Ticker: "RUM"

HUMBER CAPITAL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MAY 28, 2009

HUMBER CAPITAL CORPORATION

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This management discussion and analysis is dated May 28, 2009.

The following is a discussion of the consolidated financial condition and operations of Humber Capital Corporation (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 unaudited consolidated financial statements and accompanying notes of the Company for the 3 months ended March 31, 2009. The Company’s sole investment is in Anderson’s Liquor Inc. The Company owns 100% of Andersons Liquor Inc. ("Andersons") headquartered in Edmonton Alberta, which owns and operates private liquor stores in that province.

The Company’s unaudited 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) lower first quarter results, yet higher second quarter results due to Easter falling in the second quarter for fiscal 2009 as well as leap year impact, (vii) one-time impact from repricing of inventory from April 2009 tax increase and (viii) 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; and (xiii) the impact of weather on its affect on consumer demand.

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 FIRST QUARTER

During the three-month period ended March 31, 2009, as part of its growth strategy, the Company opened a new store in Rocky Mountain house. The Company also completed five store acquisitions from two vendors, bringing total new and acquired stores subsequent to year-end to six, for a total of 25 stores.

Tracey Bean joined the Company to take the role of Chief Financial Officer. Thereafter the Company entered into two swap transactions to hedge interest rate risk on its debt with a Canadian Chartered financial institution. To finance a portion of the acquisitions, a convertible debenture in the amount of $809,140 was completed on March 16, 2009.

RECENT DEVELOPMENTS SINCE PERIOD ENDED MARCH 31, 2009

- On May 8, 2009, the Company announced that it had more than doubled its financing with the Toronto-Dominion Bank.
- On May 19, 2009, Humber announced that its first Annual and Special Meeting would be held in Corner Brook, Newfoundland and Labrador on June 15, 2009.

OUTLOOK

Management's outlook for 2009 revenue continues to be influenced by higher liquor prices combined with the impacts of the recession on the Alberta economy. First quarter results are impacted by the shift of the high volume Easter weekend to the second quarter in 2009. In addition there was one less selling day in February since 2008 was a leap year.

While both sales and margins for second quarter are still expected to be strong, the impact of shifting consumer choices may have longer-term impacts. We are noticing a shift in demand not only intra category but also cross category down shifting. As demand shifts away from some products into others, our product offerings will shift. Due to changes in buying patterns, management will be evaluating our current product offering to determine the optimal mix of products for consumers.

On April 7, 2009 the Alberta Government substantially increased the tax on all alcohol-based products including beer. Price adjustments following the provincial tax increase will provide temporary increases in margin. Normalized margins however are under pressure from shifts in consumer buying behaviour as a result of the combination of the price increase and cautious consumer buying behaviours, which we believe are related to the recession.

Management continues to focus it growth strategy mainly on acquisitions and new store development in Alberta. We are also studying opportunities in British Columbia and other Canadian provinces. We have in place availability of $8.5 million on our $15 million senior secured revolver and are encouraged by the rebounding equity markets. The company has the financial position to facilitate further growth. During the periods between acquisitions the Company intends to utilize its available funds for investment buys in inventory.

Management will continue its investment in scalable informational technologies to improve and advance analytics capacity needed to facilitate growth and operations.

