UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A
Amendment No. 1

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended February 28, 2006

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ___________ to _____________

Commission file number: 000-25335

ELGRANDE INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Nevada	88-0409024
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1450 Kootenay Street, Vancouver, B.C.
V5K 4R1 Canada
(Address of principal executive offices)

(604) 689-0808
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filings for the past 90 days. YES [X] NO [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [ ] Yes [X] No

The number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date:

Class	February 28, 2006
Common stock, $ 0.001 par value	35,012,469

Transitional Small Business Disclosure format (check one): Yes [ ] No [X]

ELGRANDE.COM, INC.
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PART I. FINANCIAL INFORMATION

Item 1 - Financial Statements

ELGRANDE.COM INC.
CONSOLIDATED BALANCE SHEETS

	February 28 2006 (Unaudited) restated	May 31, 2005
ASSETS		
CURRENT ASSETS		
Cash	$ 86,793	$ 7,918
Accounts receivable	106,177	163,671
Prepaid expenses	2,205	
Inventory	290,861	256,898
Employee expense advances	3,854	2,884
GST tax refundable	10,294	6,999
TOTAL CURRENT ASSETS	500,184	438,370
PROPERTY AND EQUIPMENT, NET		1,950
OTHER ASSETS		
Software, net	40,336	46,596
Deposits	32,105	33,062
TOTAL OTHER ASSETS	72,441	79,658
TOTAL ASSETS	$ 572,625	$ 519,978
LIABILITIES & STOCKHOLDERS' EQUITY(DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 249,382	$ 282,740
Accrued liabilities	337,801	240,759
Accrued interest	105,855	35,143
Debentures, net of discount	46,250	35,000
Loans payable	893,278	766,590
Debentures and loans payable, related parties	210,597	249,839
TOTAL CURRENT LIABILITIES	1,843,163	1,610,071
COMMITMENTS AND CONTINGENCIES	129,252	126,710
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, 500,000,000 shares authorized, $0.001 par value; 35,012,469 and 23,439,667 shares issued and outstanding, respectively	35,012	23,439
Additional paid-in capital	9,976,572	9,270,157
Accumulated deficit	(11,420,869)	(10,513,395)
Accumulated other comprehensive income (loss)	9,495	2,996
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(1,399,790)	(1,216,803)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 572,625	$ 519,978

See accompanying condensed notes to the financial statements.

ELGRANDE.COM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended February 28, 2006 restated (unaudited)	Three Months Ended February 28, 2005 (unaudited)	Nine Months Ended February 28, 2006 restated (unaudited)	Nine Months Ended February 28, 2005 (unaudited)
R E V E N U E S				
Product sales	$ 55,790	$ 175,725	$ 384,398	$ 811,206
	55,790	175,725	384,398	811,206
COST OF REVENUES	17,638	129,008	249,321	467,779
GROSS PROFIT (LOSS)	38,152	46,717	135,077	343,427
E X P E N S E S				
Consulting fees	130,266	38,844	209,674	130,865
Selling expense	38,781	71,854	98,351	225,658
Compensation	117,600	-	117,600	-
Salaries	104,032	75,196	273,426	367,207
Depreciation and amortization	360	3,466	5,114	36,870
Office and administration	77,904	208,733	259,789	339,622
TOTAL OPERATING EXPENSES	468,943	398,093	963,954	1,100,222
LOSS FROM OPERATIONS	(430,791)	(351,376)	(828,877)	(756,795)
OTHER INCOME (EXPENSE)				
Debt forgiveness	-	-	-	40,896
Amortization of debt discount	(46,250)	-	(46,250)	-
Interest income	35	-	86	-
Interest expense	(15,303)	(21,901)	(32,433)	(32,150)
TOTAL OTHER INCOME (EXPENSE)	61,518	(21,901)	78,597	8,746
NET LOSS	(492,309)	(373,277)	(907,474)	(748,049)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation gain (loss)	4,532	5,755	6,499	17,264
COMPREHENSIVE LOSS	$ (487,777)	$ (367,522)	$ (900,975)	$ (730,785)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.04)
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	34,465,812	17,519,179	30,301,822	17,088,245

See accompanying condensed notes to the financial statements.

