first week of July 2009 this tax increase was repealed. To smooth the abruptness of the tax roll-back, we designed a data centric plan to roll prices back based on total enterprise sales. This minimized the impact of losses on products purchased at the higher price. Additionally, last year we advised investors that we were reducing certain pricing in response to economic indicators for the Christmas season. Based on the resultant metrics we are committed to continue this strategy as long as it is advisable. Finally, Liquor Service activities produce lower percentage operating margin than traditional retail sales activity. In Q4 2009 and Q1 2010 we purchased large Liquor Service providers in Edmonton and Fort McMurray.

Average revenue per store and average contribution per store is expected to grow further in 2010. Our operating margin percentages are expected to reduce, while our total operating margin is expected to increase significantly in 2010 as compared to 2009.

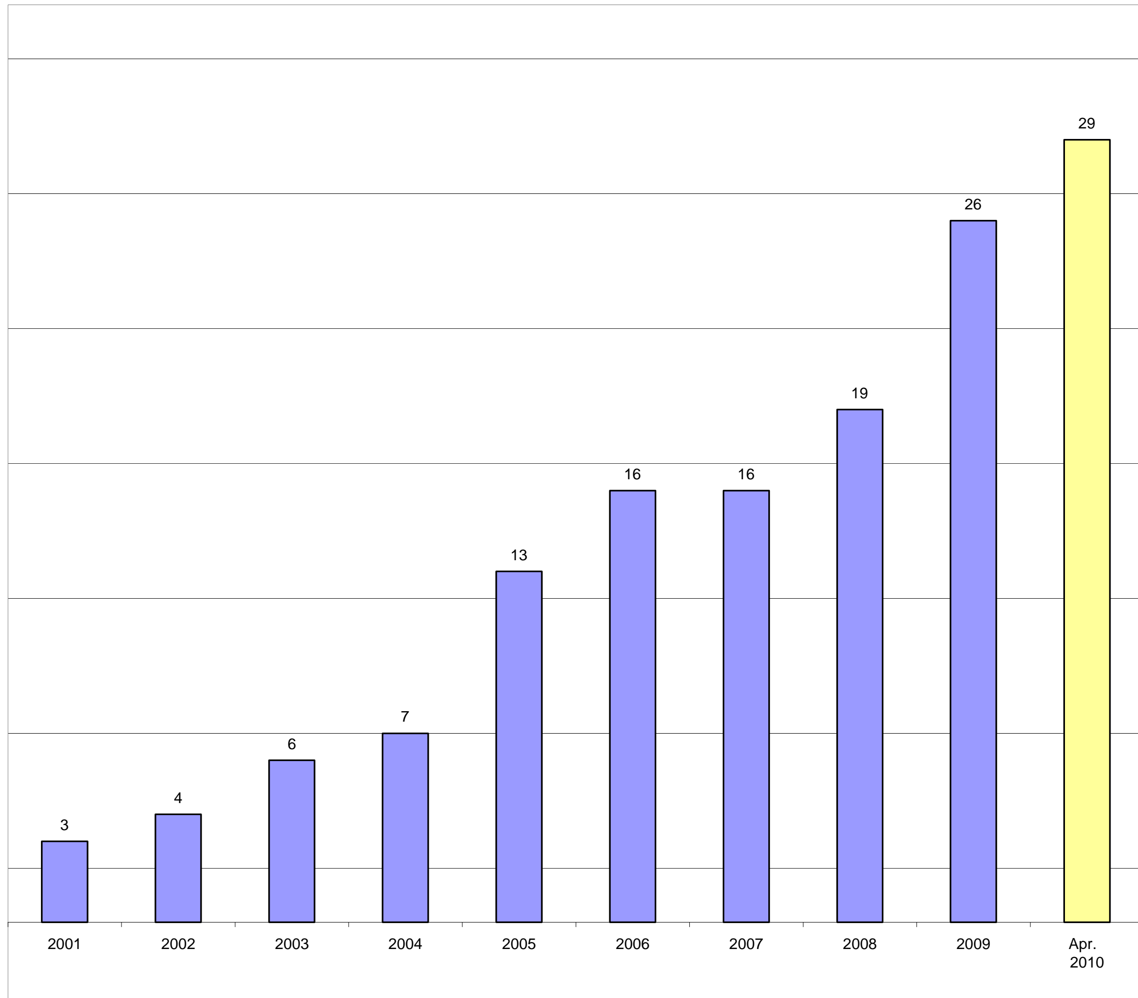
OVERVIEW OF ROCKY MOUNTAIN LIQUOR INC

The Company is incorporated under the laws of the Province of Ontario with its common shares ("shares") trading on the TSX Venture Exchange under the symbol ("RUM").

The Company's sole investment is in Andersons Liquor Inc. Rocky Mountain Liquor Inc owns 100% of Anderson's Liquor Inc. ("Andersons") headquartered in Edmonton Alberta, which owns and operates private liquor stores in that province. Alberta is the only province in Canada that has a fully privatized retail distribution system for adult beverages. The product mix generally offered by Andersons at its retail stores includes beer, spirits, wine and ready to drink liquor products, as well as ancillary items such as juice, ice, mix and giftware. Andersons has focused on store operations while pursuing an active acquisition strategy to acquire additional stores within the Alberta market, focusing largely outside of the major urban centres. To date, Andersons has been successful in improving the performance of its acquisitions through effective integration with its existing operations.

