RACE CAPITAL CORP.
Suite 6, 2017 West 15th Avenue
Vancouver, British Columbia, V6J 2L4

March 16, 2012

NATURALLY SPLENDID ENTERPRISES LTD.
Suite 311, 1952 Kingsway Ave.
Port Coquitlam, British Columbia
V3C 6C2

Dear Sirs:

Re: Acquisition of all of the issued and outstanding shares of Naturally Splendid Enterprises Inc. ("Naturally Splendid")

This binding Agreement sets forth our mutual agreements and understandings with regard to the acquisition (the "Transaction") of all of the issued and outstanding Class B Common Shares and Class C Common Shares in the capital of Naturally Splendid, a British Columbia company (the "Naturally Splendid Shares"), by Race Capital Corp., a British Columbia company ("Race Capital").

Subject to the conditions set forth herein, the terms of this Agreement are intended to create binding and enforceable obligations on Race Capital and Naturally Splendid.

Race Capital and Naturally Splendid agree as follows:

1. THE TRANSACTION

1.1 Race Capital will acquire the Naturally Splendid Shares by issuing a total of 11,600,000 fully paid and non-assessable common shares of Race Capital (the "Race Capital Shares") to the shareholders of Naturally Splendid. Each shareholder of Naturally Splendid will receive such number of Race Capital Shares equal to the product determined by multiplying the number of Naturally Splendid Shares held by such shareholder by the Exchange Ratio. For the purposes of this Agreement, the "Exchange Ratio" equals 11,600,000 Race Capital Shares divided by 14,785,456 Naturally Splendid Shares.

1.2 The Transaction will proceed by way of a "three-cornered amalgamation" whereby Naturally Splendid will amalgamate with a newly incorporated wholly-owned subsidiary of Race Capital incorporated under the laws of British Columbia (the "Race Capital Subsidiary") and, in connection therewith, Race Capital will acquire all of the Naturally Splendid Shares in exchange for the Race Capital Shares as set forth in section 1.1. It is intended that the Transaction be completed by way of this Agreement and structured pursuant to this section; provided that the parties may revise the structure, by mutual written agreement, to accommodate efficiencies for various legal structures, tax and accounting treatment and securities regulation.

1.3 The parties acknowledge that the Transaction will constitute the "Qualifying Transaction" of Race Capital as such term is defined in TSX Venture Exchange (the "Exchange") Policy 2.4 – *Capital Pool Companies* (the "CPC Policy").

1.4 The parties will use their commercially reasonable efforts to consummate the Transaction on the Closing Date and to timely prepare, negotiate, agree to and file any further documents, agreements and instruments required to be filed by either of the parties hereto or their respective affiliates, including without limitation those required by the Exchange, pursuant to the requirements of the British Columbia *Business Corporations Act* ("BCA"), applicable securities legislation relating to the Transaction and any other regulatory bodies having jurisdiction to carry out the terms and objectives of this Agreement (collectively, the "Transaction Documents").

2. REPRESENTATIONS AND WARRANTIES OF NATURALLY SPLENDID

Naturally Splendid hereby represents and warrants to Race Capital as follows:

2.1 Naturally Splendid has been duly incorporated and organized, is a validly existing company and is in good standing under the laws of British Columbia; it has the corporate power to own or lease its property and to carry on its business; and it has all necessary licenses, permits, authorizations and consents to operate its business in accordance with the terms of its business plan.

2.2 Subject to obtaining such shareholder approval as required, Naturally Splendid has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement, and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of Naturally Splendid.

2.3 None of the execution and delivery of this Agreement, the performance of Naturally Splendid obligations under this Agreement, or the completion of the transactions contemplated by this Agreement: (i) result in or constitute a breach of any term or provision of, or constitute a default under, the Articles of Naturally Splendid, or any agreement or other commitment to which Naturally Splendid is a party or by which Naturally Splendid is bound; (ii) constitute an event which would permit any part to any material contract with Naturally Splendid to terminate that agreement, or to accelerate the maturity of any indebtedness of Naturally Splendid, or other obligations of Naturally Splendid; or (iii) result in the creation or imposition of any encumbrance on the Naturally Splendid Shares.

2.4 No authorization, approval, order, consent of, or filing with any governmental authority is required on the part of Naturally Splendid in connection with the execution, delivery and performance of this Agreement or other documents and agreements to be delivered under this Agreement.

2.5 There is no requirement to obtain any consent, approval or waiver of a party under a material contract to which Naturally Splendid is a party in order to complete the transactions contemplated by this Agreement.

2.6 Naturally Splendid does not own or hold, directly or indirectly, any securities of, or has any interest in, any corporation, partnership, joint venture or other entity, and Naturally Splendid has not entered into any agreement to acquire such interest.

2.7 Naturally Splendid is not a party to, or bound or affected by, any contract containing any covenant expressly limiting its ability to compete in any line of business, or transfer or move any of its assets or operations, or which could reasonably be expected to have a material adverse effect on its business.

2.8 Naturally Splendid is authorized to issue an unlimited number Class A Common Shares, without par value, an unlimited number of Class B Common Shares, without par value, an unlimited number of Class C Common Shares, without par value, an unlimited number of Class D Preferred Shares, without par value, an unlimited number of Class E Preferred Shares, without par value, and an unlimited number of Class F Preferred Shares, without par value. Naturally Splendid has the following issued and outstanding shares:

Class of Shares	Number of Issued and Outstanding Shares
Class A Common Shares	Nil
Class B Common Shares	8,400,000
Class C Common Shares	6,385,456
Class D Preferred Shares	Nil
Class E Preferred Shares	Nil
Class F Preferred Shares	Nil

All of the issued and outstanding shares of Naturally Splendid have been duly authorized, are validly issued, are fully paid and non-assessable, were not issued in violation of any pre-emptive rights and were issued in full compliance with all applicable securities laws. There are no outstanding options, warrants, subscriptions, conversion rights, or other rights, agreements, or commitments obligating Naturally Splendid to issue any additional shares, or any other securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire from Naturally Splendid any shares. There are no agreements purporting to restrict the transfer of the Naturally Splendid Shares, no voting agreements, voting trusts, or other arrangements restricting or affecting the voting of the Naturally Splendid Shares.

2.9 No order ceasing or suspending trading in any securities of Naturally Splendid prohibiting the sale of securities of Naturally Splendid or the trading of any of Naturally Splendid's issued securities has been issued and, to the best of Naturally Splendid's knowledge, no proceedings for such purpose are pending or threatened.

2.10 Except as set out in Schedule 2.10, Naturally Splendid has no liabilities or obligations either direct or indirect, matured or unmatured, absolute, contingent or otherwise, which:

(a) are not set forth in the Financial Statements (as defined below) or have not heretofore been paid or discharged;

(b) did not arise in the regular and ordinary course of business under any agreement, contract, commitment, lease or plan specifically disclosed; or

(c) have not been incurred in amounts and pursuant to practices consistent with past business practice, in or as a result of the regular and ordinary course of its business since the date of the last Financial Statements.

For purposes of this Agreement, the term "liabilities" includes, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, known or unknown, asserted choate or inchoate, liquidated or unliquidated, secured or unsecured.

2.11 Attached to this Agreement as Schedule 2.11 are true, correct, and complete copies of the audited financial statements of Naturally Splendid as at December 31, 2010 and the unaudited financial statements of Naturally Splendid as at December 31, 2011 (collectively, the "Financial Statements"). The Financial Statements (a) are in accordance with the books and records of Naturally Splendid, (b) present fairly the financial condition of Naturally Splendid as of the respective dates indicated and the results of operations for such periods, and (c) have been prepared in accordance with Canadian GAAP for the fiscal years ended 2008, 2009 and 2010 and International Financial Reporting Standards for any subsequent financial periods. Naturally Splendid has not received any advice or notification from its auditors that Naturally Splendid has used any improper accounting practice that would have the effect of not reflecting or incorrectly reflecting in the Financial Statements or the books and records of Naturally Splendid, any properties, assets, liabilities, revenues, or expenses. The books, records, and accounts of Naturally Splendid accurately and fairly reflect, in reasonable detail, the assets, and liabilities of Naturally Splendid. Naturally Splendid has not engaged in any transaction, maintained any bank account, or used any funds of Naturally Splendid, except for transactions, bank accounts, and funds which have been and are reflected in the normally maintained books and records of Naturally Splendid.

2.12 Naturally Splendid has filed all tax returns, and has withheld or collected and remitted all amounts to be withheld or collected and remitted with respect to any taxes as required under applicable tax laws. There are no actions, suits or proceedings, in progress, pending, or, to the knowledge of Naturally Splendid, threatened against Naturally Splendid in connection with any taxes.

2.13 Naturally Splendid owns, possesses and has good marketable title to all of its undertaking, property and assets including all the undertaking, property and assets to be reflected in the most recent balance sheet included in the Financial Statements, free and clear of all encumbrances other than Permitted Encumbrances. The undertaking, property and assets of Naturally Splendid comprise all of the undertaking, assets and property necessary for each to carry on its business as it is currently operated.

2.14 Naturally Splendid does not own any real property, and leases the real property set out in Schedule 2.14 (the "Leases"). As of the date of this Agreement, the Leases are in full force and effect, unamended, and none of them are under any threat of termination.