ELGRANDE.COM INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

		Nine Months Ended February 28 2006 restated (unaudited)		Nine Months Ended February 28 2005 (unaudited)
Cash flows from operating activities:				
Net loss	$	(907,474)	$	(748,049)
Adjustments to reconcile net loss				
to net cash used by operating activities:				
Amortization of debt discount		46,250		-
Debt forgiveness		-		40,896
Services paid by issuance of common stock and options		85,709		22,718
Accrued interest paid by issuance of common stock		86,520		-
Stock issued for compensation		117,600		-
Depreciation and amortization		5,114		36,869
Decrease (increase) in:				
Accounts receivable		57,494		(17,089)
Prepaid expenses		(2,205)		-
Inventory		(33,963)		(44,578)
GST tax refundable		(3,295)		-
Accrued liabilities		97,042		(309,030)
Accounts payable and accrued expenses		(33,358)		43,389
Employee advance receivable		(970)		(5,552)
Other assets		957		35,949
Accrued interest		70,712		(12,410)
Net cash used in operating activities		(413,867)		(956,887)
Cash flows from investing activities:				
Deposits		-		(3,160)
Purchase of property and equipment		-		(34,650)
Net cash used in investing activities		-		(37,810)
Cash flows from financing activities:				
Proceeds from loans		490,997		742,028
Proceeds from loans, related party		96,671		195,408
Repayment of loans, related party		(94,926)		(20,727)
Net cash provided by financing activities		492,742		916,709
Net increase (decrease) in cash		78,875		(77,988)
Foreign currency translation gain (loss)		-		12,822
Cash, beginning of period		7,918		96,874
Cash, end of period	$	86,793	$	31,708
SUPPLEMENTAL DISCLOSURES:				
Cash paid for interest and income taxes:				
Interest	$	-	$	7,283
Income taxes	$	-	$	-
NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Services paid by issuance of stock and options	$	85,709	$	22,718
. Stock issued for accrued compensation	$	117,600	$	-
Stock issued for interest	$	96,600	$	-

See accompanying condensed notes to the financial statements.

ELGRANDE INTERNATIONAL, INC.
(Formerly Known as Elgrande.com, Inc.)
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
February 28, 2006

NOTE 1 – BASIS OF PRESENTATION

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Regulation S-B as promulgated by the Securities and Exchange Commission. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements for the period ended May 31, 2005. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented.

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions that could have a material effect on the reported amounts of the Company's financial position and results of operations.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has suffered material recurring losses from operations since inception. At February 28, 2006, the Company has a working capital deficit of approximately $1,342,970, an accumulated deficit of approximately $11,420,870 and negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Continuation of the Company is dependent on achieving sufficiently profitable operations and obtaining additional financing. Management has and is continuing to raise additional capital from various sources. The Company has developed a wholesale division which sources unique home décor items from Europe for distribution in North America. There can be no assurances that the Company will be successful in raising additional capital. The financial statements do not include any adjustment relating to the recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Revenue and Cost Recognition</u>
The Company recognizes revenue for product sales when products are shipped and title passes to customers. Cost of sales consists of the purchase price of products sold, inbound and outbound shipping charges, and packaging supplies.

<u>Accounts Receivable</u>
The Company carries its accounts receivable at net realizable value. The Company is in the process of developing a policy for recognizing doubtful accounts. The Company's policy is to accrue interest on trade receivables 30 days after invoice date. A receivable is considered past due if the Company does not receive payment within 30 days.

<u>Inventories</u>
Inventory at February 28, 2006 consists of a variety of home-décor products. Inventories are recorded using the specific identification method and valued at the lower of cost or market value. Inventory consisting of manufactured products is recorded using the first in first out method and valued at the lower of cost or market value.