As of December 31, 2009 Andersons operated and owned 26 stores. On January 11, 2010, Andersons acquired a new store and in March 2010 acquired 2 additional stores increasing the number of stores in operation to 29.

Number of Retail Liquor Stores

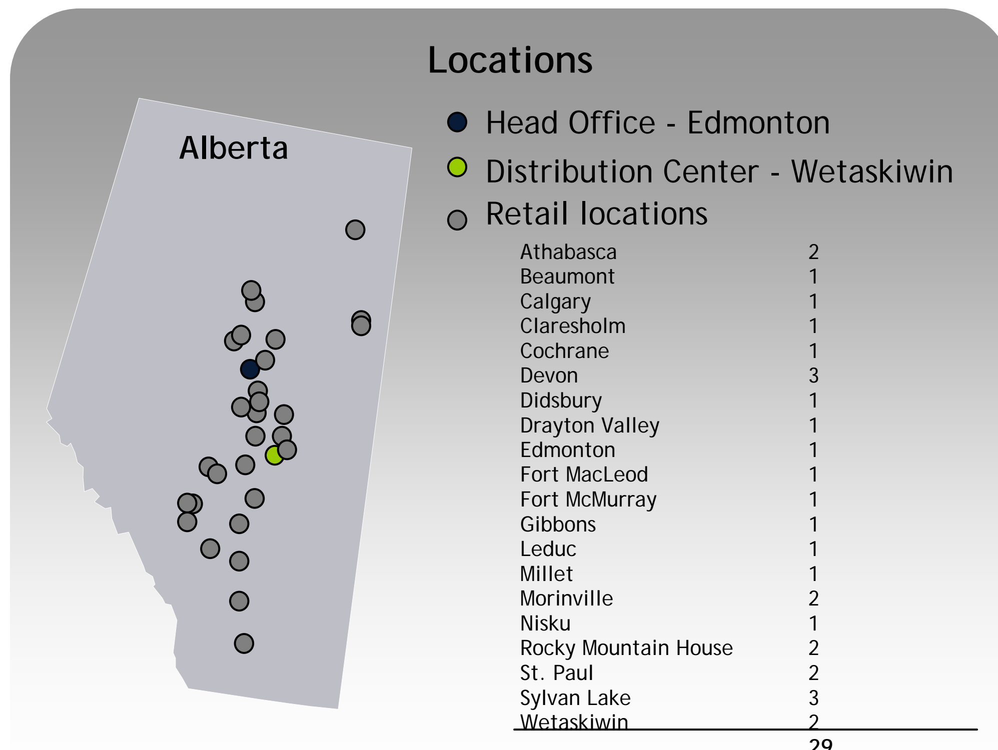


- Andersons acquired an additional liquor store in 2007 but also consolidated two existing stores in Nisku, Alberta. As a result, the total number of retail liquor stores remained consistent from 2006 to 2007 despite the 2007 acquisition.

COMPETITIVE ENVIRONMENT

The Province of Alberta is the only province in Canada that has a fully privatized retail distribution system for adult beverages. Andersons currently operates 29 liquor stores in Alberta where there are approximately 1,117 liquor stores and 88 agency stores as at December 31, 2008 [Source: Alberta Gaming and Liquor Commission].

Andersons operates 8 stores in Northern Alberta, 16 stores in Central Alberta and 5 stores in Southern Alberta.



BUSINESS STRATEGY

Growth - New Stores

The Company's strategy is to grow by increasing the number of customer transactions as well as through new store development and acquisitions. Andersons is actively exploring opportunities to acquire and/or develop stores in Alberta, and evaluate growth opportunities in British Columbia. Management will continue to assess potential acquisitions and store development opportunities for their ability to add accretive cash flow and shareholder value.

Differentiation: Product, Operations, and Management Information Systems

Through the use of the Andersons warehousing capability, management will continue to focus on product differentiation by providing more product choices. Through the use of management information systems, Andersons will derive efficiencies and continue its efforts in providing operational effectiveness.

Technology

A Company-wide core, inter-connected computer network supports our liquor enterprise. A backbone virtual private network has been designed for both high-speed throughput and integrated security. The purpose of our network platform system is the collection, processing, storage and dissemination of data at store level, finance level, compliance offices, business intelligence centers and our Enterprise Fulfilment Centre ("EFC") where it is transformed into various forms of information needed to carry out the functions of management at each location.

Point-of-sale and point of purchase terminals in all our stores collect huge volumes of atomic data each day. This data undergoes selective extraction, organization, analysis and formatting for presentation, use of operational systems, business intelligence and to support management decision processes at all levels in the organization.

In addition to store level depositories we maintain several centralized repositories as mirror sites for the entire enterprise. We maintain data at the lowest level of detail, and store away and retain all data. Our enterprise system is updated with each operational system transaction performed.

