

MANAGEMENT DISCUSSION AND ANALYSIS

To the Shareholders of StonePoint Global Brands Inc.:

INTRODUCTION

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of StonePoint Global Brands Inc. (“StonePoint” or the “Company”) and compares its financial results year ended December 31, 2007 to the previous year. This MD&A should also be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2007. The Company’s reporting currency is the United States dollar and all amounts in this MD&A are expressed in United States dollars. The Company reports its financial position, results of operations and cash-flows in accordance with Canadian generally accepted accounting principles. This MD&A is made as of April 28 2008.

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Additional information relating to the Company can be located on the SEDAR website at www.sedar.com.

OVERALL PERFORMANCE

- The new hospitality segment, started in Q4 of fiscal 2006, reports revenue of \$1,638,685 and strong gross margins;
- International beverage segment sales of \$3,966,406 represent a 44.3% decrease over 2006 in case volume.
- The Company’s enhanced water exports have decreased due to an early 2007 delay in the stabilizing of increased production capacity. The Company is working closely with its largest Japanese customer to further develop sales, implement a new marketing campaign and prepare for key presentations in Q2 of 2008. The Company has implemented several sales enhancement initiatives involving sales training, product promotion and incentive programs.
- The Company is now focused on growing its enhanced beverage line (utilizing the Life O2 patent and technology acquired in 2003), securing additional clients for its hospitality business and developing and deploying brands in higher margin categories which are well suited for the Company’s experience and contacts.
- In addition to marketing its own brands and technology, the Company continues to attract many third party brand opportunities. The Company is utilizing its experience and contacts to assist other companies with their global expansion.

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SELECTED FINANCIAL INFORMATION

	December 31, 2007	December 31, 2006	December 31, 2005
All figures in U.S Dollars	<u>Annual</u>	<u>Annual</u>	<u>Annual</u>
<i>(Selected items only)</i>			
Sales	\$ 5,547,268	\$ 6,410,836	\$ 3,141,945
Cost of sales	3,840,332	4,816,076	2,351,845
Gross profit	1,706,936	1,594,760	790,100
Gross profit %	30.8%	24.9%	25.1%
Royalties	57,823	107,000	88,938
Selling, general and administrative expenses	3,561,847	2,742,081	1,447,712
Other items:			
Interest and renewal fee income (note receivable)	1,778	4,459	53,351
Gain on sale of equipment / debt settlement	-	-	11,307
Write-down of note receivable	(21,053)	(35,338)	(68,134)
Write-down of intangible assets	-	(149,751)	-
Income (loss) before income taxes	(1,816,363)	(1,220,951)	(572,150)
Income taxes	-	(12,997)	(18,908)
Income (loss) for the period	\$ (1,816,363)	\$ (1,233,948)	\$ (591,058)
Income (loss) per share – basic	\$ (0.14)	\$ (0.12)	\$ (0.11)

The table above presents the Company's results of operations for each of its last three fiscal years.

All figures in U.S. Dollars	December 31, 2007	December 31, 2006	December 31, 2005
<i>Balance sheet data (selected items only):</i>			
Assets			
Cash and equivalents	\$ 525,050	\$ 1,066,691	\$ 356,544
Receivables	243,607	140,426	207,676
Inventory	52,003	-	-
Prepaid expense	92,733	86,479	-
Note receivables – total	454,482	542,547	285,880
Intangible assets, royalty rights, deferred financing costs	-	103,012	47,879
Equipment	366,027	236,074	2,949
Liabilities / equity			
Notes payable – current	550,805	700,210	390,390
Notes payable – long term	1,455,391	-	-
Other current liabilities	369,773	630,438	414,209
Shareholders' equity (deficiency)	(642,067)	849,628	96,329
Working capital (deficiency)	\$ 293,060	\$ 296,111	\$ (50,379)
Average shares outstanding – basic	13,756,716	10,526,952	5,424,436

The above data shows working capital of \$293,060 at December 31, 2007, due to a debt financing of \$1,234,554 during the year, and the emergence of three year maturities. Since the Company's capital re-organization in 2005, equity financing has raised \$207,299 in 2007 (2006 fiscal year - \$1,743,277). Debt financing totaled \$1,220,739 (2006 - \$309,774) net of repayments.

The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles, and include the accounts of the Company and its wholly owned subsidiaries expressed in United States dollars. All foreign currency amounts are converted into United States dollar equivalents using the current rate method as explained in the notes accompanying the Company's audited annual financial statements.

