EAGLE I CAPITAL CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)
(Unaudited, prepared by Management)

February 28, 2011

NOTICE TO READER

These unaudited interim consolidated financial statements for the period ended February 28, 2011 have not been reviewed by our auditors, Davidson & Company LLP. They have been prepared by Eagle I Capital Corporation's management in accordance with accounting principles generally accepted in Canada, consistent with the previous period. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2010.

EAGLE I CAPITAL CORPORATION
Consolidated Balance Sheets
(Expressed in Canadian dollars)
As at

	February 28, 2011	May 31, 2010
ASSETS		
Current		
Cash	$ 13,371	$ 6,761
Receivables	166,367	1,495
Inventories	134,876	-
Slotting	10,299	-
Loan Receivable (Note 8)	151,193	-
Total current assets	476,106	8,256
Advances to Miguel's Products LLC (Note 3)	-	311,646
Goodwill (Note 3)	1,408,395	-
Intangible assets (Note 3)	796,254	-
	$ 2,680,755	$ 319,902
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 836,994	$ 193,783
Loan Payable (Note 6)	97,710	-
Current portion of Promissory Notes (Note 6)	96,352	-
Total current liabilities	1,031,056	193,783
Promissory notes payable (Note 6)	761,910	-
Shareholders' equity		
Capital stock (Note 7)	1,756,127	659,782
Contributed surplus (Note 7)	108,300	90,000
Deficit	(976,638)	(623,663)
	887,789	126,119
	$ 2,680,755	$ 319,902

Nature of operations and ability to continue as a going concern – (Note 1)

Approved on behalf of the board of directors:

"*Barry Atkins*"
Barry Atkins

"*Bob Rosko*"
Bob Rosko

The accompanying notes are an integral part of these interim consolidated financial statements.

EAGLE I CAPITAL CORPORATION
Consolidated Statements of Loss, Comprehensive Loss and Deficit
(Expressed in Canadian dollars)
For the

	Three months ended February 28, 2011	Three months ended February 28, 2010	Nine months ended February 28, 2011	Nine months ended February 28, 2010
Sales	$ 900,409	-	$ 1,615,772	$ -
Costs of sales	738,086	-	1,333,758	-
Gross margin	162,323	-	282,014	-
Selling, General and Administrative Expenses				
Accounting and audit fees	39,865	2,394	48,825	8,685
Advertising and promotion	15,797	-	34,083	-
Bank charges	86	75	281	338
Consulting fees	103,838	-	176,946	-
Corporate administrative and secretarial	875	625	4,125	8,160
General production expenses	42,713	-	63,263	-
Investors relationships	7,000	-	7,000	-
Legal	3,931	7,772	28,190	9,756
Management fees	49,860	-	63,107	-
Meals and entertainment	1,699	1,958	4,096	4,021
Office and miscellaneous	7,838	3,939	14,857	13,386
Registration and filing fees	-	-	715	2,569
Telephone	1,211	-	3,437	-
Travel	19,407	3,604	40,874	20,628
Transaction costs (Note 2)	-	12,731	158,763	217,057
Transfer agent fees	9,747	5,998	22,410	23,268
	(141,544)	(39,096)	(388,958)	(307,868)
Loss before other items				
Other income (expense)				
Foreign exchange gain (loss)	42,907	(2,958)	46,742	(25,428)
Interest income	-	2,604	-	13,213
Interest expenses	7,638	-	10,759	-
Loss and comprehensive loss for the period	(106,275)	(39,450)	(352,975)	(320,083)
Deficit, beginning of the period	(870,363)	(464,162)	(623,663)	(183,529)
Deficit, end of the period	$ (976,638)	$ (503,612)	$ (976,638)	$ (503,612)
Basic and diluted loss per common share (Note 2)	$ (0.02)	$ (0.02)	$ (0.08)	$ (0.15)
Weighted average number of common shares outstanding (Note 7)	5,374,754	2,200,000	4,304,874	2,200,000

The accompanying notes are an integral part of these interim consolidated financial statements.