We utilize a number of skills, technologies, applications and best practices. We employ several core, customized, and configured applications. These include stand-alone software applications, web-browser based applications, and desktop applications. In this regard there are systems which we own and pay annual fees for licensing, "Software as a Service" in which we have long term contracts in place for time and attendance applications, and proprietary and customized collection, reporting and data maintenance applications, which are developed and maintained by our own Information Technology department.

Insightful decisions about significant changes in our business and markets can only be made if decision makers receive timely and continuous presentation of performance measures. Our systems have the ability to identify and correct negative trends, generate detailed reports on transactions and provide daily tracking of compliance exceptions. Daily financial controls are monitored and all enterprise locations pass compliance audits on a daily basis. Due to the automation of these processes, compliance is maintained with a minimum of administration labour deployed.

The main benefits of these automated reporting functions is to enable our enterprise decision makers to make informed and more time sensitive business decisions, quickly address problem areas and re-position our organization to take full and speedy advantage of emerging opportunities. Our goal is to invest in continuous improvement of our technology and our skill sets with the result of providing visibility, measurement, and assurance of key business activities and competitiveness.

Stable Business

Andersons operates in a stable business environment. The business is largely cash-based with alcohol-based products accounting for approximately 98% of total sales as of December 31, 2009.

Financing

The Company has financed its growth with the issuance of shares, the issuance of convertible debentures and through available credit facilities.

FINANCIAL MEASURES

Maintenance Capital Expenditures

In order to maintain its productive capacity, the Company incurs expenses for routine maintenance, invests and upgrades information systems and replaces assets as required.

Net Change in Non-cash Working Capital

The Company's investment in non-cash working capital is primarily related to increased inventory levels and the operation of our warehousing facility. This increase includes the cost of purchasing inventory for stores the Company develops and opens, the cost of increasing inventory in acquired stores subsequent to their acquisition date, and an increase in current inventory purchased at times when favourable buying conditions exist. Inventory levels are also influenced by seasonal investments in inventory.

Long-Term Incentive Plans

The Company does not have a formal Long-Term Incentive plan to reward employees for performance, however it has used stock option grants as both an incentive and to reward performance. A formal Long-Term Incentive plan may be considered as a possible compensation approach for key employees.

MANAGEMENT TEAM

Peter Byrne, President, CEO	Mr. Byrne is the President, Chief Executive Officer and co-founder of Anderson's and previously has been Chief Executive Officer and Chairman of the Board of Channel Drugs Limited, a private company that owned and operated the PharmaCare franchise until its sale in 2004.
Allison Byrne, COO	Ms. Byrne is the Executive Vice President of Operations and Finance of Anderson's and prior to joining Anderson's, she worked at Deloitte & Touche LLP from September 2002 until March 2007, receiving her Chartered Accountant designation in 2005. Ms. Byrne is Chair of the Alberta Liquor Store Association.
Tracey Bean, CFO	Mr. Bean is a Certified Management Accountant, holds a Bachelor of Commerce majoring in finance and data processing, and holds a Masters in Business Administration degree from Dalhousie University. Previously Mr. Bean was employed by The Toronto-Dominion Bank for 15 years and was most recently the Associate Vice President Credit, Commercial National Accounts.

OPERATING RESULTS - 12 Months ending December 31, 2009

Basis of Comparison

As per disclosure requirements we have included the 5 months ended December 31, 2008 from Humber Capital Corporation. The retail liquor industry is subject to seasonal variations with respect to sales. Sales are typically lowest early in the year and increase in the latter half.

It is key to note given the rapid expansion of the Company, that historical performance does not reflect the annualized performance from recently acquired liquor stores.

The following table shows total Sales and Operating Margin of the Company for the 12-month period ending December 31, 2009 as compared to 5 months ending December 31, 2008.

	Rocky Mountain Liquor Inc.		**Humber Capital Corporation**	
Period	**12 months ending Dec 2009**		**5 months ending Dec 2008**	
(Expressed in Canadian dollars)	$	%	$	%
Sales (1)	32,717,175	100.00%	9,487,248	100.00%
Gross margin	7,656,161	23.40%	2,257,951	23.80%
Operating and administrative expense	5,390,478	16.48%	1,537,544	16.21%
Operating Margin (2)	2,105,528	6.44%	693,426	7.31%
Non-recurring Items (3)	160,155	0.49%	26,981	0.28%
Operating Margin before non-Recurring Items (3)	2,265,683	6.93%	720,407	7.59%
Stores at Period End (1)	26		19	

Notes:
(1) *The results for December 31, 2009 includes operations for 26 stores, however 6 stores were integrated into operations on varying dates in February and March and an additional store was integrated in October and thus do not represent a full period of operations.*
(2) *Operating Margin has been calculated as described under "Non-GAAP Measures".*
(3) *Non-recurring items include business development costs, loss on disposal of property and equipment, store closure expense, bad debt expense and other income.*

Sales

Sales represent the combination of adult beverages including spirits, beer, and wine, with other ancillary products such as ice, juice, and mix.

Total sales for the 12-month period ended December 31, 2009 were $32.7 million. During the period the Company acquired six new stores in February, March and October plus developed a new store in Rocky Mountain House. As a result this 12-month period does not include full operations from the 26 stores.