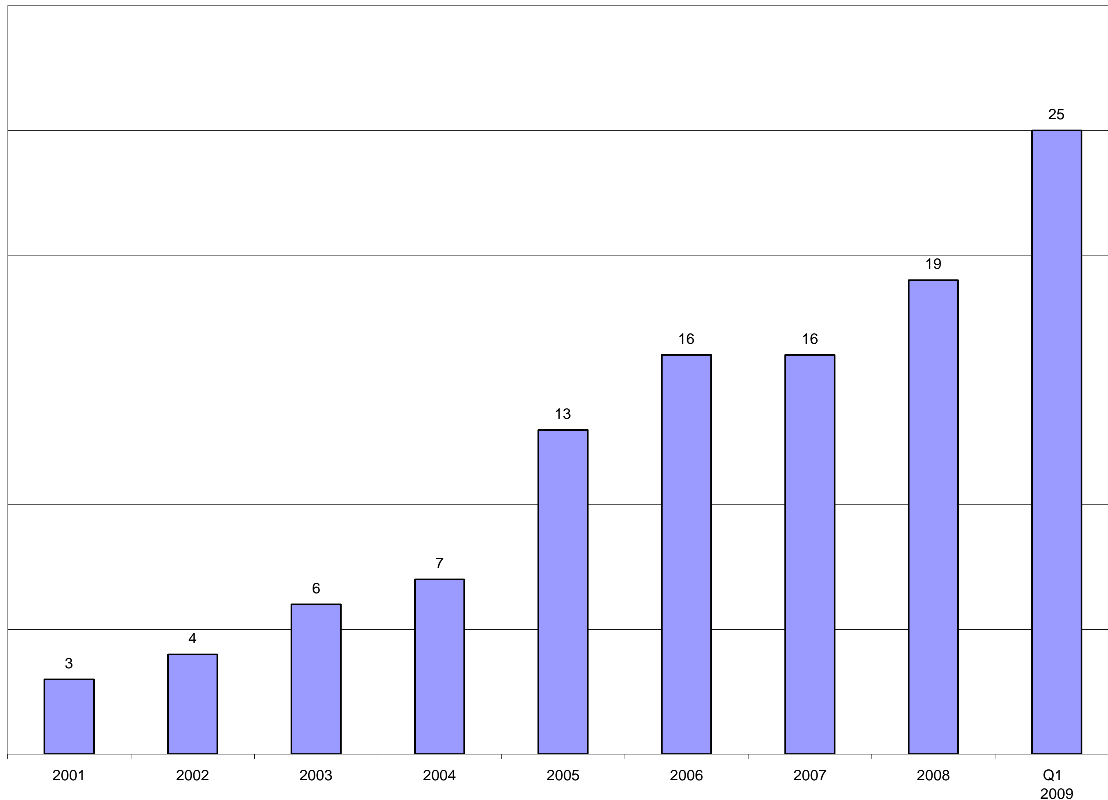
OVERVIEW OF HUMBER CAPITAL CORPORATION

The Company is an incorporated company established 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 Anderson's Liquor Inc. Humber owns 100% of Andersons 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 March 31, 2009 Humber operated and owned 25 stores.

Number of Retail Liquor Stores

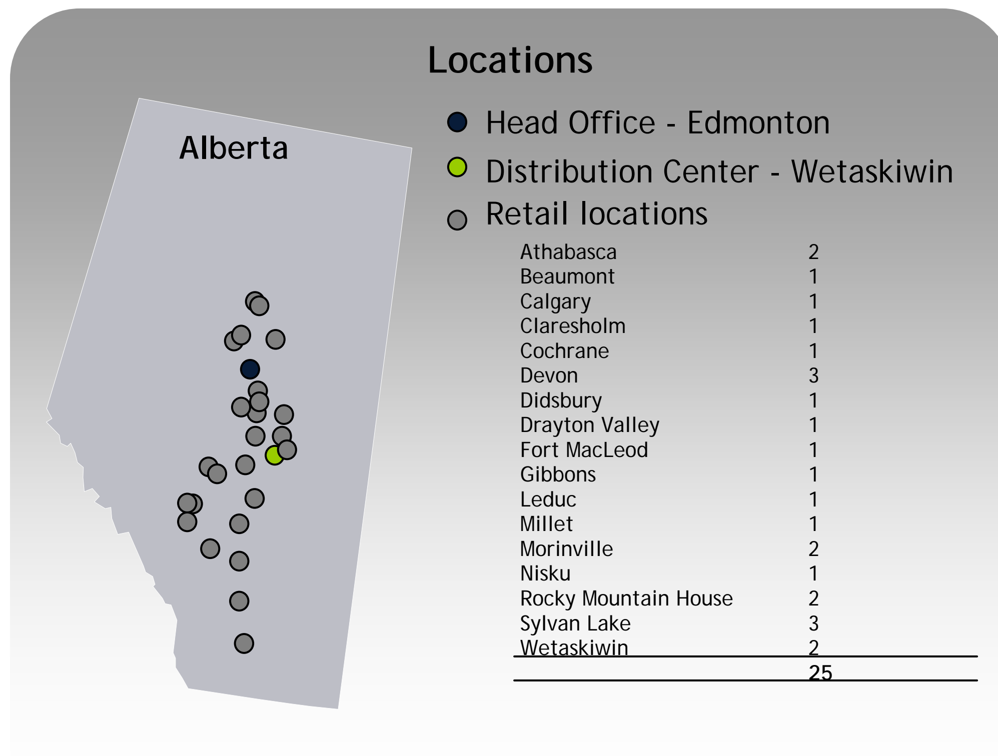


- Anderson's acquired an additional liquor store in 2007 but also consolidated two existing stores in Nisku, Alberta. As a result, the total number of retail liquor stores remained consistent from 2006 to 2007 despite the 2007 acquisition.