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board, issued Statement of Financial Accounting Standards ("SFAS, No. 154"), "Accounting Changes and Error Corrections," which replaces Accounting Principles Board Opinion No. 20, "Accounting Changes," and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements -- An Amendment of APB Opinion No. 28". SFAS No. 154 provides guidance on accounting for and reporting changes in accounting principle and error corrections. SFAS No. 154 requires that changes in accounting principle be applied retrospectively to prior period financial statements and is effective for fiscal years beginning after December 15, 2005. The Company does not expect SFAS No. 154 to have a material impact on our consolidated financial position, results of operations, or cash flows.

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 153. This statement addresses the measurement of exchanges of nonmonetary assets. The guidance in APB Opinion No. 29, "Accounting for Nonmonetary Transactions," is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that opinion, however, included certain exceptions to that principle. This statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. Management believes the adoption of this statement had no immediate impact on the financial statements of the Company.

In December 2004, the Financial Accounting Standards Board issued a revision to Statement of Financial Accounting Standards No. 123R, "Accounting for Stock Based Compensation." This statement supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. This statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. This statement does not change the accounting guidance for share based payment transactions with parties other than employees provided in Statement of Financial Accounting Standards No. 123(R). This statement does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans." Management believes the adoption of this statement will have no impact on the financial statements of the Company. The Company previously adopted Statement of Financial Accounting Standard No. 123.

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 151, "Inventory Costs— an amendment of ARB No. 43, Chapter 4". This statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ". . . under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs may be so abnormal as to require treatment as current period charges. . . ." This statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. Management believe the adoption of this statement had any immediate material impact on the Company.

NOTE 3 - COMMON STOCK

During the nine months ended February 28, 2006, the Company issued 1,310,911 shares of common stock for interest debt of $86,520; 2,799,990 shares of common stock for compensation of $117,600; 240,000 shares of common stock for interest expense and accrued interest of $10,080; and 7,461,901 shares of common stock for services of $85,709.

NOTE 4 - STOCK OPTIONS

During the three months ended August 31, 2005, the Company's board of directors approved the Elgrande International, Inc. 2005 Stock Option Plan. The Company may issue up to 6,000,000 common stock options with a maximum per share price of $0.03.

During the fiscal year ended May 31, 2003, the Company's board of directors approved the Elgrande.com, Inc. 2003 Stock Options Plan. The Company may issue up to 5,000,000 common stock options with a maximum per share price of $0.05.

During the year ended May 31, 2005 and during nine months ended February 28, 2006, the Company did not issue any stock options under either plan.

The following is a summary of stock option activity:

	Number of Weighted Average Shares	Exercise Price
Outstanding June 1, 2003	3,640,000	$ 0.61
Expired	(1,119,000)	$(0.11)
Options outstanding at May 31, 2004	2,521,000	$ 0.83
Expired	-	-
Options outstanding at May 31, 2005	2,521,000	$0.83
Expired	-	-
Options outstanding and exercisable at February 28, 2006	2,521,000	$ 0.83

NOTE 5 - NOTES AND DEBENTURES PAYABLE

Short-term Notes
During the nine months ended February 28, 2006, the Company's officers loaned the Company approximately $98,000 to fund continuing operations.

On December 7, 2005, the Company executed a securities purchase agreement with certain accredited investors. Under the agreement, the Company agreed to sell its convertible debentures due three years from the final closing date. The principal amount of up to $600,000 bearing interest at the rate of 6% per annum and is convertible into shares of the Company's common stock at a conversion price for each share of common stock equal to 75% of the lowest closing bid price per share of the common stock for the fifteen trading days immediately preceding the date of conversion. For the quarter ended February 28, 2006, the company completed the sale of an aggregate of $555,000 in Debentures under the Purchase Agreement which resulted in net proceeds of $424,850.