Cost of Goods Sold and Gross Margin

Normal retail margins have been offset by lower margins associated due to lower margins associated with liquor service, which is a result from the acquisition of a new store in the fourth quarter of fiscal 2009. The liquor service business has lower margins than retailing liquor and as such, margins are lower. Margins for the 12 months are 23.40%.

Operating and Administrative Expenses

The major expenses included in operating and administrative expenses are salaries, rents, and location costs such as utilities, property taxes, and insurance. Total operating and admin expenses for the 12-month period ended December 31, 2009 were $5.39 million.

Operating Margin and Operating Margin before Non Recurring Items

Again due to the impact from the acquisition of a liquor store with high liquor service volumes, operating margin was 6.44% or $2.11 million for the 12 months ending December 31, 2009. Operating margin before non-recurring items was 6.93% or $2.27 million for the 12 months ending December 31, 2009.

LIQUIDITY AND CAPITAL RESOURCES AS OF April 27, 2009

Shareholders' Equity

Authorized: Unlimited number of common shares

Issued and outstanding: 51,304,289 common shares

Warrants

The following tables summarize information about warrants outstanding:

Expiry date	Exercise price $	Number of warrants outstanding – December 31, 2009	Number of warrants exercisable – December 31, 2009
December 1, 2010	0.315	7,879,492	1,878,914 *
Outstanding, end of period		**7,879,492**	**1,878,914 ***

* The balance of the warrants is subject to escrow, and 100,000 warrants were exercised on May 15, 2009.

	Number of warrants
Outstanding, December 31, 2008	7,979,492
Granted	-
Exercised, May 15, 2009	(100,000)
Expired	-
Outstanding, April 27, 2010	**7,879,492**

Options

The following tables summarize information about options outstanding:

Expiry Date	Participant	Exercise price $	Number of options outstanding – December 31, 2009	Number of options exercisable – December 31, 2009
April 15, 2010	Agent's Options	0.20	586,300	586,300
April 21, 2013	Stock Option Plan (Pre-RTO)	0.20	357,137	357,137
May 15, 2012	Stock Option Plan (Executive)	0.29	300,000	100,000
June 29, 2012	Stock Option Plan (Directors)	0.32	300,000	225,000
Outstanding, end of period			**1,543,437**	**1,268,437**

	Number of options
Outstanding, December 31, 2008	1,887,500
Granted, May 15, 2009	300,000
Granted, June 29, 2009	300,000
Exercised, Agents Options, 2009	(51,200)
Exercised, Pre-RTO Options, 2009	(892,863)
Exercised, Agents Options, March 2010	(337,500)
Expired, Agents Options, April 2010	(248,800)
Outstanding, April 27, 2010	**957,137**

Convertible Debenture

On March 16, 2009, the Company issued an $809,140 unsecured convertible debenture maturing on March 16, 2014 and bearing an interest rate of 8.25% per annum, payable in arrears annually. The initial principal amount of the debenture is convertible, at the election of the holder, in whole or in part, into common shares at a conversion ratio of $0.315 per share, representing up to 2,568,968 shares.

Credit Facilities

On December 31, 2009 the Company had an available $5 million operating line. The Company also has a $9.995 million investment line of credit, which is used to purchase the equivalent amount of short-term investments.

As of December 31, 2009, there was $2.5 million outstanding on the operating line; however it is noted that the Company had $1.0 million in cash on hand excluding the short-term investments of $9.995 million. The $10 million term loan facility was drawn at $5.7 million.

The Company's indebtedness is subject to a number of external covenants, but none are capital related. Under the terms of the Andersons credit facility, the following ratios are monitored: adjusted debt to EBITDA, and fixed coverage ratio. For the 12 months ended December 31, 2009, Andersons continues to be in compliance with all covenants.

Capital Expenditures

The Company will continue to pursue acquisition opportunities and opportunities to open new stores.

Liquidity Risk

The Company uses a variety of sources of capital to fund acquisitions, new store development and ongoing operations, including cash provided by operations, bank indebtedness, issuance of new equity or debt instruments or a combination thereof. The decision to utilize a specific alternative is dependant upon capital market conditions and interest rate levels. The degree to which the Company is leveraged may impact its ability to obtain additional financing for working capital or to finance acquisitions.

To manage liquidity risk, the Company is proactive with its review of the capital structure. Management believes the Company currently has the resources to meet obligations as they come due.

Credit Risk

The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and accounts receivable.

The Company maintains its cash and cash equivalents with a major Canadian chartered bank and local Alberta credit unions.

The risk for accounts receivable is that a wholesale customer of Andersons might fail to meet its obligations under their credit terms. The Company, in its normal course of operations, is exposed to credit risk from its wholesale customers in Alberta whose purchases are expected to represent approximately 22% of the Company's sales. This has increased with the recent acquisition of the store in North Central Alberta. Risk associated with respect to accounts receivable is mitigated by credit management policies. Historically, bad debts from these accounts have been insignificant. The Company is not subject to significant concentration of credit risk with respect to its customers; however, all trade receivables are due from organizations in the Alberta hospitality industries. There were no bad debts recorded or significant past due accounts for the 12 months ended December 31, 2009.

Interest Rate Risk

The Company manages its interest rate risk through credit facility negotiations and by identifying upcoming credit requirements based on strategic plans.