2.15 Naturally Splendid owns the intellectual property set out in Schedule 2.15 (the "Intellectual Property"), and the Intellectual Property is free and clear of any encumbrances. The use by Naturally Splendid of any intellectual property owned by third parties is, to the best of Naturally Splendid's knowledge, valid, and to the best of Naturally Splendid's knowledge, Naturally Splendid is not in default or breach of any license agreement relating to such intellectual property.

2.16 All accounts receivable of Naturally Splendid reflected in the Financial Statements, or which have come into existence since the date of the Financial Statements, were created in the ordinary course of Naturally Splendid's business from bona fide transactions, and, except to the extent that they have been paid in the ordinary course of its business since the date of the Financial Statements, are valid and enforceable and payable in full, except to extent of the allowance of doubtful accounts to be reflected in the Financial Statements and, in the case of accounts receivable which have come into existence since the date of the Financial Statements, of a reasonable allowance for doubtful accounts.

2.17 The inventories of Naturally Splendid have been accumulated for use or sale in the ordinary course of its business.

2.18 Naturally Splendid has entered into the material contracts as set forth in Schedule 2.18. Naturally Splendid is not in default or breach of any material contract, and to the knowledge of Naturally Splendid, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach. To the knowledge of Naturally Splendid no counterparty to any material contract is in default of any of its obligations under any material contract, Naturally Splendid is entitled to all benefits under each material contract, and Naturally Splendid has not received a notice of termination of any material contract.

2.19 Naturally Splendid has complied with and is in compliance, in all material respects, with all applicable laws, including environmental laws, and has all material licenses, permits, orders or approvals of, and has made all required registrations with, any governmental or regulatory body that are material to conduct of its business.

2.20 None of Naturally Splendid's suppliers have advised Naturally Splendid, either orally or in writing, that it is terminating or considering terminating its relationship with Naturally Splendid, or considering negotiating its relationship with Naturally Splendid on terms that would result in a material adverse effect, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.

2.21 None of Naturally Splendid's customers have advised Naturally Splendid, orally or in writing, that it is terminating or considering terminating its relationship with Naturally Splendid, or considering negotiating its relationship with Naturally Splendid on terms that would result in a material adverse effect, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.

2.22 There are no claims against Naturally Splendid on account of warranties or with respect to the sale of defective or inferior products or the provision of services.

2.23 Except as set forth in Schedule 2.23, Naturally Splendid has not entered into any written employment agreements, contracts of engagement or services agreements.

2.24 There are no actions, suits, grievances or proceedings, whether judicial, arbitral or administrative, and whether or not purportedly on behalf of Naturally Splendid, pending, commenced, or, to the best of Naturally Splendid's knowledge, threatened, which might reasonably be expected to have a material adverse effect. To the best of Naturally Splendid's knowledge, there is no outstanding judgment, decree, order, ruling or injunction involving Naturally Splendid or relating in any way to the transactions contemplated by this Agreement.

2.25 No representation or warranty by Naturally Splendid in this Agreement nor any certificate, schedule, statement, document or instrument furnished or to be furnished to Race Capital pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated herein or therein or necessary to make any statement herein or therein not materially misleading.

3. REPRESENTATIONS AND WARRANTIES OF RACE CAPITAL

Race Capital hereby represents and warrants to Naturally Splendid as follows:

3.1 Race Capital has been duly incorporated and organized, is a validly existing company and is in good standing under the laws of British Columbia; it has the corporate power to own or lease its property and to carry on its business; and it has all necessary licenses, permits, authorizations and consents to operate its business in accordance with the terms of its business plan.

3.2 Race Capital has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement, and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of Race Capital.

3.3 None of the execution and delivery of this Agreement, the performance of Race Capital obligations under this Agreement, or the completion of the transactions contemplated by this Agreement: (i) result in or constitute a breach of any term or provision of, or constitute a default under, the Articles of Race Capital, or any agreement or other commitment to which Race Capital is a party or by which Race Capital is bound; (ii) constitute an event which would permit any part to any material contract with Race Capital to terminate that agreement, or to accelerate the maturity of any indebtedness of Race Capital or other obligations of Race Capital; or (iii) result in the creation or imposition of any encumbrance on the Race Capital Shares.

3.4 Except for approval from the Exchange and any applicable securities regulatory authorities, no authorization, approval, order, consent of, or filing with any governmental authority is required on the part of Race Capital in connection with the execution, delivery and performance of this Agreement or other documents and agreements to be delivered under this Agreement.

3.5 There is no requirement to obtain any consent, approval or waiver of a party under a material contract to which Race Capital is a party in order to complete the transactions contemplated by this Agreement.

3.6 Race Capital is authorized to issue an unlimited number of Common Shares, without par value, and an unlimited number of Preferred Shares, without par value. As of the date of this Agreement, Race Capital has 4,000,000 Common Shares and no Preferred Shares issued and outstanding. All of the issued and outstanding Common Shares have been duly authorized, are validly issued, are fully paid and non-assessable, were not issued in violation of any pre-emptive rights and were issued in full compliance with applicable securities laws. Except for an option to purchase 200,000 common shares of Race Capital granted to Wolverton Securities Ltd., there are no outstanding options, warrants, subscriptions, conversion rights, or other rights, agreements, or commitments obligating Race Capital to issue any additional shares, or any other securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire from Race Capital any shares.

3.7 No order ceasing or suspending trading in any securities of Race Capital prohibiting the sale of securities of Race Capital or the trading of any of Race Capital's issued securities has been issued and, to the best of Race Capital's knowledge, no proceedings for such purpose are pending or threatened

3.8 Except as set out in Schedule 3.7, Race Capital has no agreements, contracts, undertakings or commitments of any kind.

3.9 Race Capital is a "capital pool company" created in accordance with and currently in compliance with the CPC Policy. Race Capital is a "reporting issuer" in the provinces of British Columbia and Alberta. Race Capital is in compliance with all continuous disclosure and other applicable securities laws. No securities regulatory authority, including without the limitation the Exchange, has issued any order preventing the Transaction or the trading any securities of Race Capital.

3.10 Race Capital has furnished or made available to Naturally Splendid a true and complete copy of its Public Disclosure Record. Race Capital has timely filed with applicable securities regulatory authorities all documents required to have been filed pursuant to applicable securities laws. As of their respective dates, Race Capital's Public Disclosure Records has complied in all material respects with the requirements of applicable securities laws, and none of Race Capital's Public Disclosure Record contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. For the purposes of this section, "Public Disclosure Record" means the material change reports, news releases, financial statements, management discussion and analysis, and other continuous disclosure documents filed by or on behalf of the Company with the Exchange and any applicable Canadian securities regulatory authority (through SEDAR) on or during the 12 months preceding the date hereof.

3.11 There are no actions, suits, grievances or proceedings, whether judicial, arbitral or administrative, and whether or not purportedly on behalf of Race Capital, pending, commenced, or, to the best of Race Capital's knowledge, threatened, which might reasonably be expected to have a material adverse effect. There is no outstanding judgment, decree, order, ruling or injunction involving Race Capital or relating in any way to the transactions contemplated by this Agreement.

3.12 No representation or warranty by Race Capital in this Agreement nor any certificate, schedule, statement, document or instrument furnished or to be furnished to Naturally Splendid pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated herein or therein or necessary to make any statement herein or therein not materially misleading.

4. FINANCING, STOCK OPTIONS, DIRECTORS / OFFICERS OF RESULTING ISSUER, NAME CHANGE AND ADVANCE

4.1 Concurrent with the closing of the Transaction, Race Capital will use commercially reasonable efforts to complete a private placement financing of its common shares for minimum gross proceeds of $1,750,000 and up to a maximum of $2,000,000, with such common shares being issued at a price of not less than $0.20 per share (the "Financing").

4.2 Subject to the approval of the Exchange, in connection with the Transaction, Race Capital shall grant options to purchase 2,050,000 common shares of Race Capital (the "Stock Options") to directors, officers, employees and consultants of Race Capital and its subsidiaries pursuant to Race Capital's existing stock option plan (the "Race Capital Stock Option Plan"). The Stock Options will be allocated pursuant as set forth in Schedule 4.2 provided that such individuals set out in Schedule 4.2 are qualified to receive such options pursuant to the Race Capital Stock Option Plan. After the Closing Date, the board of directors of Race Capital shall determine from time to time at its discretion such further allocation of additional options under the Race Capital Stock Option Plan.

4.3 On closing of the Transaction, the directors and officers of Race Capital will be as follows:

Name	Position(s)
Craig Goodwin	Chief Executive Officer, President, Director
Barry Dashner	Vice President of Business Development, Director
Chuck Jenkins	Chief Financial Officer, Secretary and Director
Russel Crawford	Director
Peter Hughes	Director
Peter Howes	Director
Frank Siemens	Director

Following closing of the Transaction, Race Capital will enter into the following contracts with its executive officers and directors: (i) a consulting agreement with Chuck Jenkins whereby Mr. Jenkins will be paid $4,000 per month for serving as Chief Financial Officer of Race Capital; (ii) a director's fee agreement with Peter Hughes whereby Mr. Hughes will be paid $3,000 per month for serving as a director of Race Capital. The parties acknowledge that the minimum term for each consulting agreement will be six months.