The difference between the Debenture face value and the proceeds received was for fees in the amount of $130,150. These fees have been recorded as debt discount and are being amortized over a 3 year period straight line, totaling $3,615 per month.

The Company also recorded a beneficial conversion feature on the debentures as a discount on the debt in the amount of $424,850. This discount is being amortized over the 36 month term of the debenture, totaling $11,801 per month. Due to the requirement of the Company to provide restricted trading shares to the Debenture holders upon conversion, the Company has recorded the total amount of $185,000 as debentures at February 28, 2006.

Note 6 – Restatement of Financial Statements for the period ending February 28, 2006

The 10QSB quarterly financial statements for the period ending February 28, 2006 filed on April 26, 2006 recorded a derivative liability on $555,000 in Debentures pursuant to the requirements of Financial Accounting Standard No. 133. In a subsequent re-examination of the terms of the debentures it was concluded that since the debentures contemplate the issuance of restricted securities upon conversion the calculation and statement of derivative liability was inappropriate. The re-evaluation resulted in re-statements of certain line items affecting the balance sheet, income statement and cash flows including: reversal of derivative liability $251,191 and corresponding net gain of derivative instrument $173,659, and additional accruals of interest and amortized debt discount. The adjustments are summarized in the following table:

ELGRANDE INTERNATIONAL, INC.	February 28 2006 filed 26/04/06 (Unaudited)	February 28 2006 restated (Unaudited)	Change in Position
CONSOLIDATED BALANCE SHEETS			
Accrued interest	70,451	105,855	35,404
Derivative liability	251,191	-	(251,191)
TOTAL CURRENT LIABILITIES	2,058,950	1,843,163	(215,787)
STOCKHOLDERS' EQUITY (DEFICIT)			
Additional paid-in capital	9,551,722	9,976,572	424,850
Accumulated deficit	(11,211,806)	(11,420,869)	(209,063)
TOTAL STOCKHOLDERS' (DEFICIT)	(1,615,577)	(1,399,790)	215,787

ELGRANDE INTERNATIONAL, INC.
(Formerly Known as Elgrande.com, Inc.)
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
February 28, 2006

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS		Three Months Ended February 28, 2006 filed 26/04/06 (unaudited)		Three Months Ended February 28, 2006 amended (unaudited)		Change in Position		Nine Months Ended February 28, 2006 filed 26/04/06 (unaudited)		Nine Months Ended February 28, 2006 amended (unaudited)		Change in Position
Amortization of debt discount		(10,846)		(46,250)		(35,404)		(10,846)		(46,250)		35,404
Gain (loss) on derivative instruments		173,659		-		(173,659)		173,659		-		173,659
TOTAL OTHER INCOME (EXPENSE)		147,545		(61,518)		(209,063)		130,466		(78,597)		209,063
NET LOSS		(283,246)		(492,309)		(209,063)		(698,411)		(907,474)		209,063
COMPREHENSIVE LOSS	$	(278,714)	$	(487,777)	$	(209,063)	$	(691,912)	$	(900,975)	$	209,063
CONSOLIDATED STATEMENT OF CASH FLOWS												
Net gain (loss)								(698,411)		(907,474)		209,063
Amortization of debt discount								10,846		46,250		(35,404)
Gain (loss) on derivative instruments								(173,659)		-		(173,659)
Accrued interest								35,308		70,712		(35,404)
Net cash provided from financing activities							$	528,146	$	492,742	$	35,404

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Cautionary Statement Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. Some discussions in this report may contain forward-looking statements that involve risk and uncertainty. A number of important factors could cause our actual results to differ materially from those expressed in any forward-looking statements made by us in this report. Forward-looking statements are often identified by words like: "believe", "expect", "estimate", "anticipate", "intend", "project" and similar expressions or words which, by their nature, refer to future events.

In some cases, you can also identify forward-looking statements by terminology such as "may", "will", "should", "plans", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

RESULTS OF OPERATIONS

Comparison of the nine months ended February 28, 2006 and February 28, 2005.