RESULTS OF OPERATIONS

International (beverage) segment

Revenues are comprised of sales and royalties derived from its enhanced beverage line of \$3,966,406 for 2007 compared with \$6,498,212 for 2006. The year over year change is due to a decreased case volume (44.3%) caused by early 2007 capacity issues and other market conditions (including the strengthening Canadian dollar and increased petroleum costs) over 2006. Gross profit on sales increased slightly to 30.8% for 2007 when compared to 24.3% for the previous year.

Total SG&A expense for the year of \$2,165,727 was only slightly higher than 2006 of \$1,947,511 as a result of:

- Design and marketing increased to \$208,009 from \$146,651 due to the fact that the Company's messaging, materials (including brochures and website) and branding required an update to reflect the new projects recently launched.;
- Consulting amounted to \$454,846 (2006 - \$485,368) due to an increased focus on business development, marketing strategy development and quality control;
- Wages and benefits amounted to \$533,220 (2006 - \$264,325), which were affected primarily through new employee hirings;
- Increased interest expense of \$178,891 (2006 - \$77,881) due to additional notes payable;
- Professional fees of \$102,893 (2006 - \$234,385) were significantly lower, due primarily to lower legal costs incurred during the year;
- Stock based compensation expense related to the fair value of stock option grants (\$141,120), which was lower than the 2006 comparable figure (\$243,989).

Hospitality segment

Revenues totaled \$1,638,685 for 2007, with a comparable figure for 2006 of only \$19,624. Gross profit percentage was on budget, and has served to increase our combined gross profit to 30.8% year over year.

SG&A expense for the period was \$1,396,120 (2006 – \$794,569), of which the under noted items are noteworthy:

- Consulting of \$462,372 (2006 – 500,035) were lower as the previous year contained project milestone fees of \$401,936 versus \$123,334 in 2007;
- Design and marketing costs of \$266,128 (2006 - \$137,516) rose with the launching this new business segment;
- Wages and benefits of \$290,938 (2006 - \$64,960) increased with the hiring of new employees;
- Amortization of deferred charges of \$107,537 had no comparative figure.

QUARTERLY FINANCIAL INFORMATION

<i>Selected data only:</i>	December, 2007	September, 2007	June, 2007	March, 2007
Sales and royalties	\$ 552,120	\$ 1,373,083	\$ 1,861,957	\$ 1,817,931
Gross profit	78,160	347,340	751,464	587,795
Gross profit %	14.2%	25.3%	40.4%	32.3%
SG&A expense	858,206	954,406	1,039,684	709,551
Net income (loss)	(799,321)	(607,066)	(288,220)	(121,756)
Per common share - basic	\$ (0.06)	\$ (0.05)	\$ (0.02)	\$ (0.01)

<i>Selected data only:</i>	December, 2006	September, 2006	June, 2006	March, 2006
Sales and royalties	\$ 818,094	\$ 2,505,042	\$ 2,144,412	\$ 1,050,288
Gross profit	175,375	616,384	607,915	302,086
Gross profit %	21.4%	24.6%	28.3%	28.7%
SG&A expense	1,263,541	688,229	490,849	299,462
Net income (loss)	(1,263,870)	(94,227)	119,002	5,147
Per common share - basic	\$ (0.12)	\$ (0.01)	\$ 0.01	\$ 0.00

Quarter ended December 31, 2007 vs December 31, 2006

See “Results of Operations” for general comments which also apply to the quarter ended December 31, 2007. In addition, segment data for the quarter is summarized as follows:

3 Months to December 31, 2007

	<u>Beverage</u>	<u>Hospitality</u>	<u>Total</u>
Sales	\$ 469,457	55,664	\$ 525,121
SG&A	\$ 506,094	352,113	\$ 858,207

NEW HOSPITALITY BUSINESS SEGMENT

On August 17, 2006, the Company incorporated a wholly owned Nevada subsidiary, StonePoint Global Brands USA, LLC, to conduct its new hospitality business. The Company has been selling beverages to hotels and retailers for many years and has identified an opportunity to leverage its experience and contacts by marketing an expanded line of consumer products within the hospitality industry. The Company will focus on product development, branding, full service logistics and customer service. The Company had engaged five consultants to perform senior management functions relating to the sales, marketing and operational aspects of this business and also hired four additional employees to assist in the process.

For the year ended December 31, 2007, summarized operations of the hospitality segment were as follows:

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<i>Business segment data (selected items only)</i>	Total
Sales	\$ 1,638,685
Interest expense	10,453
Amortization of deferred charges	103,012
Consulting	462,372
Design and marketing	266,128
Professional fees	36,272
Travel	104,068
Wages	290,938
Segment loss	\$ (594,778)

SHARE DATA

As at December 31, 2007, the Company had 15,012,031 shares outstanding (13,277,031 shares - December 31, 2006).