EAGLE I CAPITAL CORPORATION
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
For the

	Three months ended February 28, 2011	Three months ended February 28, 2010	Nine months ended February 28 2011	Nine months ended February 28 2010
Cash flows used in operating activities				
Loss for the period	$ (107,121)	$ (39,450)	$ (352,975)	$ (320,083)
Items not involving cash				
Unrealized foreign exchange loss	-	12,258	-	25,221
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities	225,194	26,778	(44,577)	88,641
Due to related party	-	-	-	(1,135)
Inventories	(45,735)	-	(31,132)	-
Receivables	9,996	(10,314)	1,307	(10,792)
Prepaid expenses and deposits	6,633	(5,254)	-	(16,058)
Net cash used in operating activities	88,967	(15,982)	(427,376)	(234,206)
Cash flows from financing activities				
Proceeds from shares issued	-	-	714,645	-
Repayment of Promissory note	(98,880)	-	(161,586)	-
Net cash from (used) in financing activities	(98,880)	-	553,059	-
Cash flows used in investing activities				
(Repayment of) advances to Miguel's Products LLC	-	-	23,729	(178,326)
Cash acquired upon acquisition of Miguel's assets	-	-	8,391	-
Loans to related party	(29,081)	-	(151,193)	-
Net cash used in investing activities	(29,081)	-	(119,073)	(178,326)
Increase (decrease) in cash	(38,994)	(15,982)	6,610	(412,532)
Cash, beginning of the period	52,365	46,599	6,761	443,149
Cash, end of the period	$ 13,371	$ 30,617	$ 13,371	$ 30,617
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	$ -	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -	$ -

Supplement disclosure with respect to cash flow (Note 10)

The accompanying notes are an integral part of these interim consolidated financial statements.

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Eagle I Capital Corporation ("Eagle I") was incorporated on October 23, 2007 under Business Corporations Act of British Columbia. On June 5, 2009, Eagle I incorporated a wholly-owned subsidiary Eagle Acquisition, Inc. ("Eagle Subco") a Delaware corporation. Eagle I and its subsidiary are collectively referred to as the "Company".

In October 2008, the Company filed a prospectus with the British Columbia and Alberta Securities Commissions offering 1,500,000 common shares at $0.20 per share as an initial public offering (the "IPO"). In January 2009, the Company received conditional listing approval from the TSX Venture Exchange (the "Exchange") and closed IPO for gross proceeds of $300,000.

The Company began trading its shares on the Exchange on January 14, 2009 under the trading symbol "EIC.P". The symbol was changed to "EIC" on September 30, 2010 after completion of the qualifying transaction, as described below.

On September 30, 2010, Eagle I acquired through Eagle Subco certain operating assets formerly owned by Miguel's Product, LLC ("Miguel's"), consisting of trademarks, trade names, recipes, formula and related intellectual property ("Miguel's Operating Assets") from WWS Holdings, LLC (the "Vendor"), pursuant to the terms and conditions of a trademark and intellectual property licence agreement dated September 1, 2010 (the "Licence Agreement"). The acquisition of Miguel's Operating Assets constituted the Company's qualifying transaction under the policies of the Exchange. (Note 3)

Currently the Company's business is marketing of all natural and organic tortilla chips, salsa and other snack products under the Miguel's Stowe Away brand name through Eagle Subco. The Company also markets tortilla chips to Trader Joe's, a specialty food retailer with 475 stores in the United States.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

At February 28, 2011, the Company has a working capital deficiency of $552,056 and accumulated deficit of $977,484. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain financing. Management is continuing to address the need to increase revenue, control costs, and obtain working capital and financing. As the outcome of management's actions depending on future events, there is no certainty that management will be able to successfully resolve these issues. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. These consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company has significant economic dependence on one major customer, Trader Joe's. This customer represents approximately 62% of the Company's revenues Loss of this customers business would materially adversely affect the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included. Operating results for the nine month period ending February 28, 2011 are not necessarily indicative of the results that may be expected for the year ended May 31, 2011.

Principles of Consolidation

These interim consolidated financial statements include the accounts of Eagle I and its wholly owned subsidiary Eagle (collectively the "Company"). All intercompany transactions and accounts have been eliminated upon consolidation. Except where indicated, all amounts are expressed in Canadian dollars.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates. These consolidated financial statements, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting principles summarized below.

Receivables

Receivables are recorded at face value less any provisions for uncollectible accounts considered necessary. Balance of uncollectable accounts does not represent a material amount and is less than $1,000 for the period.

Inventories

Inventory consists of snack products and packaging supplies. Finished goods are stated at the lower of average cost and net realizable value. Other inventories are stated at the lower of cost and replacement cost which is not in excess of net realizable value. Cost is determined on the first-in, first-out basis.