During the first quarter of Fiscal year ending May 2003 the Company completed the phase out of its on-line operations and commenced the start-up of its home décor product import and wholesale distribution operations. In November 2002 the Company launched its wholesale division, European Sources Direct (ESD). Since then, we have established wholesale sales representation in key North American regional giftware and home décor wholesale centers, established supplier relationships and developed a growing customer base. The majority of our customer base is in North America and is made up of independent retailers, key account retailers, event and party planners, restaurants and companies servicing the hospitality sector. All of our products are currently produced in Europe and are shipped to us principally by surface freight. Air freight is prohibitively expensive and is only used in exceptional circumstances.

For the quarter ended February 28, 2006, we had revenues of $55,790 versus $175,725 for the same period ending last year. For the nine months ended February 28, 2006, we had revenues of $384,398 versus $811,206 for the same period ending last year.

The decrease in revenues is primarily due to a prolonged container strike in the Port of Vancouver that substantially delayed the receipt of inventory and adversely affected our ability to fulfill orders to our customers. The strike lasted through the first quarter of the current fiscal year and prevented the receipt of surface transported container inventory until mid second quarter of the current fiscal year. The disruption of surface container flow into and out of the port of Vancouver resulted in significant cancellations of pending sales orders and a substantial downturn of first and second quarter orders and sales.

For the quarter ended February 28, 2006, cost of revenues was $17,638 (32% of sales) versus $129,008 (73% of sales) for the same period last year. For the nine months ended February 28, 2006, cost of revenues was $249,321 (65 percent of sales) versus $467,779 (58% of sales) for the same period last year. The cost of revenue represents the cost of inventory sold and the corresponding freight-in charges of importing products. The decrease in cost of revenue as a percent of sales in the current quarter compared to the same quarter in the prior year reflects improved foreign exchange, reduced factory costs and higher wholesale prices. The increase in cost of revenue as a percent of sales in the 9 months ending February 28, 2006 compared to the same period in the prior year reflects the exceptionally high freight-in charges related to air shipments during the port strike.

For the nine months ended February 28, 2006, gross profit was $135,077 or 35.2% of revenue compared to $343,427 or 42.4% of revenue for the same period ending last year. The reduction in gross profit and gross profit as a percent of sales over the 9 months ended February 28, 2006 compared to the prior year reflect the reduced sales and higher freight costs associated with the port strike.

Revenue accounts for sales of products that have been delivered to customers. Pending sales are orders that have been received but not yet fulfilled due to reasons such as back orders or customer credit issues. The financial statements do not reflect pending sales as per GAAP.

During the quarter ending February 28, 2006, the Company executed a securities purchase agreement with certain accredited investors. Under the agreement, the Company agreed to sell convertible debentures in an aggregate amount of up to $600,000. For the quarter ended February 28, 2006, the company completed the sale of an aggregate of $555,000 in Debentures under the Purchase Agreement which resulted in net proceeds of $424,850.

CHANGES IN FINANCIAL CONDITION

A summary of expenses for the nine months ended February 28, 2006 compared to the same period ended February 28, 2005 is as follows:

	2006	2005
Consulting	$ 209,674	$ 130,865
Selling expense	98,351	225,658
Salaries	273,426	367,207
Compensation	117,600	-
Depreciation and amortization	5,114	36,870
Office and administration	259,789	339,622
	$ 963,954	$1,100,222

There were some changes in our financial condition. Significant changes that warrant discussion include:

Selling Expenses

Our Advertising and Marketing expenses have not increased in the quarter ending February 28, 2006 primarily due to the fact that our product lines are now well established in the market place, remain trend forward and continue to receive wide editorial media coverage. During this quarter we incurred expenses related to our participation in the spring 2006 New York International trade show. The rate of commissions payable to sales representatives has continued to decline reflecting favorable negotiations with our sales agencies to improve our commission structure. Selling expenses decreased by 56% over the same period in the prior year.