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 25 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].

Humber operates 5 stores in Northern Alberta, 15 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 will explore 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 Company's warehousing capability, management will continue to focus on product differentiation by providing more product choices. Through the use of management information systems, Anderson's 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 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.

Financing

The Company has financed the company's 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

Basis of Comparison

As per disclosure requirements we have included the 3 months ended April 30, 2008 from Andersons. This quarterly information does not include January, and given the seasonal impact it is not possible to find an exact comparison. 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 that given the rapid expansion of the Company that historical performance of the Company 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 3-month period ending March 31, 2009 as compared to Andersons Liquor Inc. 3 months ending April 30, 2008.

	Humber Capital Corporation		**Anderson's Liquor Inc.**	
Period	**3 months ending Mar 2009**		**3 months ending Apr 2008**	
(Expressed in Canadian dollars)	**$**	**%**	**$**	**%**
Sales (1)	4,828,653	100.00%	3,595,606	100.00%
Gross margin	1,124,728	23.30%	857,246	23.80%
Operating and administrative expense	1,009,222	20.90%	697,948	19.41%
Operating Margin (2)	101,184	2.10%	140,099	3.90%
Non-recurring Items (3)	14,322	0.29%	19,199	0.53%
Operating Margin before non-Recurring Items (3)	115,506	2.39%	159,298	4.43%
Stores at Period End (1)	25		16	

Notes:
(1) *The results for Mar 31, 2009 includes operations for 25 stores, however 6 stores were integrated into operations on varying dates in February and March and thus do not represent a full quarter 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 3-month period ended March 31, 2008 were $4.8 million. During the period the Company acquired five new stores in February and March and developed a new store in Rocky Mountain House. As a result this quarter does not include a full quarter from the operation of the 25 stores.

The first quarter does not include the higher volume Easter long weekend as this has been shifted into the second quarter.

Cost of Goods Sold and Gross Margin

The new stores, which were integrated in February and March, had pricing levels at lower margins. This has had a small impact on margins at 23.3%, however will improve given pricing has since been increased in these stores.

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 3-month period ended March 31, 2008 were $1.01 million.

Operating Margin and Operating Margin before Non Recurring Items

Operating margin was 2.10% or $0.10 million for the 3 months ending March 31, 2009. Operating margin before non-recurring items was 2.39% or $0.12 million for the 3 months ending March 31, 2009.

This is the weakest quarter of operations since it includes the three slowest months, January, February and March.

The key reason for the lower net income was the non-cash impact from the loss on the interest rate swap. It is important to note that this loss will not occur if the swap is held to maturity. Moreover since interest rate trends are strengthening the value of the swap is increasing, as at May 25, 2009, the swap is out-the-money by $14,491 as compared to $167,299, which is a $152,808 improvement since March 31, 2009.

LIQUIDY AND CAPITAL RESOURCES AS OF May 28, 2009

Shareholders' Equity

Authorized: Unlimited number of common shares

Issued and outstanding: 50,481,857 common shares

Warrants

The following tables summarize information about warrants outstanding:

Expiry date – quarter ended	Exercise price $	Number of warrants outstanding – March 31, 2009	Number of warrants exercisable – March 31, 2009
December 1, 2010	0.315	7,980,000	798,000 *
Outstanding, end of period		**7,980,000**	**798,000 ***

- The warrants are subject to escrow; as of March 31, 2009 10% of the warrants were exercisable.

	Number of warrants
Outstanding, March 31, 2009	7,980,000
Granted	-
Exercised on May 15, 2009	(100,000)
Expired	-
Outstanding, May 28, 2009	**7,880,000**

Options

The following tables summarize information about options outstanding:

Expiry Date	Participant	Exercise price $	Number of options outstanding – March 31, 2009	Number of options exercisable – March 31, 2009
April 15, 2010	Agent's Options	0.20	637,500	637,500
April 21, 2013	Stock Option Plan (Directors)	0.20	1,250,000	1,250,000
Outstanding, end of period			**1,887,500**	**1,887,500**

	Number of options
Outstanding, March 31, 2009	1,887,500
Granted, May 15, 2009	300,000
Exercised, April 16, 2009	(51,200)
Exercised, May 15, 2009	(357,137)
Expired	-
Outstanding, May 28, 2009	**1,779,163**

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 March 31, 2009 the Company had an available $2 million operating line with a $500,000 seasonal bulge and a $4.8 million term loan. The Company also has a $9.995 million investment

line of credit, which is unused and is available to purchase the equivalent amount of short-term banker's acceptance investments.