4.4 On closing of the Transaction, the board of directors of Race Capital will cause its name to be changed to "Naturally Splendid Enterprises Ltd."

5. SHAREHOLDER MEETINGS

5.1 Naturally Splendid will convene and hold a meeting of its shareholders (the "Naturally Splendid Shareholders Meeting") in order to pass such necessary resolutions approving the Transaction and the amalgamation with the Race Capital Subsidiary. Naturally Splendid shall prepare convene the Naturally Splendid Shareholders Meeting as soon as practicable. The final terms of, conditions and documentation for the Naturally Splendid Shareholders Meeting shall be in a form to which Race Capital has given its written consent, which shall not be unreasonably withheld. Naturally Splendid shall afford Race Capital with an opportunity to review all disclosure to Naturally Splendid's shareholders in respect to the Naturally Splendid Shareholders Meeting and shall make such changes as are reasonably requested.

6. PREPARATION OF DOCUMENTS

6.1 Race Capital and Naturally Splendid shall prepare as promptly and as reasonably practical after the date of execution of this Agreement:

(a) a filing statement in accordance with the Exchange Form 3B2 detailing this Transaction to be submitted to the Exchange for approval of the Transaction;

(b) the financial statements, including audited, unaudited and pro-forma financial statements as may be required to satisfy the requirements of the Exchange and other applicable securities regulatory authorities;

(c) personal information forms;

(d) business plans and valuation reports of Naturally Splendid; and

(e) any other documentation reasonably required by either Race Capital or Naturally Splendid in order to complete the Transaction.

Each of Race Capital and Naturally Splendid shall provide promptly to the other such information concerning its business and financial statements and affairs as, in the reasonable judgment of the providing party or its counsel, may be required or appropriate for inclusion in the filing statement and/or notice of Naturally Splendid's shareholders, and to cause its legal counsel and auditors to cooperate with the other's legal counsel and auditors in the preparation of the filing statement and notice to Naturally Splendid's shareholders.

7. **CONDITIONS PRECEDENT**

7.1 The obligations of Race Capital to complete the Transaction is subject to the satisfaction of the conditions set forth below unless any such condition is waived by Race Capital prior to the Closing Date:

(a) The representations and warranties of Naturally Splendid set forth in this Agreement will be true, correct and complete in all respects as of the Closing Date, as though made on and as of the Closing Date and Naturally Splendid will have delivered to Race Capital a certificate dated as of the Closing Date, to the effect that the representations and warranties made by Naturally Splendid in this Agreement are true and correct.

(b) Naturally Splendid entering into any necessary Transaction Documents which shall not be inconsistent with the terms and conditions set forth herein.

(c) Naturally Splendid obtaining the approval of the shareholders at the Naturally Splendid Shareholders Meeting.

(d) Acceptance by the Exchange (the "Exchange Acceptance") of any and all filings required to be made with the Exchange in respect of the Transaction.

(e) Naturally Splendid shall provide to Race Capital such legal opinions with respect to Naturally Splendid in relation to the Transaction, this Agreement and the Transaction Documents satisfactory to Race Capital and its counsel, acting reasonably.

(f) Completion of the Financing.

(g) No material breach of the covenants of Naturally Splendid contained herein or of Naturally Splendid in any other Transaction Documents.

(h) No material adverse change shall have occurred in the business, results of operations, assets, financial condition or affairs of Naturally Splendid between the date of this Agreement and the Closing Date.

7.2 The obligations of Naturally Splendid to complete the Transaction is subject to the satisfaction of the conditions set forth below unless any such condition is waived by Naturally Splendid prior to the Closing Date:

(a) The representations and warranties of Race Capital set forth in this Agreement will be true, correct and complete in all respects as of the Closing Date, as though made on and as of the Closing Date and Race Capital will have delivered to Naturally Splendid a certificate dated as of the Closing Date, to the effect that the representations and warranties made by Race Capital in this Agreement are true and correct.

(b) Race Capital entering into any necessary Transaction Documents which shall not be inconsistent with the terms and conditions set forth herein.

(c) No material breach of the covenants of Race Capital contained herein or of Race Capital in any other Transaction Documents.

(d) No material adverse change shall have occurred in the business, results of operations, assets, financial condition or affairs of Race Capital between the date of this Agreement and the Closing Date.

(e) Exchange approval of the following transfers of escrowed common shares of Race Capital held by the directors and officers of Race Capital to the principals of Naturally Splendid on the day after the issuance of the final exchange bulletin:

Transferor	Transferee	Escrowed Shares For Transfer on Day after Final Exchange Bulletin
Chuck Jenkins	Craig Goodwin	585,000 Shares
Peter Hughes	Craig Goodwin	180,000 Shares
Peter Hughes	Bryan Carson	900,000 Shares
Livio Susin	Craig Goodwin	135,000 Shares

8. CLOSING DATE

8.1 Subject to section 9.1 of this Agreement, the closing of the Transaction will take place on a date and at a place mutually agreed to by the parties (the "Closing Date").

9. TERMINATION

9.1 The Agreement shall terminate with the parties having no obligations to each other:

(a) upon the date on which Race Capital and Naturally agree to terminate this Agreement; or

(b) upon the Transaction not being completed by August 31, 2012.

10. CONFIDENTIALITY

10.1 No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any party without the prior approval of Race Capital and Naturally Splendid, provided that such obligations will not prevent a party from complying with applicable securities laws and the rules of the Exchange.

10.2 All information regarding the business of Naturally Splendid including, without limitation, financial information that Naturally Splendid provides to Race Capital during Race Capital's due diligence investigation of Naturally Splendid will be kept in strict confidence by Race Capital and will not be used (except in connection with due diligence), dealt with, exploited or commercialized by Race Capital or disclosed to any third party (other than Race Capital's professional accounting and legal advisors) without the prior written consent of Naturally Splendid. If the Transaction contemplated by this Agreement does not proceed for any reason, then upon receipt of a written request from Naturally Splendid, Race Capital will immediately return to Naturally Splendid any information received regarding Naturally Splendid's business. Likewise, other than information that forms part of Race Capital's Public Disclosure Record, all information regarding the business of Race Capital including, without limitation, financial information that Race Capital provides to Naturally Splendid during its due diligence investigation of Race Capital will be kept in strict confidence by Naturally Splendid and will not be used (except in connection with due diligence), dealt with, exploited or commercialized by Naturally Splendid or disclosed to any third party (other than Naturally Splendid's professional accounting and legal advisors) without Race Capital's prior written consent. If the Transaction contemplated by this Agreement do not proceed for any reason, then upon receipt of a written request from Race Capital, Naturally Splendid will immediately return to Race Capital (or as directed by Race Capital) any information received regarding Race Capital's business.

11. NOTICE

11.1 Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered, emailed or faxed to such party at the address for such party specified below. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered or, if given by email or fax, shall be deemed conclusively to be the next business day. Either party may at any time and from time to time notify the other party in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

The address for service for each of the parties hereto shall be as follows:

(a) if to Race Capital:

Race Capital Corp.
Suite 6, 2017 West 15th Avenue
Vancouver, British Columbia
V6J 2L4
Attention: Chuck Jenkins
Fax: (604) 732-0284
Email:cejcga@yahoo.com

(b) if to Naturally Splendid:

Naturally Splendid Enterprises Ltd.
Suite 311, 1952 Kingsway Ave
Port Coquitlam, British Columbia
V3C 6C2
Attention: Craig Goodwin
Fax: (604) 472-0932
Email:craig@NaturallySplendid.com

12. GENERAL

12.1 Time shall be of the essence in the performance of the parties' respective obligations.

12.2 Neither this Agreement nor any rights or obligations under it shall be assignable by either party without the prior written consent of the other party.

12.3 This Agreement shall enure to the benefit of and be binding on the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

12.4 This Agreement and the schedules, together with all agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the parties pertaining to the subject-matter of this Agreement and supersedes all prior agreements understandings, negotiations and discussions, whether oral or written, of the parties, and, except as stated, contain all of the representations and warranties of the respective parties. This Agreement may not be amended or modified in any respect, except by written instrument executed by the parties.

12.5 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein.

12.6 Except as specifically set forth or referred to in this Agreement, nothing herein, expressed or implied, is intended or shall be construed to confer on or to give any person, other than the parties and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

12.7 This Agreement may be executed in counterpart and delivered by facsimile or other electronic means of producing a hand-written signature and such parts as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this Agreement.

If the terms set out in this Agreement are acceptable to you, please sign this Agreement in the designated area below. This Agreement shall then constitute a binding Agreement between us.

RACE CAPITAL CORP.

Per: ______________________

Name: Chuck Jenkins
Title: CEO

Accepted and agreed to this ______ day of ______________, 2012

NATURALLY SPLENDID ENTERPRISES LTD.

Per: ______________________

Name: J. Craig Goodwin
Title: CEO

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12.7 This Agreement may be executed in counterpart and delivered by facsimile or other electronic means of producing a hand-written signature and such parts as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this Agreement.

If the terms set out in this Agreement are acceptable to you, please sign this Agreement in the designated area below. This Agreement shall then constitute a binding Agreement between us.

RACE CAPITAL CORP.