Andersons has a total of $10.0 million of hedges. As part of their interest rate strategy, Andersons has contracted with a Canadian Chartered Bank to hedge interest rates for a 5-year period in the amount of $5.5 million at 2.14% plus the applicable credit spread. This hedge matures February 12, 2014 and is subject to re-pricing of credit risk. Andersons has contracted another hedge for $4.5 million at 3.35% plus the applicable credit spread, which matures on April 5, 2015. As of April 27, 2010 this represents 67% of Andersons available credit facilities.

OFF BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements as at December 31, 2009.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements, in conformity with Canadian GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Goodwill

Goodwill is not amortized and is assessed for impairment at each reporting unit level. The impairment test is done annually unless circumstances arise that would potentially impair the carrying value of goodwill. Comparing the fair value of a reporting unit to its carrying value identifies any potential goodwill impairment. If the fair value of the reporting unit exceeds its carrying value, goodwill is considered not to be impaired. If the carrying value of the reporting unit exceeds its fair value, potential goodwill impairment has been identified and must be quantified by comparing the estimated fair value of the reporting unit's goodwill to its carrying value. Any goodwill impairment will result in a reduction in the carrying value of goodwill on the consolidated balance sheet and in the recognition of a non-cash impairment charge in net income.

The Company tests goodwill as of December 31st every year, and has determined that goodwill was not impaired as of December 31, 2009. Significant assumptions included in this test include management's expectations regarding future revenues, expenses, and other factors impacting cash flow, as well as various inputs to determine the Company's weighted average cost of capital. While these assumptions reflect management's best estimates, they are subject to the measurement uncertainty associated with the current challenging economic environment and material estimates generally. As a result, material revisions could be required to these estimates in future periods.

Amortization Policies and Useful Lives

The Company amortizes property, equipment and intangible assets over the estimated useful service lives of the assets. Management uses industry trends, historical usage in the same and similar assets and judgment to estimate the useful life of assets. The Company assesses the estimated useful lives on an annual basis to ensure they remain accurate, and will adjust amortization prospectively if changes are required.

Purchase Price Allocations

The allocation of the purchase price for acquisitions involves determining the fair values assigned to the tangible and intangible assets acquired. Management determines the fair value of the tangible assets and certain intangible assets of the acquired stores. Goodwill is calculated based on the purchase price less the fair value of the net tangible and intangible assets stated above.

CHANGES IN ACCOUNTING POLICIES

Section 3064 – Goodwill and Intangible Assets

Effective January 1, 2009 the Company adopted CICA Handbook Section 3064, Goodwill and Intangible Assets. The new section provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. All pre-opening costs relating to the acquisition of stores are currently being expensed as incurred.

Section 3862 - Financial Instruments – Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures, was amended to include additional disclosure requirements about fair value measurements of financial instruments, including the relative reliability of the inputs used in those measurements, and enhance liquidity risk disclosure requirements. In the first year of application, an entity need not provide comparative information for the disclosures required by the amendments.

The amendments are effective for annual financial statements for fiscal years ending after September 30, 2009. The Company has adopted this new Section for its fiscal year ending December 31, 2009. The new Section did not have any impact on its financial position or results of operations.

Section 3855 - Financial Instruments – Recognition and Measurement

CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, was amended to clarify when an embedded prepayment option is separated from its host debt instrument for accounting purposes and the application of the effective interest method after a debt instrument has been impaired. These amendments apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

This Section has been amended to add guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. These amendments apply to reclassifications made on or after July 1, 2009. Also, this Section has been amended to change the categories into which a debt instrument is required or permitted to be classified, to change the impairment model for held-to-maturity financial assets to the incurred credit loss model of Section 3025 – Impaired Loans, and to require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances. These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008. The Company has adopted the amendments to this Section for its fiscal year ending December 31, 2009. The amendments did not have any impact on its financial position or results of operations.

ACCOUNTING STANDARDS ISSUED BUT NOT YET IN EFFECT

Section 1582 – Business Combinations

In January 2009, the CICA issued new Handbook Section 1582, Business Combinations. It provides the Canadian equivalent to IFRS 3, "Business Combinations". The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. The Company plans to adopt this new Section for its fiscal year beginning January 1, 2011. The Company is currently evaluating the impact on its financial position and results of operation of adopting the new section.

Section 1601 – Consolidated Financial Statements

In January 2009, the CICA issued new Handbook Section 1601, Consolidated Financial Statements, and establishing standards for the preparation of consolidated financial statements. The Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. The Company plans to adopt this new Section for its fiscal year beginning January 1, 2011. The Company does not expect the new Section to have any impact on its financial position or results of operations.

Section 1625 - Comprehensive Revaluation of Assets and Liabilities

CICA Handbook Section 1625, Comprehensive Revaluation of Assets and Liabilities, was amended to be consistent with Handbook Section 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and Section 1602 – Non-controlling Interests, which were issued in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Company does not expect the new Section to have any impact on its financial position or results of operations. The Company plans to adopt this new Section for its fiscal year beginning January 1, 2011.

International Financial Reporting Standards

In February 2008, the CICA announced that Canadian publicly accountable enterprises will adopt IFRS as issued by the International Accounting Standards Board (IASB) effective January 1, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure.