Slotting

Slotting consists of fees charged by retailers in order to have the Company's product placed on the retailers' shelves. Slotting fees are amortized on a straight-line basis over the period for which slotting fees relate.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd …)

Intangible assets

Intangible assets are comprised of Miguel's Trademarks and Intellectual Property in connection with the production, promotion, marketing and the sale of Miguel's food products. Intangible assets with an indefinite service life are accounted for at cost and are not amortized. Intangible assets with an indefinite service life are tested for impairment annually or when indicated by events or changes in circumstances.

Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is tested for impairment annually or when indicated by events or changes in circumstances by comparing the fair value of a particular reporting unit to its carrying value. When the carrying value exceeds its fair value, the fair value of the reporting unit's goodwill is compared with its carrying value to measure any impairment loss. The Company determined that there were no events or circumstances that more likely than not reduce the fair value of the carrying amount for goodwill as at February 28, 2011 and therefore has not undertaken an interim impairment test for goodwill.

Revenue recognition

The Company recognizes revenue from the sale of products when the products are delivered amounts are known and collection is reasonably assured.

Future income taxes

The Company follows the liability method of accounting for income taxes in accordance with the recommendations of the Canadian Institute of Chartered Accountants. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax bases (temporary differences). Future income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. All derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sale normal purchase exemption and changes in their fair value are recorded in income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

The Company has classified its cash as held-for trading. Receivables and loans receivables are classified as loans and receivables. Accounts payable, accrued liabilities and promissory notes payable are classified as other financial liabilities, which are measured at amortized cost. The Company has elected to measure all derivatives and embedded derivatives at fair value due to the short-term nature of these instruments and the Company maintained its policy not to use hedge accounting.

CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The relevant disclosure is provided in Note 6.

Loss per share

Basic loss per share is calculated by dividing net loss available to the shareholders by the weighted average number of common shares outstanding during the corresponding reporting period. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculations. Diluted loss per share is calculated to reflect the dilutive effect of exercising outstanding stock options by application of the treasury stock method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred.

There is no diluted loss per share shown as all security issued are anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Stock-based compensation

The Company uses the fair value based method for measuring compensation costs. Under this method the fair value of all share purchase options granted to employees and non-employees is charged against income over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognised in contributed surplus, is recorded as an increase to capital stock.

The Company uses the Black-Scholes option valuation model to estimate the fair value of share purchase option at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Translation of foreign currencies

Eagle's I subsidiary Eagle Subco maintains its accounts in United States of America dollars. Eagle Subco is considered to be integrated foreign operations therefore its accounts are translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at period-end exchange rates. Non-monetary assets and liabilities are translated using historical rates of exchange. Revenues and expenses are translated at exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses on translation are included in the results of operations.

Changes in Accounting Policy

The Company adopted the following new standards issued by the CICA Handbook

Goodwill and Intangible Assets (Section 3064)

Section 3064, "Goodwill and Intangible Assets", which replaces the Section 3062, "Goodwill and Other Intangible Assets", provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC-27, "Revenue and Expenditures in the Pre-operating Period", will be withdrawn. This section was adopted effective June 1, 2009. The adoption of the Section had no significant impact on the Company's consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Changes in Accounting Policy (cont'd…)

Business Combinations (Section 1582), Consolidated financial statements (Section 1601), Non-controlling interests (Section 1602) Section 1582 "Business Combinations" replaces Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). It revises guidance on the determination of the carrying amount for the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, "Consolidated and Separate Financial Statements" (January 2008).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year, but all three sections must be adopted concurrently.

The Company adopted all of these three sections for the period beginning June 1, 2009. The Company has expensed $158,763 in acquisition costs in the current reporting period.

In August 2009, the AcSB issued amendments to Section 3251 "Equity", as a result of issuing Section 1602. The amendments require non-controlling interests to be recognized as a separate component of equity. The amendments apply only to entities that have adopted Section 1602.

Future accounting pronouncements

Comprehensive Revaluation of assets and Liabilities (Section 1625)

Section 1625 has been amended as a result of issuing Section 1582 "Business combinations", Section 1601 "Consolidated financial statements", and Section 1602, "Non-controlling interests" 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. Earlier adoption is permitted as of the beginning of a fiscal year.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Changes in Accounting Policy (cont'd…)

Future accounting pronouncements (cont'd…)

International financial reporting standards ("IFRS")

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory changeover date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities ("PAE's") such as the Company.