The following incentive stock options were outstanding:

	2007	2006
Outstanding, beginning of year	1,119,500	797,000
Granted:		
Exercisable at C\$0.50	-	50,000
Exercisable at C\$0.50	-	244,000
Exercisable at C\$0.60	-	35,000
Exercisable at C\$0.80	-	160,000
Exercisable at C\$0.80	-	50,000
Exercisable at C\$0.82	-	100,000
Exercisable at C\$0.65	18,000	-
Exercisable at C\$0.55	300,000	-
Exercised:		
Exercised at C\$0.10	(45,000)	(185,000)
Exercised at C\$0.12	-	(101,500)
Exercised at C\$0.60	-	(10,000)
Cancelled/expired	(385,000)	(20,000)
Outstanding, end of year	1,007,500	1,119,500

During the year ended December 31, 2007, 1,680,000 warrants at a price of C\$0.12 per share were exercised for gross proceeds of \$203,005 (C\$201,600). At December 31, 2007 there were no share purchase warrants outstanding.

LIQUIDITY

Working capital has been also impacted by financing operations with short term notes payable during the past two years, however, the Company has been able to obtain improved debt financing terms to allow for three year maturities. The Company raised additional debenture financing of \$1,234,554 (C\$1,355,000) during 2007, all with three year maturities, and equity financing of \$1,771,328 during fiscal 2006, as it strives to achieve a balanced capitalization approach during a period of anticipated revenue growth.

	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003
Working capital (deficiency)	\$ 293,060	\$ 296,111	\$ (50,379)	\$ 73,815	\$ 279,320

Decreasing sales from its enhanced beverage line, together with the cost of launching its hospitality segment, have resulted in decreased cash flow from operations of (\$1,789,858) (2006 - \$599,221) for the period ended December 31, 2007.

The Company currently has \$454,483 invested in notes receivable, and expects \$300,245 to be repaid within the next 12 months.

The Company's ongoing commitments for annual premises lease/rental amount to approximately C\$5,500 per month and are not considered a factor in its future liquidity circumstances.

CAPITAL RESOURCES

The Company depends upon the junior capital markets to raise equity and debt financing needed to fund its working capital requirements to the extent not generated internally. Recent improvements in its hospitality division sales and related margins, together with a reduced cost structure from its continuing operations and modest note payable financings, have largely eliminated the necessity of raising additional equity capital for this purpose.

During 2007, the Company issued 1,680,000 common shares pursuant to the exercise of warrants at a price of C\$0.12 per share, 45,000 stock options at a price of C\$0.10 per share for the total gross proceeds of \$207,299 (C\$206,100) and 10,000 bonus shares valued at \$8,306 (C\$9,700) in settlement of an obligation to issue notes payable. The Company also issued notes totalling \$1,234,554 (C\$1,355,000) and repaid one note for \$13,820 (C\$15,000).

During the year ended December 31, 2006, the Company raised \$1,559,222 in two private placements at C\$0.45 and C\$0.80 issuing 2,740,145 shares. An additional \$179,265 and \$32,841 were raised through the exercise of warrants and options respectively. Debt financing totalled \$309,774 for the year.

Its ability to continue to raise equity financing for any purpose, or course, remains subject to the general investment climate and investors' interest in supporting the Company's business objectives. No significant financial commitments exist beyond our working capital needs.

OFF – BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

RELATED PARTY TRANSACTIONS

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	<u>2007</u>	<u>2006</u>	<u>2005</u>
	(annual)	(annual)	(annual)
<i>For the year:</i>			
Wages and benefits (James Borkowski , Aubrey Ryals and David Housey)	\$ 281,472	\$ 191,109	\$ 195,197
Consulting fees (Frank Port, Michael Kinley, Cameron Ree, Tom Koltai and a company controlled by a director)	492,569	127,490	70,947
Debt settled for shares (James Borkowski, Aubrey Ryals, Frank Port, Michael Kinley)	-	-	52,509
Business development fees	123,334	\$401,936	-
Longview Strategies Inc., a control block holder of common shares – investor relations services	-	\$25,678	-
<i>As at balance sheet date:</i>			
Included in accounts payable	\$ 21,399	\$ 7,825	\$ 1,235

Amounts due to related parties are unsecured and non-interest bearing with no specific terms of repayment. All transactions are in the normal course of operations and are recorded at exchange amounts established and agreed between the related parties.