As of March 31, 2009, there was $1.9 million outstanding on the operating line and bulge; however it is noted that the Company had $0.3 million in cash on hand, excluding the banker's acceptance investments as noted above. The term loan facility was fully drawn at $4.6 million.

New Bank Financing: Subsequent to March 31, 2009, the Company amended the existing letter agreement for bank financing to change and increase the uncommitted operating line to a 364 day committed facility from $2,000,000 to $5,000,000. The Company also amended the term loan to become a 364 day committed extendible revolver with a 2-year term out provision instead of a straight-line repayment. This loan has been increased to $10,000,000. This increased financing provides more than $8.5 million in capital, which is available for investments and acquisitions.

The Company's indebtedness is subject to a number of external covenants, but none are capital related. Under the terms of the Anderson's credit facility, the following ratios are monitored: adjusted debt to EBITDA, and fixed coverage ratio. For the 3 months ended March 31, 2009, Andersons continues to be in compliance with all covenants.

Capital Expenditures

During the 3 months ended March 31, 2009, the Company acquired 5 stores and opened 1 store in Alberta. All acquisitions/openings were funded with existing credit facilities, funds from the private placement, and a convertible debenture with one of the vendors.

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 Anderson's 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 represent approximately 5% of the Company's sales. 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 3 months ended March 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.

As a further 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. These hedges mature February 12, 2014 and are subject to re-pricing of credit risk. As of May 28, 2009 this represents 37% of Anderson's available credit facilities.

OFF BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements as at March 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, 2008. 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. The Company applied the section for the year ending December 31, 2008; therefore no prior period adjustment has been required. All pre-opening costs relating to the acquisition of stores are currently being expensed as incurred.

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, 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.

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 is currently evaluating the impact on its financial position and results of operations adopting these standards will have.

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 are 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.

FINANCIAL INSTRUMENTS

For the Company, fair value is equal to 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, wages payable and due to (from) shareholders the carrying value approximates fair value due to the short-term nature of the instruments.

Bank indebtedness and long term debt have fair values higher than their carrying value due to the mark to market valuation of the interest rate swap.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Mar 31, 2009	Dec 31, 2008
Byrne Alberta Ltd.	**$ 1,042**	$ 928
1342744 Alberta Ltd.	**-**	11,265
	$ 1,042	$ 12,193

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 period the Company received amounts of $ nil (5 months ended December 2008 - $35,000), and paid expenses on behalf of Byrne Alberta Ltd. in the amount of $114 (5 months ended December 2008 - $10,107). The Company paid rents of $3,600 (5 months ended December 2008 - $6000) to Byrne Alberta in respect of a retail liquor store. The rent is at market value.

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

An amount of $244,054 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.

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 3 months ended March 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 March 31, 2009. Management has concluded that the Company’s financial statements fairly present the Company’s consolidated financial position and consolidated results of operations as of and for the 3 months ended March 31, 2009.

RISK FACTORS

The Company’s results of operations, business prospects, financial condition, and the trading price of the Shares are subject to a number of risks. These risk factors include: risks relating to available financing; impact due to weaker economy; market volatility and unpredictable share price; impact from tax increases; regulated competitive environment; acquisition growth strategy and development risks; reliance on key personnel; importance of inventory and EFC distribution systems; labour costs and labour market; supply interruption or delay; and credit facility and financial instrument covenants.

For a discussion of these risks and other risks associated with an investment in Shares, see “Risk Factors” detailed in the Company’s Management Discussion and Analysis dated April 30, 2009, which is available at www.sedar.com.

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	**3 months ending Mar 2009**	**3 months ending Apr 2008**
(Expressed in Canadian dollars)	**$**	**$**
Net income	(222,039)	1,665
Income tax	(67,083)	-
Interest Expense	104,868	38,875
Amortization	118,139	99,559
Loss on Interest Rate swap	167,299	-
Operating Margin	101,184	140,099

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.