Per: ________________________

Name: Chuck Jenkins
Title: CEO

Accepted and agreed to this 16th **day of** March**, 2012**

NATURALLY SPLENDID ENTERPRISES LTD.

Per: ________________________

Name: J. Craig Goodwin
Title: CEO

Schedule 2.10

Liabilities

All liabilities are disclosed in the audited financial statements.

Schedule 2.11

Financial Statements

(See Attached)

Naturally Splendid Enterprises Ltd.

Financial Statements
(Expressed in Canadian Dollars)
31 December 2009

JAMES STAFFORD

James Stafford, Inc.
Chartered Accountants
Suite 350 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Telephone +1 604 669 0711
Facsimile +1 604 669 0754
www.JamesStafford.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Naturally Splendid Enterprises Ltd.

We have audited the accompanying financial statements of Naturally Splendid Enterprises Ltd., which comprise the balance sheets as at 31 December 2009 and 2008 and the statements of loss, comprehensive loss and deficit and cash flows for the year ended 31 December 2009 and for the period from the date of incorporation on 10 January 2008 to 31 December 2008, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Naturally Splendid Enterprises Ltd. as at 31 December 2009 and 2008 and the results of its operations and its cash flows for the year ended 31 December 2009 and for the period from the date of incorporation on 10 January 2008 to 31 December 2008 in accordance with Canadian generally accepted accounting principles.

James Stafford

Chartered Accountants

Vancouver, Canada
30 January 2012

Naturally Splendid Enterprises Ltd.
Balance Sheets
(Expressed in Canadian Dollars)
As at 31 December

	2009 $	2008 $
Assets		
Current		
Cash and cash equivalents	4,275	300
Amounts receivable (Note 4)	9,403	11,145
Inventory (Note 5)	31,112	29,575
Prepaid expenses	8,438	-
	53,228	41,020
Due from related parties (Note 6)	5,965	5,550
Property and equipment (Note 7)	47,870	67,044
	107,063	113,614
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 6 and 9)	208,768	110,320
Loans payable (Note 10)	63,563	77,500
	272,331	187,820
Shareholders' deficiency		
Share capital (Note 11)	506,900	366,900
Share subscriptions received in advance (Note 11)	51,000	25,000
Deficit	(723,168)	(466,106)
	(165,268)	(74,206)
	107,063	113,614

Nature and Continuance of Operations (Note 1), **Contingency** (Note 15) and **Subsequent Events** (Note 16)

On behalf of the Board:

Director
Bryan A. Carson

Director
J. Craig Goodwin

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

Naturally Splendid Enterprises Ltd.
Statements of Loss, Comprehensive Loss and Deficit
(Expressed in Canadian Dollars)

	For the year ended 31 December 2009 $	For the period from the date of incorporation on 10 January 2008 to 31 December 2008 $
Revenue	67,850	7,757
Cost of sales	50,209	4,207
Gross profit	17,641	3,550
Expenses		
Amortization (Note 7)	19,174	11,823
Advertising and promotion	2,539	12,088
Bank and service charges	2,002	1,415
Consulting fees	7,454	37,547
Interest and penalties (Note 10)	10,712	8,162
Legal and accounting	39,283	64,148
Other selling, general and administrative	11,399	27,734
Rent	20,259	33,706
Salaries and fringe benefits (Note 8)	138,231	257,386
Travel	-	4,289
Telephone and utilities	8,290	4,973
Net loss for the period before other items	(241,702)	(459,721)
Other items		
Grants and subsidies	15,000	-
Write-down of inventory (Note 5)	(30,360)	-
Write-down of prepaid expenses	-	(6,385)
Net loss and comprehensive loss for the period	(257,062)	(466,106)
Deficit, beginning of period	(466,106)	-
Deficit, end of period	(723,168)	(466,106)
Loss and comprehensive loss per share, basic and diluted	(0.025)	(0.050)
Weighted average number of common shares outstanding	10,451,350	9,418,226

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

Naturally Splendid Enterprises Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended 31 December 2009 $	For the period from the date of incorporation on 10 January 2008 to 31 December 2008 $
Cash flows used in operating activities		
Net loss for the period	(257,062)	(466,106)
Adjustments to reconcile loss to net cash		
Accrued interest (Note 10)	313	-
Amortization (Note 7)	19,174	11,823
Common shares issued for services rendered (Note 11)	-	17,500
Write-down of inventory (Note 5)	30,360	-
Changes in operating assets and liabilities		
Decrease (increase) in amounts receivable	1,742	(11,145)
Increase in inventory	(31,897)	(29,575)
Increase in prepaid expenses	(8,438)	-
Increase in due from related parties	(415)	(5,550)
Increase in accounts payable and accrued liabilities	98,448	110,320
	(147,775)	(372,733)
Cash flows used in investing activities		
Purchase of property and equipment (Note 7)	-	(21,367)
Cash flows from financing activities		
Proceeds from issuance of shares (Note 11)	115,000	291,900
Subscriptions received in advance (Note 11)	51,000	25,000
Loans payable (Note 10)	(14,250)	77,500
	151,750	394,400
Increase in cash and cash equivalents	3,975	300
Cash and cash equivalents, beginning of period	300	-
Cash and cash equivalents, end of period	4,275	300

Supplemental Disclosures with Respect to Cash Flows (Note 13)

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

1. Nature and Continuance of Operations

Naturally Splendid Enterprises Ltd. (the "Company") was incorporated under the laws of the province of British Columbia on 10 January 2008. The Company is in the natural food industry to provide food supplements that are packaged for distribution through grocery stores, health and nutrition stores and other outlets where the customers typically look to purchase health related products. Materials are sourced in bulk and repackaged at the Company's facility with its unique branding under the Company's name. Where current products are hemp based food items that are both conventional and organic including whole grains, protein powders and oils, the business will expand into other agricultural based consumable products such as flax or quinoa. Additional products such as food bars and protein products will be developed to capitalize on expanding market opportunities. Products sales are supported through a combination of direct sales and distribution channels.

The Company's financial statements as at 31 December 2009 and for the year ended 31 December 2009 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company had a loss of $257,062 for the year ended 31 December 2009 (for the period from the date of incorporation on 10 January 2008 to 31 December 2008 - $466,106) and had working capital deficit of $219,103 at 31 December 2009 (31 December 2008 - $146,800).

The Company had cash and cash equivalents of $4,275 at 31 December 2009 (31 December 2008 - $300) but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. However, management believes that the Company's capital resources should be adequate to continue operating and maintain its business strategy during fiscal 2010. If the Company is unable to raise additional capital in the near future, due to the Company's liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

c) Inventory

Raw materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost for all inventory is determined using the weighted average method which, for work in process and finished goods, includes the cost of material, direct labour and applicable manufacturing overhead.

d) Property and equipment

Property and equipment are recorded at cost and are amortized over their estimated useful lives on a declining balance or straight-line basis at the following annual rates, with half the rate being applied in the year of acquisition:

Computer equipment	55% declining balance
Furniture and equipment	20% declining balance
Website development costs	Straight-line – 6 years

e) Loss per share

Loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share which assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore basic and diluted loss per share are the same.

f) Revenue recognition

The Company recognizes revenue from customer orders upon shipment of the order.

g) Income taxes

Future income tax assets and liabilities are determined based on temporary differences between the accounting and the tax bases of the assets and liabilities and for loss carry forwards and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is not more likely than not that the asset will be realized. As at 31 December 2009, the Company's net future income tax assets are fully offset by a valuation allowance.

h) Use of estimates

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

i) Financial Instrument Standards

Financial Assets and Financial Liabilities

Financial assets and liabilities are initially recognized at fair value and are subsequently measured based on their classification as held-to-maturity, loans and receivables, available-for-sale or held-for-trading, as described below. The classification is not changed subsequent to initial recognition.

Held-to-Maturity and Loans and Receivables

Financial instruments that have a fixed maturity date, where the Company intends and has the ability to hold to maturity, are classified as held-to-maturity and measured at amortized cost using the effective interest rate method. Held-to-maturity, loans and receivables are measured at amortized cost using the effective interest rate method.

Available-for-Sale

Financial assets classified as available-for-sale are carried at fair value (where determinable based on market prices of actively traded securities) with changes in fair value recorded in other comprehensive income or loss. Available-for-sale securities are written down to fair value through earnings whenever it is necessary to reflect an other-than-temporary impairment. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are added to its fair value.

Held-for-Trading

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments are measured at fair value with the change in the fair value recognized in income or loss.

Derivatives and Hedge Accounting

The Company does not hold or have any exposure to derivative instruments and accordingly is not impacted by the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3865, *"Hedges"*.

Comprehensive Income (Loss)

Comprehensive income (loss) is composed of the Company's earnings (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the net investment in self-sustaining operations and changes in the fair market value of derivative instruments designated as cash flow hedges, all net of income taxes. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income which is presented (if applicable) as a new category in shareholders' equity.

j) Change in accounting policy

Goodwill and Other Intangible Assets

Effective 1 January 2009, the Company adopted the CICA issued CICA Handbook Section 3064 *"Goodwill and Other Intangible Assets"*. The new requirements of Section 3064 are for recognition, measurement, presentation and disclosure. Section 3064 replaces Section 3062, *"Goodwill and Other Intangible Assets"*. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. Management has determined that the policy has no significant impact on its financial statements.

k) Recent accounting pronouncement

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board confirmed that IFRS will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after 1 January 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant information on a comparative basis.