The Company has established a Financial Reporting Team to review the adoption of IFRS. The team has provided updates to management and the Audit Committee. The Company is closely monitoring regulatory developments made by the Canadian Institute of Chartered Accountants and the Canadian Securities Administrator that may affect the timing, nature or disclosure of our adoption of IFRS. The Company is also monitoring developments in accounting made by the Accounting Standards Board of Canada (AcSB) and the International Accounting Standards Board (IASB) to ensure that on adoption of IFRS, we are compliant with IFRS as issued by the IASB.

As of April 27, 2010, the Company has completed the evaluation of the accounting impact on its financial position and results of operations adopting these standards will have. The Company has reviewed its accounting policies and will be updating them to incorporate the requirements for

IFRS. The Company is on target for the IFRS transition. By the end of the second quarter the Company will have completed the opening balance sheet to allow for the transition to IFRS on January 1, 2011.

Financial Reporting Expertise
Training for key personnel for IFRS has been completed with further training to be completed in fiscal 2010. The Company's IFRS team has prepared a detailed assessment of the effects of IFRS on the Company's current policies.

Accounting Policies

The following standards are expected to impact the Company.

IFRS 1
In accordance with IFRS 1, the Company is entitled to a number of voluntary and mandatory exemptions from full restatement. The Company is currently determining which elections to adopt. It will also require the Company to disclose a significant amount of information surrounding reconciliation between Canadian GAAP and IFRS balances.

IFRS 3 – Business Combinations
The main impact this will have on the Company is all acquisition related costs will be required to be expensed and any gain on bargain purchase of negative goodwill will be included in net income immediately. This will have an impact on the Company going forward, however IFRS 1 allows for the Company to elect to not to apply IFRS 3 to business combinations that applied before the date of transition to IFRS. The Company is determining whether or not they will make the election.

IAS 16 – Property, Plant and Equipment
This standard requires assets to be carried at historical cost and for residual values to be reviewed at a minimum annually and for deprecation to be adjusted accordingly. IFRS 1 allows for an election to be made to not apply IAS 16 to existing assets before the date of transition to IFRS. The Company has reviewed all of its classes of assets and has determined that this standard will not significantly impact the carrying values of its assets.

IAS 36 – Impairment of Assets
The standard requires assets to be allocated to a "Cash Generating Unit" (CGU) to test for impairment. Impairment losses are to be taken off surpluses of any revaluation reserve and then charged to the income statement. If an asset redeems its value, the impairment can be reversed. More extensive disclosure will be required in connection with annual impairment reviews. The Company is determining if this will result in any of its assets to be deemed impaired and required to be written down.

IAS 38 – Intangible Assets
The standard requires assets to be grouped into a CGU to determine if any impairment loss or (gain) exists if the CGUs carrying amount exceeds (is less than) its recoverable amount on intangible assets like goodwill. Any impairment loss for CGU is allocated first to goodwill, and then to the income statement. The Company is determining if this will result in any of its intangibles to be deemed impaired and required to be written down.

IAS 39 – Financial Instruments
The standard requires definitional differences for classifying financial assets into “loans and receivables, “held to maturity”, and “held for trading.” Loans and receivables that may not recover their initial investment will be classified as “available for sale.” The Company is determining the impact on its statements.

Business Activities

Bank covenants have been reviewed and assessed. IFRS will not impact the ability for the Company to meet its debt covenants. No modifications to the loan agreements at this stage are required.

Control Environment – Internal Controls Over Financial Reporting

Management and the Audit Committee have reviewed all of the accounting policy changes and concur with the adoption of such policies. External auditors will review the implementation of IFRS on our opening balance sheet by December 31, 2010. Additional changes to the control environment are being assessed as impacts of all policies are finalized.

Control Environment – Disclosure Controls and Procedures

The Company plans to release the effect of IFRS on the 2010 statements by August 31, 2010. Additional changes to the control environment are being assessed as impacts of all policies are finalized.

Information Technology

The Company has prepared an analysis of the current IT system’s ability to capture information necessary to prepare IFRS statements. The system is ready for parallel reporting in 2010.

FINANCIAL INSTRUMENTS

For the Company, fair value approximates carrying value for all of its financial instruments.

For cash and cash equivalents, accounts receivables, due from related parties, bank indebtedness, short-term debt, accounts payable and accrued liabilities and due to (from) shareholders the carrying value approximates fair value due to the short-term nature of the instruments.

The interest rate swap has a fair value equivalent to the carrying value and is calculated on a mark to market basis.

The carrying value of long-term debt approximates the fair value as the interest rate is at a variable market rate.

The convertible debenture has a fair value equivalent to the carrying value, as the discount rate remains unchanged.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Advances to Related Parties	
	Dec 31, 2009	Dec 31, 2008
Byrne Alberta Ltd.	**$ 118**	$ 928
1342744 Alberta Ltd.	**-**	11,265

Advances to and from related companies are non-interest bearing (unless otherwise indicated), have no set repayment terms and are unsecured. The companies are related through common controlling shareholders. All related party amounts are measured at the exchange amount agreed to by both parties.

During the year the Company received amounts of $1,278 (5 months ended December 2008 - $35,000), and paid expenses on behalf of Byrne Alberta Ltd. in the amount of $468 (5 months ended December 2008 - $10,107).