The AcSB requires that IFRS compliant financial statements be prepared for annual and interim financial statements commencing on or after January 1, 2011. For PAE's with a May 31 year-end, the first unaudited interim financial statements under IFRS will be the quarter ending August 30, 2011, with comparative financial information for the quarter ended August 30, 2010. The first audited annual financial statements will be for the year ending May 31, 2012, with comparative financial information for the year ended May 31, 2011. This also means that all the opening balance sheet adjustments relating to the adoption of IFRS must be reflected in the June 1, 2010 opening balance sheet which will be issued as part of the comparative financial information in the August 30, 2011 unaudited interim financial statements.

The Company's management has developed a project plan for the conversion to IFRS. The conversion plan is comprised of three phases:

- Scoping phase - includes the overall impact and effort required by the Company in order to transition to IFRS;

- Planning phase - includes a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; and,

- Transition phase - includes the preparation of an IFRS compliant opening balance sheet as at June 1, 2011, comparative balance sheet as at June 1, 2010, any necessary conversion adjustments and reconciliations, preparation of a fully compliant pro forma financial statements including all note disclosures and disclosures required for the MD&A.

Management has completed phase one, and is now progressing through phase two and three. Management prepared a component evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position. Management is working towards policy choices by the fourth quarter of 2011.

The following IFRS standards are expected to have the most significant impact:

- IFRS 1 – First-time adoption of IFRS
- IAS 34 – Interim Financial Reporting
- IFRS 2 – Share Based Payments
- IAS 36 – Impairment of Assets

2. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

International financial reporting standards ("IFRS") (cont'd…)

IFRS 1, "First-Time Adoption of International Financial Reporting Standards".

Under IFRS most adjustments made on transition to IFRS must made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time. IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. During the fourth quarter of 2011, management will prepare a presentation to the Audit Committee and the Board of Directors which will focus on the key issues and transitional choices under IFRS 1 applicable to the Company.

IFRS 2, "Share-Based Payments"

IFRS and Canadian GAAP largely converge on the accounting treatment for share – based transactions with only a few differences. Canadian GAAP allows either accelerated or straight line method of amortization for the fair value of stock options under graded vesting. IFRS 2, on the other hand, allows only the accelerated method. Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. Currently, all Company's stock options are vested immediately on a grant date.

IAS 36, "Impairment of Assets"

Under IFRS assets are grouped in cash generating units (CGUs) on the basis of independent cash inflows for impairment testing purposes, using a discounted cash flow method (DCF) in a single-step approach. Goodwill allocated to and tested in conjunction with its related CGU or group of CGUs that benefit from collective synergies.

The other one of the significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements.

The AcSB has ongoing projects and intends to issue new accounting standards. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

Based on management assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

(Expressed in Canadian dollars)

3. ACQUISITION OF MIGUEL'S PRODUCTS, LLC

Effective September 30, 2010, the Company, through its wholly owned subsidiary, acquired certain operating assets formerly owned by Miguel's Products, LLC, consisting of trademarks, trade names, recipes, formula and related intellectual property (collectively, the "Miguel's Operating Assets") pursuant to the terms and conditions of a trademark and intellectual property license agreement as of September 1, 2010. Consideration for the acquisition is as follows:

	C$
Advances to Miguel's Products, LLC	$ 287,917
Promissory note payable (US$ 472,013)	485,890
1,600,000 common shares of the Company	400,000
	$1,173,807

The outstanding loan of US$285,000, plus interest of US$16,500, was allocated as additional consideration paid for the acquisition of the Miguel's Assets because the Company acquired assets in addition to the assets held by the Vendor. The assets acquired by conversion of the US$285,000 loan included the corporate name, web site domains, web site content and new product designs, recipes and packaging.

The total consideration of $1,173,807 was allocated as follows:

Cash	$ 8,391
Accounts Receivable	166,179
Inventory	103,192
Slotting	10,851
Intangible Assets	796,254
Goodwill	1,391,738
Accounts Payable	(763,132)
Promissory Note Payable	(539,666)
	$1,173,807

In the quarter ended February 28, 2011 amount of C$310,364 (US$301,500) was reclassified from Goodwill to Intangible assets to more accurately reflect the asset classification for the assets purchased in the Miguel's transaction.