3. Fair Values of Financial Instruments

The following is a summary of the accounting model the Company elected to apply to each of its significant categories of financial instruments:

Cash and cash equivalents	Held-for-trading
Accounts receivable	Loans and receivables
Due from related parties	Loans and receivables
Accounts payable	Other liabilities
Loans payable	Other liabilities

The disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of financial instruments carried on the balance sheet at fair value. The three levels are defined as follows:

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Cash and cash equivalents would be Level 1 fair value.

(Expressed in Canadian Dollars)

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, credit or liquidity risk arising from these financial instruments.

The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price or interest rate market risks.

4. Amounts Receivable

	31 December 2009 $	31 December 2008 $
Goods and Services Tax / Harmonized Sales Tax receivable	4,330	9,137
Trade accounts receivable	5,073	2,008
	9,403	11,145

5. Inventory

	31 December 2009 $	31 December 2008 $
Seed and oil for resale	15,275	9,264
Containers	11,131	14,478
Labels and supplies	4,706	5,833
	31,112	29,575

During the year ended 31 December 2009, the Company recorded a provision for inventory write-down of $30,360 (for the period from the date of incorporation on 10 January 2008 to 31 December 2008 - $Nil).

6. Due to/from Related Parties

Amounts due from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

As at 31 December 2009, the amounts due from related parties include $3,338 due from the President, director and shareholder of the Company (31 December 2008 - $3,324).

As at 31 December 2009, the amounts due from related parties include $2,627 due from the Vice-President, Secretary, director and shareholder of the Company (31 December 2008 - $2,226).

Included in accounts payable and accrued liabilities as at 31 December 2009 is $35,000 payable to the President, director and shareholder of the Company (31 December 2008 - $Nil) (Note 9).

Included in accounts payable and accrued liabilities as at 31 December 2009 is $40,000 payable to the Vice-President, Secretary, director and shareholder of the Company (31 December 2008 - $7,776) (Note 9).

(Expressed in Canadian Dollars)

7. Property and Equipment

	Cost	Accumulated amortization	Net Book Value 31 December 2009	Net Book Value 31 December 2008
	$	$	$	$
Computer hardware	23,212	15,638	7,574	16,830
Office furniture and equipment	48,155	13,484	34,671	43,339
Website development costs	7,500	1,875	5,625	6,875
Total	78,867	30,997	47,870	67,044

During the year ended 31 December 2009, total additions to property and equipment were $Nil (for the period from the date of incorporation on 10 January 2008 to 31 December 2008 - $78,867), of which $Nil (for the period from the date of incorporation on 10 January 2008 to 31 December 2008 - $57,500) was paid for through the issuance of Class C common shares (Note 11).

8. Related Party Transactions

For the year ended 31 December 2009, the Company paid or accrued salaries and benefits of $53,700 to the President, director and shareholder of the Company (for the period from the date of incorporation on 10 January 2008 to 31 December 2008 – $46,707).

For the year ended 31 December 2009, the Company paid or accrued salaries and benefits of $55,214 to the Vice-President, Secretary, director and shareholder of the Company (for the period from the date of incorporation on 10 January 2008 to 31 December 2008 - $45,107).

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

	31 December 2009	31 December 2008
	$	$
Accounts payable	165,366	35,513
Accrued liabilities	18,308	14,729
Withholding taxes payable	25,094	60,078
	208,768	110,320

(Expressed in Canadian Dollars)

Included in accounts payable and accrued liabilities as at 31 December 2009 is $35,000 payable to the President, director and shareholder of the Company (31 December 2008 - $Nil) (Note 6).

Included in accounts payable and accrued liabilities as at 31 December 2009 is $40,000 payable to the Vice-President, Secretary, director and shareholder of the Company (31 December 2008 - $7,776) (Note 6).

10. Loans Payable

	31 December 2009 $	31 December 2008 $
On 31 December 2008, the Company accepted a non-interest bearing loan of $15,000 from an unrelated party. During the year ended 31 December 2009, the Company received an additional $7,271. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2009, the Company repaid $2,271.	20,000	15,000
On 31 December 2008, the Company accepted a non-interest bearing loan of $40,000 from an unrelated party. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2009, the Company repaid $33,000.	7,000	40,000
On 31 December 2008, the Company accepted a non-interest bearing loan of $17,500 from an unrelated party. During the year ended 31 December 2009, the Company received an additional $5,000. The loan is unsecured and has no fixed terms of repayment.	22,500	17,500
On 31 December 2008, the Company accepted a non-interest bearing loan of $5,000 from an unrelated party. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2009, the Company repaid $5,000.	-	5,000
On 8 July 2009, the Company accepted a loan of $7,500 bearing interest at 10% per annum from an unrelated party. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2009, the Company repaid $1,250.	6,250	-
During the year ended 31 December 2009, the Company accepted loans totaling $20,500 bearing interest at 10% per annum from an unrelated party. The loans are unsecured and have no fixed terms of repayment. During the year ended 31 December 2009, the Company accrued interest of $413. During the year ended 31 December 2009, the Company repaid $13,100, consisting of principle of $13,000 and interest of $100.	7,813	-
	63,563	77,500

11. Share Capital

Authorized

The total authorized capital is as follows:

i. Unlimited Class A voting common shares with no par value. These shares have a non-participating dividend entitlement, are not redeemable or retractable and are fourth in liquidation entitlement.

ii. Unlimited Class B voting common shares with no par value. These shares have a participating dividend entitlement, are not redeemable or retractable and are fifth in liquidation entitlement.

iii. Unlimited Class C non-voting common shares with no par value. These shares have a participating dividend entitlement, are not redeemable or retractable and are fifth in liquidation entitlement.

iv. Unlimited Class D non-voting preferred shares with no par value. These shares have a conditionally participating dividend entitlement, are redeemable at an amount set by directors, are retractable and are first in liquidation entitlement.

v. Unlimited Class E non-voting preferred shares with no par value. These shares have a conditionally participating dividend entitlement, are redeemable at $1,000 per share, are retractable and are second in liquidation entitlement.

vi. Unlimited Class F non-voting preferred shares with no par value. These shares are issuable in series, have a conditionally participating dividend entitlement, are redeemable at an amount set by directors for each series, are retractable and are third in liquidation entitlement.

Issued and outstanding

The total issued and outstanding share capital as at 31 December 2009 consists of 8,400,000 Class B common shares (31 December 2008 – 8,400,000 Class B common shares) and 2,162,857 Class C common shares with no par value (31 December 2008 – 1,614,286 Class C common shares with no par value).

Share capital transactions of the Company during the period from the date of incorporation on 10 January 2008 to 31 December 2009 are summarized as follows:

i. On 10 January 2008, the Company issued 1 Class A common share of the Company at $1 per common share for cash proceeds of $1. On 10 January 2008, the Company purchased this Class A common share for $1 and it was cancelled.

ii. On 10 January 2008, the Company issued 8,400,000 Class B common shares of the Company at $0.001 per common share for cash proceeds of $8,400.

iii. On 13 February 2008, the Company issued 70,000 Class C common shares of the Company valued at $17,500 for services provided to the Company (Note 13).

iv. On 13 February 2008, the Company issued 230,000 Class C common shares of the Company valued at $57,500 for property and equipment (Notes 7 and 13).

v. On 13 February 2008, the Company issued 280,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $70,000.

vi. On 30 April 2008, the Company issued 104,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $26,000.

vii. On 12 May 2008, the Company issued 2,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $500.

viii. On 12 May 2008, the Company issued 344,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $86,000.

ix. On 27 August 2008, the Company issued 91,429 Class C common shares of the Company at $0.35 per common share for cash proceeds of $32,000.

x. On 31 August 2008, the Company issued 450,000 Class C common shares of the Company at $0.12 per common share for cash proceeds of $54,000.

xi. On 31 October 2008, the Company issued 42,857 Class C common shares of the Company at $0.35 per common share for cash proceeds of $15,000.

xii. On 13 March 2009, the Company issued 28,571 Class C common shares of the Company at $0.35 per common share related to $10,000 share subscriptions received during the period from the date of incorporation on 10 January 2008 to 31 December 2008.

xiii. On 13 March 2009, the Company issued 60,000 Class C common shares of the Company at $0.25 per common share related to $15,000 share subscriptions received during the period from the date of incorporation on 10 January 2008 to 31 December 2008.

xiv. On 13 March 2009, the Company issued 420,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $105,000.

xv. On 23 April 2009, the Company issued 40,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $10,000.

Share subscriptions received in advance

At 31 December 2009, subscriptions received in advance consist of $51,000 cash (31 December 2008 – $25,000) received by the Company related to 269,000 Class C common shares (31 December 2008 – 88,571 Class C common shares) that were not yet issued by the Company at 31 December 2009. These shares were issued by the Company subsequent to the year ended 31 December 2009 (Note 16).