During the period the Company received amounts of $11,265 (5 months ended December 2008 - $14,000) and paid expenses of $ nil (5 months ended December 2008 - $ 265) on behalf of 1342744 Alberta Ltd.

The Company paid rents of $19,440 (5 months ended December 2008 - $6,000) to Byrne Alberta in respect of a retail liquor store. The rent is at market value.

An amount of $61,013 (2008 - $244,054) owing to vendors of Andersons is included in accounts payable and accrued liabilities. As part of the RTO, it was agreed that this working capital adjustment would be paid along with interest to the vendors in four quarterly installments commencing May 2009. The final amount of $61,013 has been paid on February 1, 2010.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting (as defined under MI 52-109) that occurred during the 12 months ended December 31, 2009, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

The Company’s disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and include controls and procedures designed to ensure that information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. Management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate ICFR, as such term is defined in NI 52-109 to provide reasonable, but not absolute, assurance regarding the reliability of the Company's financial reporting. A material weakness in ICFR exists if the deficiency is such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

Based on the above evaluation of ICFR, management has concluded that ICFR was operating effectively for the period ended December 31, 2009. Management has concluded that the Company's financial statements fairly present the Company's consolidated financial position and consolidated results of operations for the 12 months ended December 31, 2009.

RISK FACTORS

There are number of risks that could impact the Company's results in operations, business prospects, financial condition and the Share trading price. These are the factors that are believed could cause actual results to be different from expected and historical results. The risks presented below may not be all of the risks that the Company may face and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing in the Company's Filing Statement, which is available at www.sedar.com and the documents incorporated by reference herein. Shareholders and potential shareholders should consider carefully the information contained herein and, in particular, the following risk factors.

These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the operations of the Company. If any such risks actually occur, the business, financial condition, or liquidity and results of operations of the Company, could be materially adversely affected.

The markets in which the Company currently competes are very competitive and change rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

Available Financing

The Company requires additional financing in order to make further investments, pursue acquisition opportunities or take advantage of unanticipated opportunities. In particular, the Company intends to continue to make investments to support business growth and may require additional funds to respond to business challenges, including the need to develop new services or enhance existing services, enhance operating infrastructure and acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of

holders of shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Furthermore, additional financing may not be available on favourable terms, if at all. If the Company is unable to obtain adequate financing or financing on satisfactory terms when required, its ability to continue to support business growth and to respond to business challenges could be significantly limited.

The Company had capital and unused credit facilities available for growth in the amount of approximately $7.8 million at December 31, 2009, which Management believes will provide it with sufficient funds to complete additional acquisitions and/or new store development in the short term and have sufficient financing available for inventory.

However, the ability of the Company to make acquisitions beyond the amount of its current excess capital and unused credit facilities depends on the Company being able to raise additional financing in the future through equity and/or debt capital markets. If the Company is unable to obtain equity and/or debt financing, either at all or on favourable terms, it may not be able to complete additional acquisitions, which could have an adverse effect on the future growth prospects of the Company.

Impact due to Economic Conditions

The Company's financial results for fiscal 2010 and future periods are subject to numerous uncertainties, due to the current economic situation and due to the Alberta resourced based economic fluctuations. At present, the outlook for the retailing industry remains uncertain given the potential risk in inflation and increasing interest rates, and could result in a challenging operating environment. Inflation and interest rates could impact disposable income and reduce spending in this sector. Additionally, further unforeseen events, such as a protracted period of recession, changes in resource sector activities, further weakness or deterioration in the retail sector and in consumer confidence, or a combination of these or other factors, may further affect fiscal 2010 and future operating results and cash flows negatively.

Market Volatility and Unpredictable Share Price

The underlying value of the Company's business may not always be reflected in the share price. Nor can such trading price be predicted accurately. The share price could be influenced by a number of other factors including but not limited to general market conditions, quarterly operating results, interest rates, availability of credit, a thin trading market, overall industry outlook, investor confidence, and others.

Impact from Provincial Tax Increases

On April 8, 2009 the Alberta Government increased taxes on all alcohol-based products, subsequently the Government rescinded this tax increase. Tax changes have an affect on sales earnings and results of operations as higher prices could impact consumer demand or behaviors. Going forward, the risk remains that the Government could increase tax on alcohol-based products.

Regulated Competitive Environment

The primary focus of the Company has been in rural markets, thus most of its competitors are local single store operators. Competition in these markets focus on product offering, location, and service.

Privatization of retail distribution in Alberta is highly competitive. In Alberta, the Company competes with other local single store operators, local and regional chain operators, and liquor stores associated with national grocery store chains. The current regulatory regime in Alberta has attempted to create a level playing field for operators. Any change in this regulatory regime could adversely affect the Company's business and operations.

Regulatory decisions by the Alberta Gaming and Liquor Commission ("ALGC"), can impact the operations of the Company. All liquor stores are currently operated pursuant to licenses issued by the AGLC, which must be re-applied for annually. The AGLC has discretion in the granting or revocation of a license to operate a liquor store.