The operations of Miguel's are included in the consolidated statement of loss from September 30, 2010, the effective date of the acquisition. The consolidated statement of operations for the period ended February 28, 2011, does not include the results of operations of Miguel's for the period June 1, 2010 to September 30, 2010.

4. CAPITAL MANAGEMENT

The Company's objectives in managing capital are:

- to ensure sufficient liquidity to enable the internal financing of capital projects;
- to ultimately develop a strong capital base to increase investor, creditor and market confidence; and
- to ultimately provide an adequate return to shareholders.

The Company's capital is composed of cash and related party loan receivable. The Company's primary use of capital is to finance its operations.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company does not have any externally or internally imposed capital requirements.

Management regularly reviews its capital management approach and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended February 28, 2011. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

Fair value

The Company's financial instruments at February 28, 2011, consist of cash, accounts receivable, loan receivable, accounts payable and accrued liabilities, and promissory notes payable. The fair value of the Company's receivables, loan receivables, accounts payable, and accrued liabilities and promissory notes payable approximate carrying value, which is the amount recorded on the consolidated balance sheets. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance due to the nature of its customers and historical payment trends.The allowance for uncollectible accounts and past due receivables are reviewed by management at each balance sheet reporting date. The Company updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of accounts receivable balances of each customer taking into account historic collection trends, the contractual relationship with the customer and the nature of the customer. Management believes that the risk associated with concentrations of credit risk with respect to accounts receivable is limited due to the nature of the customers and historical payment trends.

(Expressed in Canadian dollars)

5. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (cont'd…)

The aging of the Company's receivables are:

	February 28, 2011	November 30, 2010
Current	$157,230	$168,276
Past due amounts 60 days	$ 2,119	$ 11,462
More than 60 days	$ 10,270	$ 11,024

Also the Company's credit risk arises with respect to the loan receivable. Loan and interest are payable on demand. Interest is 3% per annum. As at February 28, 2011 outstanding balance of loan receivable is $151,193 (US$154,736)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2011, the Company had cash balance of $13,371 to settle current liabilities of $1,029,056. The Company expects to fund these and future liabilities through use of the Company's cash balance and the issuance of capital stock over the coming period.

The Company's accounts payable and accrued liabilities are due within one year. The Company has long-term debt on a total amount of $746,099 as of February 28, 2011 (note 7).

The Company manages liquidity risk by continuously monitoring actual cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

The Company is exposed to liquidity risk as a result of its economic dependence on revenues coming from one major customer, as outlined in note 1.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. As at February 28, 2011 the Company has four promissory notes payable: two promissory notes with an outstanding balance of US$328,697 with annual interest rate of 4% on the unpaid principal balance. A Promissory note with an outstanding balance of US$100,000 to a third-party, bearing interest at 10% per annum with a term of 60 days. Two non-interest bearing notes for $533,498 and is payable on a quarterly basis from net operating profits related to the Miguel's Operating Assets. As the interest rates are fixed, the Company does not believe it is subject to interest rate risk. (Note 7)

5. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (cont'd…)

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, loans receivable, accounts payable and accrued liabilities and promissory notes payable that are denominated in US Dollars (US$).

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

6. PROMISSORY NOTES PAYABALE AND LOAN PAYABLE (EXPRESSED IN US$)

	February 28, 2011
Due to a vendor of the Company, non-interest bearing and is payable on a quarterly basis from net operating profits related to the Miguel's Operating Assets. Net operating profits are calculated in accordance with terms stipulated in the agreement.	$ 337,326
Due to a vendor of the Company, non-interest bearing and is payable on a quarterly basis from net operating profits related to the Miguel's Operating Assets. Net operating profits is defined and are calculated in accordance with terms stipulated in the agreement.	197,673
Due to the Vendor of Miguel's Operating Assets, being interest at a rate of 4% per annum, maturing on October 1, 2012, payable in monthly installments of $US 25,000 until September 1, 2012, with a final payment on October 1, 2012 of $US 22,932 (including all accrued interest).	318,238
Due to a third-party, being interest at a rate of 10% per annum, maturing on May 25, 2011, payable in a single payment	100,000
Due to the Vendor of Miguel's Operating Assets, being interest at a rate of 4% per annum, maturing on September 1, 2011, payable in monthly installments of $US 7,500 until August 1, 2011, with a final payment on September 1, 2011 of $US 12,447 (including all accrued interest).	25,139
	978,376
Less current portion	(98,611)
	$ 879,765