(Expressed in Canadian Dollars)

12. Income Taxes

Provision for income taxes

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the combined federal and provincial statutory income tax rates of 13.50% (31 December 2008 - 14.91%) to net loss for the period as follows:

	For the year ended 31 December 2009 $	For the period from the date of incorporation on 10 January 2008 to 31 December 2008 $
Net loss before income taxes	(257,062)	(466,106)
Income tax recovery at statutory rates	(34,703)	(69,496)
Adjustment resulting from:		
Permanent differences	48	212
Change in enacted rates	-	6,552
Valuation allowance	34,655	62,732
Income taxes	-	-

Future income tax balances

The composition of the Company's future tax assets and liabilities as at 31 December 2009 and 2008 are as follows:

	31 December 2009 $	31 December 2008 $
Future income tax assets:		
Non-capital loss carryforward	93,202	61,136
Property and equipment	4,185	1,596
	97,387	62,732
Less: valuation allowance	(97,387)	(62,732)
Actual income taxes	-	-

(Expressed in Canadian Dollars)

As at 31 December 2009, the Company has non-capital losses carried forward for Canadian purposes aggregating approximately $690,387 available to reduce taxable income otherwise calculated in future years. These losses expire as follows:

Year	**Amount** $
2028	452,863
2029	237,524
	690,387

13. Supplemental Disclosures with Respect to Cash Flows

	For the year ended 31 December 2009 $	**For the period from the date of incorporation on 10 January 2008 to 31 December 2008** $
Cash paid during the period for interest (Note 10)	8,763	8,162
Cash paid during the period for income taxes	-	-
Common shares issued for services rendered (Note 11)	-	17,500
Common shares issued for property and equipment (Note 11)	-	57,500

14. Capital Disclosure

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments.

The Company is not subject to externally imposed capital restrictions.

15. Contingency

The Company is involved in a commercial tenancy dispute with a third party. The claim against the Company is $38,312 and the Company is making a counterclaim in the amount of $16,849. Neither party has taken any action since April 2009 and no amounts have been recorded in the financial statements related to this matter.

16. Subsequent Events

The following events occurred during the period from the year ended 31 December 2009 to the date of the financial statements were available to be issued on 30 January 2012:

i. On 15 October 2010, the Company issued 269,000 Class C common shares related to share subscriptions received in advance of $51,000 (Note 11).

ii. On 15 October 2010, the Company issued 76,000 Class C common shares of the Company at $0.25 per common shares for cash proceeds of $19,000.

iii. On 22 June 2011, the Company issued 310,000 Class C common shares at $0.25 per common share for total cash proceeds of $77,500.

iv. On 18 July 2011, the Company issued 240,000 Class C common shares at $0.25 per common share for total cash proceeds of $60,000.

v. On 18 July 2011, the Company issued 60,000 Class C common shares at $0.25 per common share to settle $15,000 due to the President, director and shareholder of the Company.

vi. On 16 August 2011, the Company issued 1,500,000 Class C common shares at $0.001 per common share, for which cash proceeds of $1,500 have not yet been received.

vii. On 9 September 2011, the Company issued 40,000 Class C common shares at $0.25 per common share for cash proceeds of $10,000.

Naturally Splendid Enterprises Ltd.

Financial Statements
(Expressed in Canadian Dollars)
31 December 2010

JAMES STAFFORD

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Naturally Splendid Enterprises Ltd.

We have audited the accompanying financial statements of Naturally Splendid Enterprises Ltd., which comprise the balance sheets as at 31 December 2010 and 2009 and the statements of loss, comprehensive loss and deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Naturally Splendid Enterprises Ltd. as at 31 December 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

James Stafford

Chartered Accountants

Vancouver, Canada
30 January 2012

Naturally Splendid Enterprises Ltd.
Balance Sheets
(Expressed in Canadian Dollars)
As at 31 December

	2010 $	2009 $
Assets		
Current		
Cash and cash equivalents	4,383	4,275
Amounts receivable (Note 4)	21,861	9,403
Inventory (Note 5)	22,777	31,112
Prepaid expenses	8,438	8,438
	57,459	53,228
Due from related parties (Note 6)	-	5,965
Property and equipment (Note 7)	35,521	47,870
	92,980	107,063
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 6 and 9)	304,299	208,768
Loans payable (Note 10)	48,750	63,563
	353,049	272,331
Due to related parties (Note 6)	15,002	-
	368,051	272,331
Shareholders' deficiency		
Share capital (Note 11)	576,900	506,900
Share subscriptions received in advance (Note 11)	61,600	51,000
Deficit	(913,571)	(723,168)
	(275,071)	(165,268)
	92,980	107,063

Nature and Continuance of Operations (Note 1), **Contingency** (Note 15) and **Subsequent Events** (Note 16)

On behalf of the Board:

Director	Director
Bryan A. Carson	J. Craig Goodwin

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

Naturally Splendid Enterprises Ltd.
Statements of Loss, Comprehensive Loss and Deficit
(Expressed in Canadian Dollars)
For the years ended 31 December

	2010 $	2009 $
Revenue	81,637	67,850
Cost of sales	64,174	50,209
Gross profit	17,463	17,641
Expenses		
Amortization (Note 7)	12,349	19,174
Advertising and promotion	4,118	2,539
Bank and service charges	3,978	2,002
Consulting fees	1,502	7,454
Interest and penalties (Note 10)	6,845	10,712
Legal and accounting	16,659	39,283
Other selling, general and administrative	17,764	11,399
Rent	12,045	20,259
Salaries and fringe benefits (Note 8)	126,860	138,231
Travel	234	-
Telephone and utilities	5,512	8,290
Net loss for the year before other items	(190,403)	(241,702)
Other items		
Grants and subsidies	-	15,000
Write-down of inventory (Note 5)	-	(30,360)
Net loss and comprehensive loss for the year	(190,403)	(257,062)
Deficit, beginning of year	(723,168)	(466,106)
Deficit, end of year	(913,571)	(723,168)
Loss and comprehensive loss per share, basic and diluted	(0.018)	(0.025)
Weighted average number of common shares outstanding	10,635,838	10,451,350

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

Naturally Splendid Enterprises Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended 31 December

	2010 $	2009 $
Cash flows used in operating activities		
Net loss for the year	(190,403)	(257,062)
Adjustments to reconcile loss to net cash		
Accrued interest (Note 10)	-	313
Amortization (Note 7)	12,349	19,174
Write-down of inventory (Note 5)	-	30,360
Changes in operating assets and liabilities		
Decrease (increase) in amounts receivable	(12,458)	1,742
Decrease (increase) in inventory	8,335	(31,897)
Decrease (increase) in due from related parties	20,967	(415)
Increase in prepaid expenses	-	(8,438)
Increase in accounts payable and accrued liabilities	95,531	98,448
	(65,679)	(147,775)
Cash flows from financing activities		
Proceeds from issuance of shares (Note 11)	19,000	115,000
Subscriptions received in advance (Note 11)	61,600	51,000
Loans payable (Note 10)	(14,813)	(14,250)
	65,787	151,750
Increase in cash and cash equivalents	108	3,975
Cash and cash equivalents, beginning of year	4,275	300
Cash and cash equivalents, end of year	4,383	4,275

Supplemental Disclosures with Respect to Cash Flows (Note 13)

1. Nature and Continuance of Operations

Naturally Splendid Enterprises Ltd. (the "Company") was incorporated under the laws of the province of British Columbia on 10 January 2008. The Company is in the Natural Food industry to provide food supplements that are packaged for distribution through grocery stores, health and nutrition stores and other outlets where the customers typically look to purchase health related products. Materials are sourced in bulk and repackaged at the Company's facility with its unique branding under the Company's name. Where current products are hemp based food items that are both conventional and organic including whole grains, protein powders and oils, the business will expand into other agricultural based consumable products such as flax or quinoa. Additional products such as food bars and protein products will be developed to capitalize on expanding market opportunities. Products sales are supported through a combination of direct sales and distribution channels.

The Company's financial statements as at 31 December 2010 and for the year ended 31 December 2010 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company had a loss of $190,403 for the year ended 31 December 2010 (31 December 2009 - $257,062) and had working capital deficit of $295,590 at 31 December 2010 (31 December 2009 - $219,103).

The Company had cash and cash equivalents of $4,383 at 31 December 2010 (31 December 2009 - $4,275) but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. However, management believes that the Company's capital resources should be adequate to continue operating and maintain its business strategy during fiscal 2011. If the Company is unable to raise additional capital in the near future, due to the Company's liquidity problems, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

c) Inventory

Raw materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost for all inventory is determined using the weighted average method which, for work in process and finished goods, includes the cost of material, direct labour and applicable manufacturing overhead.

d) Property and equipment

Property and equipment are recorded at cost and are amortized over their estimated useful lives on a declining balance or straight-line basis at the following annual rates, with half the rate being applied in the year of acquisition:

Computer equipment	55% declining balance
Furniture and equipment	20% declining balance
Website development costs	Straight-line – 6 years

e) Loss per share

Basic loss per share is calculated based on the weighted average number of shares outstanding during the year. The treasury stock method is used for determining the dilutive effect of options and warrants issued in calculating diluted earnings per share. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

f) Revenue recognition

The Company recognizes revenue from customer orders upon shipment of the order.

g) Income taxes

Income taxes are accounted for using the asset and liability method. Under this method of tax allocation, future tax assets and liabilities are determined based on differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward. Future income tax assets and liabilities are measured using the enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect of a change in tax rates on future income tax assets and liabilities is reflected in the period in which the change is substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized. As at 31 December 2010, the Company's net future income tax assets are fully offset by a valuation allowance.

h) Use of estimates

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

i) Financial Instrument Standards

Financial Assets and Financial Liabilities

Financial assets and liabilities are initially recognized at fair value and are subsequently measured based on their classification as held-to-maturity, loans and receivables, available-for-sale or held-for-trading, as described below. The classification is not changed subsequent to initial recognition.