The Company will also evaluate opportunities to enter into other Provincial markets. However, there is no assurance that the Company will be able to obtain all permits, licenses and other regulatory approvals necessary to be able to enter the market in the event that such an opportunity becomes available. Moreover, even if the Company is successful in entering the market, there is no assurance that the regulatory environment will not change in ways that could adversely affect the operations and financial results of the Company or its ability to participate in other provincial markets.

New entrants into local markets can affect the Company. Liquor stores in urban centers are subject to by-law restrictions limiting relocation opportunities. Rural communities where the Company primarily operates do not generally have these restrictions.

Acquisition Growth Strategy and Development Risks

Acquisitions have been and will continue to be a key part of the Company's growth strategy. The Company expects to continue to selectively seek strategic acquisitions in Alberta and will evaluate acquisition opportunities in other provinces. Growth will be a factor of the number of available acquisition targets, the Company's resources and the Company's ability to obtain financing.

Future acquisitions could result in the incurrence of additional debt, costs, and contingent liabilities. The Company may also incur costs for and divert management attention to potential acquisitions that are never consummated. For acquisitions that are consummated, expected synergies may not materialize. The Company's failure to effectively address any of these issues could adversely affect its results of operations, financial condition and ability to service debt.

Additional risks associated with acquisitions may include:

- operational integrations,
- human resources,
- compliance with policies and procedures,
- retention of employees,
- conversion of IT systems,
- market intelligence,
- business efficiencies,

- possession and leasehold interest,
- administration capacity,
- liabilities from purchases of businesses and/or assets.

The development of new stores bears many of the same risks as acquisitions and includes costs to complete and possible project delays.

Additional risks associated with development of new stores may include:

- contractual risks,
- construction overruns,
- compliance with municipal regulations
- compliance with lease
- project delays
- receipt of required permits

The Company performs intensive due diligence and computer modeling of each potential acquisition or new store development. Our objective is to identify business targets that are easily converted to our business model. Management works with all parties involved to ensure that the risks above are mitigated where possible. The Company has an experienced acquisition and development team that includes internal and external advisors.

Reliance on Key Personnel

The continued success of the business of the Company will depend upon the abilities, experience and personal efforts of senior management of the Company, including their ability to attract and retain skilled employees. The loss of the services of such key personnel could have an adverse effect on the business, financial condition and future prospects of the Company.

Importance of Inventory, and Enterprise Fulfillment Centre ("EFC")

The Company's integrated inventory, and distribution systems are important to the enhancement of operations. If the Company is unable to maintain its own inventory and distribution systems or fails to adequately upgrade these systems, the Company's margins could be affected by limiting the selection of product and deep discounts available. The Company has the ability to mitigate this risk through conventional methods by using existing delivery system through ALCG. The Company's point of purchase system is capable of operating the supply chain through internal or external sources.

Labour Costs and Labour Market

The Company's business depends on a large number of both hourly and salaried employees. Changes in the general conditions of the employment market could affect the ability of the Company to hire or retain staff at current wage levels. On April 1, 2009 the minimum wage in Alberta increased by 4.8% placing upward pressures on labour costs for retailers. With some improvement in economic conditions, risks could increase with reduced labour availability.

Supply Interruption or Delay

Alcohol based products are distributed through Connect Logistics Services Inc. and Brewers Distributor Ltd. Any significant disruption in the supply chain for either of these businesses could result in a material adverse effect on the operations of the Company.

The Company's EFC distribution system is capable of supplying the Company's stores with inventory product, which would lessen the impact from any disruption.

Credit Facility and Financial Instrument Covenants

The Company has terms and conditions which must remain in compliance under its credit facilities and Convertible Debenture.

The failure to comply with the terms of the Credit Facilities and convertible debenture would entitle the secured lenders to prevent the Company from further borrowing, or accelerate repayment.

NON-GAAP MEASURES

References to "EBITDA" are to earnings before interest, income taxes, depreciation and amortization. Management believes that, in addition to income or loss, EBITDA is a useful supplemental measure of performance.

Operating margin for purposes of disclosure under "Operating Results" has been derived by adding interest expense, amortization of property and equipment, and non-cash loss on interest rate swap to income before taxes. Operating margin as a percentage of sales is calculated by dividing operating margin by sales. Operating margin before non-recurring items has been derived by adding non-recurring items to operating margin as described above. Operating Margin is calculated as outlined in the following table:

Period	**12 months ending Dec 2009**	**5 months ending Dec 2008**
(Expressed in CDN $)	**$**	**$**
Net income	803,536	504,904
Income tax	390,802	-109,350
Interest	458,688	125,590
Amortization	538,282	172,282
Gain on Interest Rate swap	-85,780	-
Operating Margin	2,105,528	693,426

Operating margin, operating margin as a percentage of sales, and EBITDA are not measures recognized by GAAP and do not have a standardized meaning prescribed by GAAP. Investors are cautioned that operating margin, operating margin as a percentage of sales, and EBITDA should not replace net income or loss (as determined in accordance with GAAP) as an indicator of the Company's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Company's method of calculating operating margin, operating margin as a percentage of sales, and EBITDA may differ from the methods used by other issuers. Therefore, the Company's operating margin, operating margin as a percentage of sales, and EBITDA may not be comparable to similar measures presented by other issuers.