(Expressed in Canadian dollars)

7. CAPITAL STOCK

	Number of Shares		Amount		Contributed surplus
Authorized Unlimited common shares, without par value					
As at May 31 2010	5,000,000	$	659,782	$	90,000
Issued on private placement	3,215,500		803,875		-
Issued on Miguel's acquisition	1,600,000		400,000		-
Issued as Agent's fee	150,000		37,500		-
Agent's warrants (fair value)			(18,300)		-
Share issue costs			(126,730)		18,300
As at February 28, 2011	9,965,500	$	1,756,127	$	108,300

In September 2010, the Company closed a private placement and issued 3,215,500 units with a price $0.25 per unit for gross proceeds of $803,875. Each unit consists of one common share of the Company and one-half common share purchase warrant exercisable at $0.35. Each full warrant entitles the holder to purchase one common share of the Company until March 29, 2012. All securities pursuant to the Private Placement are subject to a four month and one day hold period from the date of issuance.

The Company issued 150,000 units with a fair value of $37,500, as corporate finance fee and issued 194,600 warrants (the "Agent's Warrants") with fair value of $18,300. Each Agent's Warrant entitles the holder to acquire a common share at a price of $0.35 per common shares for an eighteen month period.

(Expressed in Canadian dollars)

7. CAPITAL STOCK (cont'd…)

The following assumptions for the Black-Scholes option-pricing model were used to calculate the fair value of the agent's warrants:

	November 30, 2010
Expected risk-free interest rate	1.4%
Expected life of options	1.5 years
Expected annualized volatility	100%
Dividend rate	0%

In addition Eagle I issued 1,600,000 common shares as consideration for the acquisition of Miguel's Operating Assets (Note 3). Of these common shares, 160,000 were released from escrow on September 30, 2010 and the remaining balance of 1,440,000 common shares will be released to the escrow shareholders in in equal portions of 240,000 common shares on the following dates: March 30, 2011; September 30, 2011; March 30, 2012; September 30, 2012, March 30, 2013; September 30, 2013.

All escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. They are not considered to be outstanding shares for purposes of loss per share calculations and are not included in calculation of weighted average number of common shares outstanding for the periods ended February 28, 2011 and May 31, 2010. There were 3,960,000 escrow shares outstanding as of February 28, 2011 (2,800,000 as of May 31, 2010)

Stock options

On April 16, 2008, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and that the number of common shares reserved for issuance pursuant to options granted to all technical consultants will not exceed 2% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

(Expressed in Canadian dollars)

7. CAPITAL STOCK (cont'd…)

Stock options (cont'd…)

Stock options transactions and the number of stock options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, May 31, 2010 and February 28, 2011	500,000	$	0.20
Number of options currently exercisable	500,000	$	0.20

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting.

The remaining expected contractual life of the options as February 28, 2011 is 2.27 years.

Agent's options

	Stock Options Outstanding		Weighted Average Exercise Price
Balance, May 31, 2010	150,000	$	0.20
Expired	(150,000)		0.20
Number of Agent's Options currently exercisable	-	$	-

Agent's options with weighted average fair value of $15,000 expired unexercised in January 2011.

Warrants

	Financing Warrants		Agent's Warrants	
	Warrants Outstanding	Weighted Average Exercise Price	Warrants Outstanding	Weighted Average Exercise Price
At May 31, 2010	-	-	-	-
Issued	1,682,750	$0.35	194,600	$0.35
Exercised	-	-	-	-
Expired	-	-	-	-
At February 28, 2011	1,682,750	$0.35	194,600	$0.35

As at February 28, 2011 the total number of stock purchase warrants outstanding and exercisable is 1,877,350. Each warrant is exercisable for an 18 month period.

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued directors and officer fees of $93,380 (2009 - $nil) which are included in consulting and management fees on the statement of operations.

b) Included in accounts payable at February 28, 2011 is $26,392 (May 31, 2010 - $3,972) due to directors and officers of the Company. The amounts are non-interest bearing unsecured and have no fixed terms of repayment.

c) As at February 28, 2011, $151,193 was due from a company controlled by a director of the Company. The loan receivable bears interest at a rate of 3% per annum. The loan and interest is payable on demand.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. The amounts payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

9. SUPPLEMENT DISCLOSURE WITH RESPECT TO CASH FLOW

Significant non-cash transactions for the nine months period ended February 28, 2011 consisted of:

a) The Company issued 1,600,000 common shares, valued at $400,000 and promissory notes in the amount of $485,890 for the acquisition of Miguel's Operating Assets (Note 3).

b) The Company issued 194,600 agent warrants with a fair value of $18,300.

c) The Company issued 150,000 units as a corporate finance fee, with a fair value of $37,500.