Held-to-Maturity and Loans and Receivables

Financial instruments that have a fixed maturity date, where the Company intends and has the ability to hold to maturity, are classified as held-to-maturity and measured at amortized cost using the effective interest rate method. Held-to-maturity, loans and receivables are measured at amortized cost using the effective interest rate method.

Available-for-Sale

Financial assets classified as available-for-sale are carried at fair value (where determinable based on market prices of actively traded securities) with changes in fair value recorded in other comprehensive income or loss. Available-for-sale securities are written down to fair value through earnings whenever it is necessary to reflect an other-than-temporary impairment. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are added to its fair value.

Held-for-Trading

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments are measured at fair value with the change in the fair value recognized in income or loss.

Derivatives and Hedge Accounting

The Company does not hold or have any exposure to derivative instruments and accordingly is not impacted by the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3865, *"Hedges"*.

Comprehensive Income (Loss)

Comprehensive income (loss) is composed of the Company's earnings (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the net investment in self-sustaining operations and changes in the fair market value of derivative instruments designated as cash flow hedges, all net of income taxes. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income which is presented (if applicable) as a new category in shareholders' equity.

j) Recent accounting pronouncement

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board confirmed that IFRS will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after 1 January 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant information on a comparative basis.

3. Fair Values of Financial Instruments

The following is a summary of the accounting model the Company elected to apply to each of its significant categories of financial instruments:

Cash and cash equivalents	Held-for-trading
Accounts receivable	Loans and receivables
Due to related parties	Other liabilities
Accounts payable	Other liabilities
Loans payable	Other liabilities

The disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of financial instruments carried on the balance sheet at fair value. The three levels are defined as follows:

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Cash and cash equivalents would be Level 1 fair value.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, credit or liquidity risk arising from these financial instruments.

The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price or interest rate market risks.

(Expressed in Canadian Dollars)

4. Amounts Receivable

	31 December 2010 $	31 December 2009 $
Goods and Services Tax / Harmonized Sales Tax receivable	6,724	4,330
Trade accounts receivable	15,137	5,073
	21,861	9,403

5. Inventory

	31 December 2010 $	31 December 2009 $
Seed and oil for resale	10,267	15,275
Containers	3,727	11,131
Labels and supplies	8,783	4,706
	22,777	31,112

During the year ended 31 December 2010, the Company recorded a provision for inventory write-down of $Nil (31 December 2009 - $30,360).

6. Due to/from Related Parties

Amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

As at 31 December 2010, the amounts due to related parties include $15,002 due to the President, director and shareholder of the Company (31 December 2009 – $Nil).

As at 31 December 2010, the amounts due from related parties include $Nil due from the President, director and shareholder of the Company (31 December 2009 – $3,338).

As at 31 December 2010, the amounts due from related parties include $Nil due from the Vice-President, Secretary, director and shareholder of the Company (31 December 2009 - $2,627).

Included in accounts payable and accrued liabilities as at 31 December 2010 is $95,000 payable to the President, director and shareholder of the Company (31 December 2009 - $35,000) (Note 9).

Included in accounts payable and accrued liabilities as at 31 December 2010 is $100,000 payable to the Vice-President, Secretary, director and shareholder of the Company (31 December 2009 - $40,000) (Note 9).

(Expressed in Canadian Dollars)

7. Property and Equipment

	Cost	Accumulated amortization	Net Book Value 31 December 2010	Net Book Value 31 December 2009
	$	$	$	$
Computer hardware	23,212	19,803	3,409	7,574
Office furniture and equipment	48,155	20,418	27,737	34,671
Website development costs	7,500	3,125	4,375	5,625
Total	78,867	43,346	35,521	47,870

During the year ended 31 December 2010, total additions to property and equipment were $Nil (31 December 2009 - $Nil).

8. Related Party Transactions

For the year ended 31 December 2010, the Company paid or accrued salaries and benefits of $60,000 to the President, director and shareholder of the Company (31 December 2009 – $53,700).

For the year ended 31 December 2010, the Company paid or accrued salaries and benefits of $60,000 to the Vice-President, Secretary, director and shareholder of the Company (31 December 2009 - $55,214).

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

	31 December 2010	31 December 2009
	$	$
Accounts payable	256,447	165,366
Accrued liabilities	29,108	18,308
Withholding taxes payable	18,744	25,094
	304,299	208,768

Included in accounts payable and accrued liabilities as at 31 December 2010 is $95,000 payable to the President, director and shareholder of the Company (31 December 2009 - $35,000) (Note 6).

Included in accounts payable and accrued liabilities as at 31 December 2010 is $100,000 payable to the Vice-President, Secretary, director and shareholder of the Company (31 December 2009 - $40,000) (Note 6).

(Expressed in Canadian Dollars)

10. Loans Payable

	31 December 2010 $	31 December 2009 $
On 31 December 2008, the Company accepted a non-interest bearing loan of $15,000 from an unrelated party. During the year ended 31 December 2009, the Company received an additional $7,271. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2010, the Company repaid $Nil (31 December 2009 - $2,271).	20,000	20,000
On 31 December 2008, the Company accepted a non-interest bearing loan of $40,000 from an unrelated party. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2010, the Company repaid $7,000 (31 December 2009 - $33,000).	-	7,000
On 31 December 2008, the Company accepted a non-interest bearing loan of $17,500 from an unrelated party. During the year ended 31 December 2009, the Company received an additional $5,000. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2010, the Company repaid $Nil (31 December 2009 - $Nil).	22,500	22,500
On 8 July 2009, the Company accepted a loan of $7,500 bearing interest at 10% per annum from an unrelated party. The loan is unsecured and has no fixed terms of repayment. During the year ended 31 December 2010, the Company repaid $Nil (31 December 2009 - 1,250).	6,250	6,250
During the year ended 31 December 2009, the Company accepted loans totaling $20,500 bearing interest at 10% per annum from an unrelated party. The loans are unsecured and have no fixed terms of repayment. During the year ended 31 December 2010, the Company accrued interest of $1,459 (31 December 2009 - $413). During the year ended 31 December 2010, the Company repaid $9,272 (31 December 2009 - $13,100), consisting of principle of $7,500 (31 December 2009 - $13,000) and interest of $1,772 (31 December 2009 - $100).	-	7,813
	48,750	63,563

11. Share Capital

Authorized

The total authorized capital is as follows:

i. Unlimited Class A voting common shares with no par value. These shares have a non-participating dividend entitlement, are not redeemable or retractable and are fourth in liquidation entitlement.

ii. Unlimited Class B voting common shares with no par value. These shares have a participating dividend entitlement, are not redeemable or retractable and are fifth in liquidation entitlement.

iii. Unlimited Class C non-voting common shares with no par value. These shares have a participating dividend entitlement, are not redeemable or retractable and are fifth in liquidation entitlement.

iv. Unlimited Class D non-voting preferred shares with no par value. These shares have a conditionally participating dividend entitlement, are redeemable at an amount set by directors, are retractable and are first in liquidation entitlement.

v. Unlimited Class E non-voting preferred shares with no par value. These shares have a conditionally participating dividend entitlement, are redeemable at $1,000 per share, are retractable and are second in liquidation entitlement.

vi. Unlimited Class F non-voting preferred shares with no par value. These shares are issuable in series, have a conditionally participating dividend entitlement, are redeemable at an amount set by directors for each series, are retractable and are third in liquidation entitlement.

Issued and outstanding

The total issued and outstanding share capital as at 31 December 2010 consists of 8,400,000 Class B common shares (31 December 2009 – 8,400,000 Class B common shares) and 2,507,857 Class C common shares with no par value (31 December 2009 – 2,162,857 Class C common shares with no par value).