LAST QUARTER

There were no significant last quarter transactions not otherwise disclosed.

SUBSEQUENT EVENTS

Subsequent to year end, the Company closed a non-brokered private placement of 3,620 unsecured convertible debentures at a price of \$100.00 per debenture for gross proceeds of \$362,000. The debentures mature 3 years from the closing date of the private placement and bear an interest rate of 10% per annum compounded monthly in arrears, with such interest payable monthly. The debentures will be convertible in common shares of the Company at the option of the debenture holder at any time prior to the maturity date and at a conversion price of \$0.80 per common share.

Subsequent to year end, the Company closed a non-brokered private placement of \$3,980 unsecured non convertible debentures at a price of \$100 per debenture with gross proceeds of \$398,000. The debentures mature 3 years from the closing date of the private placement and bear an interest rate of 12% per annum compounded monthly in arrears, with such interest payable monthly. The debentures will be convertible in common shares of the Company at the option of the debenture holder at any time prior to the maturity date and at a conversion price of \$0.80 per common share.

Subsequent to year end, the Board and senior management undertook a cost cutting program and well as a management restructuring effort. This has resulted in a significant reduction of SG&A expenses and a simplification of operations and management. Both business segments are now managed by one team in one office. In the opinion of management, these cost reductions and corporate changes have improved efficiencies and capabilities.

Subsequent to year end, the Company announced that it has received a purchase order from its largest Japanese customer, Nihon Shokken. The order is for Canadian maple syrup which has been sourced by the Company. Several other potential new products are being explored through this partnership.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

i) Financial Instruments – Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company’s balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company’s outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to January 1, 2007 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification.

ii) Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders’ equity during a period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of the net earnings to be presented in “other comprehensive income” until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements.

Accordingly, the Company now reports comprehensive income (loss) in the statement of operations and includes the account “accumulated other comprehensive income” in the shareholders’ equity section of the consolidated balance sheet.

iii) Accounting Changes

The AcSB issued CICA Handbook Section 1506. The main features of this new standard are (a) voluntary changes in accounting policy are made only if they result in the financial statements providing reliable and more relevant information; (b) changes in accounting policy are applied retrospectively unless doing so is impracticable (as defined in the section); (c) prior period errors are corrected retrospectively; and (d) new disclosures are required in respect of changes in accounting policies, changes in accounting estimates and correction of errors. This new standard is effective for fiscal years beginning on or after January 1, 2007.

CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted as part of the Company’s continuous disclosure requirements is recorded, processed, summarized and reported, within the time periods specified by applicable regulatory authority. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure

EVALUATION OF DISCLOSURE ON CONTROLS AND PROCEDURES.

StonePoint's Chief Executive Officer and Chief Financial Officer have designed or caused to be designed under their supervision, internal controls over financial reporting related to the Company to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.

There have not been any changes in our internal control over financial reporting or any other factors during the year ended December 31, 2007, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, notes receivable, accounts payable and accrued liabilities and notes payable. Management has determined that the carrying value of the financial instruments approximate fair value due to their short-term nature. The Company is exposed to credit risk only with respect to uncertainties as the timing and amount of collectibility of accounts receivable and the note receivable. The Company mitigates credit risk through standard credit and reference checks, and its settlement agreement with the borrower of the note receivable.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements and all information in the annual report are the responsibility of the Board of Directors and management. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the consolidated financial statements.

The consolidated financial statements have been audited by Davidson & Company LLP, Chartered Accountants, who were appointed by the shareholders. The auditors' report outlines the scope of their examination and their opinion on the consolidated financial statements.

RISK FACTORS

This MD&A contains forward-looking statements that involve risks and uncertainties. The forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

The business of brand development involves a high degree of risk. The Company's activities are highly concentrated in this sector, and are exposed to above average cyclical fluctuations due to economic conditions, product supply/demand imbalances and global political factors. The Company's beverage segment relies substantially on one customer in Japan,

while the hospitality segment is a completely new business initiative. Junior companies in this sector focus on early-stage business opportunities, but few of these opportunities are ultimately developed into profitable enterprises. At present, none of the Company's segments generate sufficient cash flow internally to support their operations. Thus, they are reliant on raising additional financing to continue their development. The Company's businesses are also exposed to intense competition, environmental and insurance risks, as well as political and environmental instability.

Other risks facing the Company include competition which can either increase costs or reduce the number of attractive opportunities; reliance on third parties, including consultants; statutory and regulatory requirements and uncertainty of additional financing. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.