There were no significant non-cash transactions for the nine month period ended February 28, 2010.

10. SEGMENT INFORMATION AND ECONOMIC DEPENDENCE

The Company operates in the organic snack food industry. All of the Company's revenues are earned in the United States.

The Company has one major customer, representing 62% of total revenue. The accounts receivable balance due from this customer is 0% of total accounts receivable due over 30 days

11. SUBSEQUENT EVENT

Subsequent to the end of the reporting period the Company has entered into several definitive agreements that will enable it to acquire certain Howard's Brand assets from International Provisions, Inc. ("International"). The Company will acquire 100% of the issued and outstanding stock of Eagle Acquisition II, Inc. ("Eagle Acquisition II") for nominal consideration, not to exceed US$10 from Barry Atkins, the Company's President and CEO pursuant to an agreement between Eagle I and Atkins dated March 31, 2011.

Eagle Acquisition II has entered into a definitive agreement dated March 18, 2011, ("Agreement"), to acquire certain Howard's Brand assets from International. Upon the closing as detailed below, Eagle Acquisition II will become a wholly owned subsidiary of the Company.

Eagle Acquisition II's current liabilities total US$359,380. All of the Eagle Acquisition II liabilities are for expenditures directly related to the International transaction. Upon closing US$104,500 of the liabilities will be converted into equity of the Company at C$0.20 per share plus a warrant for an additional 261,000 shares at C$0.37 per share. The warrant will have a one (1) year term. Eagle Acquisition II has no operations or liabilities that are not related to the Howard's Brands acquisition. Pursuant to the Agreement, Eagle Acquisition II will acquire the ownership rights to certain Howard's brand products and the distribution agreements related to the brands acquired. The consideration to be paid for the asset acquisition is US$3,244,000 structured as follows:

(i) on closing a cash payment of US$500,000 paid by April 18, 2011;
(ii) a cash payment of US$500,000 to be paid by September 19, 2011;
(iii) a convertible promissory note in the principal amount of US$2,244,000. Such note is to be recast as of January 1, 2012 at 52% of 2011 net sales (gross sales less returns and allowances in accordance with GAAP on accrual basis) sales of Howard's pork skins and chicken skins products by International and Eagle Acquisition II. The interest rate of the promissory note is 8% per annum. The promissory note payments are based upon a 60 month amortization schedule with a balloon payment at the end of year two (2). The promissory note may be converted, at International Provision's option, into common stock of the Company at C$0.50 per share during the first year and the average 10 day price of the Company's stock, immediately prior to conversion, during the second year. At the end of 2011, International will also receive a warrant that will entitle it to purchase 722,000 shares of the Company's common stock at a price of C$0.50 per share. The warrant will have a two (2) year term.

The acquisition of the Howard's brand assets will close upon the payment of the initial $500,000 payment. Upon the closing; (i) Eagle Acquisition II will assume sole responsibility for the sales and marketing of the Howard's Brands acquired; (ii) Eagle Acquisition II and International have agreed to enter into an exclusive long-term manufacturing and supply agreement pursuant to which International will continue to manufacture the Howard's Brand products for Eagle Acquisition II; (iii) Eagle Acquisition II and International have agreed to enter into a royalty agreement pursuant to which International will receive royalty payments for any new products developed by International that are sold under the Howard's brand by Eagle Acquisition II. The Manufacturing and Supply Agreement and the Royalty Agreement will become effective upon the closing.

11. SUBSEQUENT EVENT (CONT'D…)

Completion of the proposed transactions are subject to certain conditions, including any Exchange approvals, the completion of any necessary regulatory approvals in respect of the proposed transaction, and such other closing conditions as may be specified in the Agreement. There can be no assurance that the proposed transactions will be completed as proposed or at all.

The anticipated transactions disclosed above have not closed as of the date of these financial statements.

In April 2011 Eagle I has granted an aggregate of 375,000 options exercisable at $0.20 for ten years, to various directors and officers of the Company, subject to TSX Venture Exchange approval.