Share capital transactions of the Company during the period from the date of incorporation on 10 January 2008 to 31 December 2010 are summarized as follows:

i. On 10 January 2008, the Company issued 1 Class A common share of the Company at $1 per common share for cash proceeds of $1. On 10 January 2008, the Company purchased this Class A common share for $1 and it was cancelled.

ii. On 10 January 2008, the Company issued 8,400,000 Class B common shares of the Company at $0.001 per common share for cash proceeds of $8,400.

iii. On 13 February 2008, the Company issued 70,000 Class C common shares of the Company valued at $17,500 for services provided to the Company.

iv. On 13 February 2008, the Company issued 230,000 Class C common shares of the Company valued at $57,500 for property and equipment.

v. On 13 February 2008, the Company issued 280,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $70,000.

vi. On 30 April 2008, the Company issued 104,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $26,000.

vii. On 12 May 2008, the Company issued 2,000 Class C common shares of the Company valued at $500 for services provided to the Company.

viii. On 12 May 2008, the Company issued 344,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $86,000.

ix. On 27 August 2008, the Company issued 91,429 Class C common shares of the Company at $0.35 per common share for cash proceeds of $32,000.

x. On 31 August 2008, the Company issued 450,000 Class C common shares of the Company at $0.12 per common share for cash proceeds of $54,000.

xi. On 31 October 2008, the Company issued 42,857 Class C common shares of the Company at $0.35 per common share for cash proceeds of $15,000.

xii. On 13 March 2009, the Company issued 28,571 Class C common shares of the Company at $0.35 per common share related to $10,000 share subscriptions received during the period from the date of incorporation on 10 January 2008 to 31 December 2008.

xiii. On 13 March 2009, the Company issued 60,000 Class C common shares of the Company at $0.25 per common share related to $15,000 share subscriptions received during the period from the date of incorporation on 10 January 2008 to 31 December 2008.

xiv. On 13 March 2009, the Company issued 420,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $105,000.

xv. On 23 April 2009, the Company issued 40,000 Class C common shares of the Company at $0.25 per common share for cash proceeds of $10,000.

xvi. On 15 October 2010, the Company issued 144,000 Class C common shares of the Company at $0.25 per common share related to $36,000 share subscriptions received during the year ended 31 December 2009.

xvii. On 15 October 2010, the Company issued 125,000 Class C common shares of the Company at $0.12 per common share related to $15,000 share subscriptions received during the year ended 31 December 2009.

xviii. On 15 October 2010, the Company issued 76,000 Class C common shares of the Company at $0.25 per common shares for cash proceeds of $19,000.

(Expressed in Canadian Dollars)

Share subscriptions received in advance

At 31 December 2010, subscriptions received in advance consist of $61,600 cash (31 December 2009 – $51,000) received by the Company related to 246,400 Class C common shares (31 December 2009 – 269,000 Class C common shares) that were not yet issued by the Company at 31 December 2010. These shares were issued by the Company subsequent to the year ended 31 December 2010 (Note 16).

12. Income Taxes

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the combined federal and provincial statutory income tax rates of 13.50% (31 December 2009 - 13.50%) to net loss for the period as follows:

	For the year ended 31 December 2010 $	For the year ended 31 December 2009 $
Net loss before income taxes	(190,403)	(257,062)
Income tax recovery at statutory rates	(25,704)	(34,703)
Adjustment resulting from:		
Permanent differences	50	48
Valuation allowance	25,654	34,655
Income taxes	-	-

Future income tax balances

The composition of the Company's future tax assets and liabilities as at 31 December 2010 and 2009 are as follows:

	31 December 2010 $	31 December 2009 $
Future income tax assets:		
Non-capital loss carryforward	117,189	93,202
Property and equipment	5,852	4,185
	123,041	97,387
Less: valuation allowance	(123,041)	(97,387)
Actual income taxes	-	-

(Expressed in Canadian Dollars)

As at 31 December 2010, the Company has non-capital losses carried forward for Canadian purposes aggregating approximately $868,065 available to reduce taxable income otherwise calculated in future years. These losses expire as follows:

Year	Amount $
2028	452,863
2029	237,524
2030	177,678
	868,065

13. Supplemental Disclosures with Respect to Cash Flows

	For the year ended 31 December 2010 $	For the year ended 31 December 2009 $
Cash paid during the period for interest (Note 10)	4,880	8,763
Cash paid during the period for income taxes	-	-

14. Capital Disclosure

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments.

The Company is not subject to externally imposed capital restrictions.

15. Contingency

The Company is involved in a commercial tenancy dispute with a third party. The claim against the Company is $38,312 and the Company is making a counterclaim in the amount of $16,849.. Neither party has taken any action since April 2009 and no amounts have been recorded in the financial statements related to this matter.

16. Subsequent Events

The following events occurred during the period from the year ended 31 December 2010 to the date of the financial statements were available to be issued on 30 January 2012:

i. On 22 June 2011, the Company issued 246,400 Class C common shares related to share subscriptions received in advance of $61,600 (Note 11).

ii. On 22 June 2011, the Company issued 63,600 Class C common shares at $0.25 per common share for total cash proceeds of $15,900.

iii. On 18 July 2011, the Company issued 240,000 Class C common shares at $0.25 per common share for total cash proceeds of $60,000.

iv. On 18 July 2011, the Company issued 60,000 Class C common shares at $0.25 per common shares to settle $15,000 due to the President, director and shareholder of the Company.

v. On 16 August 2011, the Company issued 1,500,000 Class C common shares at $0.001 per common share, for which cash proceeds of $1,500 have not yet been received.

vi. On 9 September 2011, the Company issued 40,000 Class C common shares at $0.25 per common share for cash proceeds of $10,000.

Naturally Splendid Enterprises Ltd.

Financial Statements
(Expressed in Canadian Dollars)
Prepared By Management

31 December 2011

Naturally Splendid Enterprises Ltd.
Balance Sheets
(Expressed in Canadian Dollars)
As at 31 December

	2011 Unaudited $	2010 Audited $
Assets		
Current		
Cash and cash equivalents	7,297	4,383
Amounts receivable	30,956	21,861
Inventory	32,276	22,777
Prepaid expenses	8,438	8,438
	78,967	57,459
Property and equipment	27,762	35,521
	106,729	92,980
Liabilities		
Current		
Accounts payable and accrued liabilities	416,026	304,299
Loans payable	48,750	48,750
	464,776	353,049
Due to related parties	760	15,002
	465,536	368,051
Shareholders' deficiency		
Share capital	732,500	576,900
Share subscriptions received in advance	-	61,600
Deficit	(1,091,307)	(913,571)
	(358,807)	(275,071)
	106,729	92,980

Naturally Splendid Enterprises Ltd.
Statements of Loss, Comprehensive Loss and Deficit
(Expressed in Canadian Dollars)
For the years ended 31 December

	2011 Unaudited $	2010 Audited $
Revenue	111,253	81,637
Cost of sales	69,178	64,174
Gross profit	42,075	17,463
Expenses		
Amortization	9,498	12,349
Advertising and promotion	2,412	4,118
Bank and service charges	995	3,978
Consulting fees	15,505	1,502
Interest and penalties	5,217	6,845
Legal and accounting	20,112	16,659
Other selling, general and administrative	20,806	17,764
Rent	19,383	12,045
Salaries and fringe benefits	117,249	126,860
Travel	539	234
Telephone and utilities	8,095	5,512
Net loss and comprehensive loss for the year	(177,736)	(190,403)
Deficit, beginning of year	(913,571)	(723,168)
Deficit, end of year	(1,091,307)	(913,571)

Schedule 2.14

Real Property Leases

The Naturally Splendid Enterprises Ltd. warehouse and offices, located at #311 – 1952 Port Coquitlam BC, are on a month-to-month agreement. The monthly rent is $1,792.02 (taxes included).

Schedule 2.15

Intellectual Property

1. Trade Marks

Trade Mark	Registrant	Registration Number
Taking Responsibility for Your Health	Naturally Splendid Enterprises Ltd.	TMA802454
Your Health is Serious	Naturally Splendid Enterprises Ltd.	TMA802455
NS (Design)	Naturally Splendid Enterprises Ltd.	TMA795779
Naturally Splendid	Naturally Splendid Enterprises Ltd.	TMA795780

Schedule 2.18

Material Contracts of Naturally Splendid

1. Agreement dated October 1, 2011 between Starbrite Merchandising Services and Naturally Splendid Enterprises Ltd.
2. Agreement dated September 23, 2011 between Trimark Engineering Ltd. and Naturally Splendid Enterprises Ltd.
3. Agreement dated September 23, 2011 between Minister of Agriculture and Rural Development (Alberta) and Naturally Splendid Enterprises Ltd.

Schedule 2.23

Employment Contracts of Naturally Splendid

1. Employment Agreement dated May 1, 2009 between Craig Goodwin and Naturally Splendid Enterprises Ltd.
2. Employment Agreement dated May 1, 2009 between Bryan Carson and Naturally Splendid Enterprises Ltd.
3. Consulting Agreement dated August 16, 2011 between Barry Dashner (dba Dycom Consulting Inc.) and Naturally Splendid Enterprises Inc.

Schedule 3.7

Material Contracts of Race Capital

1. Registrar and Transfer Agency Agreement dated March 10, 2011 between Race Capital and Olympia Trust Company.

2. Escrow Agreement dated March 30, 2011 between Race Capital, Olympia Trust Company and certain shareholders of Race Capital.

3. Agency Agreement dated May 11, 2011 between Race Capital and Wolverton Securities Ltd.

Schedule 4.2

Stock Option Plan Allocations

Name	Number of Stock Options	Exercise Price	Expiry Date
Craig Goodwin	400,000	$0.20	Five Years from Final Exchange Bulletin
Bryan Carson	400,000	$0.20	Five Years from Final Exchange Bulletin
Chuck Jenkins	250,000	$0.20	Five Years from Final Exchange Bulletin
Peter Hughes	150,000	$0.20	Five Years from Final Exchange Bulletin
Barry Dashner	300,000	$0.20	Five Years from Final Exchange Bulletin
Russ Crawford	300,000	$0.20	Five Years from Final Exchange Bulletin
Peter Howes	150,000	$0.20	Five Years from Final Exchange Bulletin
Frank Siemens	100,000	$0.20	Five Years from Final Exchange Bulletin