Salaries

The 25.6% decrease in salary expense compared to the same period in the prior year reflects staff reductions and increased administrative efficiency. These changes were possible due to our investment in automation and adjustments to policies and procedures designed to increase our internal efficiency.

Office and Administration

Office and administration costs decreased 24% compared to the same period in the prior year. The decrease resulted from more favorable foreign exchange rates, reduction in consumable items as a result of automation and improved supplier pricing. As well, because we have a stable customer base with established credit history, our collections administration costs are negligible. Our travel and entertainment costs were reduced as a result of focusing our participation in trade shows, both in the number of shows attended and the level of staffing at each show, in proportion to expected sales.

Consulting Fees

Consulting fees increased by 60% compared to the same period in the prior year. This relates to the engagement of services related to sales and marketing, product development and financial planning.

Stock issued for accrued compensation

During the quarter ended February 28, 2006, the company recognized the issuance of stock for $117,600 in accrued compensation from prior quarters.

Management is continuing to investigate other ways and means to improve its business administration. This may involve additional investments in information technology to create efficiencies.

LIQUIDITY AND CAPITAL RESOURCES

INTERNAL AND EXTERNAL SOURCES OF CAPITAL

We have limited assets to sell in order to create short or long term liquidity. Therefore we are dependant on a combination of external sources for funding and the developing trend to positive net cash flow to maintain liquidity.

We have no material commitments requiring capital expenditures. There are no contracts with third parties that require funds.

We anticipate the need to develop sufficient inventory to meet sales demand. Currently, we are dependent on external sources for funding to support inventory requirements. Long-term, inventory build-up is planned to coincide with our ability to generate positive cash flow. Until such time as we have positive cash flow on a monthly basis, the dependence on external capital will remain.

There are no guarantees that we will be able to raise external capital in sufficient amounts or on terms acceptable to us. Our ability to demonstrate a consistent trend of positive cash flow and profitable quarters will have a beneficial effect on liquidity.

TRENDS, EVENTS OR UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO HAVE A MATERIAL IMPACT ON NET SALES OR REVENUES OR INCOME FROM CONTINUING OPERATIONS

OPERATING ACTIVITIES

We generated negative cash flow from operating activities for the period from inception (April 8, 1998) through February 28, 2006. We realized negative cash flow of $413,867 from operating activities for the nine months ending February 28, 2006 compared to negative cash flow of $956,887 from operating activities for the nine months ending February 28, 2005.

INVESTING ACTIVITIES

Investing activities for the period from inception through February 28, 2006 consisted primarily of the purchase of inventory and soft costs associated with the development of our wholesale activities.

FINANCING ACTIVITIES

Since inception, we financed operations through proceeds from the issuance of equity and debt securities and loans from shareholders and others. To date, we raised approximately $7 million from the sale of common stock and have borrowed approximately $2 million from investors and shareholders. Funds from these sources have been used as working capital to fund our wholesale activity.

In the 9 months ended February 28, 2006, the company secured loans from investors and related parties and executed a securities purchase agreement dated as of December 7, 2005 (the "Purchase Agreement") with certain accredited investors under which we agreed to sell to these investors our convertible Debentures due three years from the final Closing Date under the Purchase Agreement in the aggregate principal amount of up to $600,000 bearing interest at the rate of 6% per annum and convertible into shares of our Common Stock at a conversion price for each share of Common Stock equal to 75% of the lowest closing bid price per share (as reported by Bloomberg, LP) of our Common Stock for the fifteen trading days immediately preceding the date of conversion.

Our financing activities for the nine months ended February 28, 2006 provided a net total of$492,742. Cash at the end of the period was $86,793.

OFF BALANCE-SHEET ARRANGEMENTS

During the nine months ended February 28, 2006, the Company did not engage in any off-balance sheet arrangements as defined in Item 303(c) of the SEC's Regulation S-B.

ITEM 3. CONTROLS AND PROCEDURES.

QUARTERLY EVALUATION OF THE COMPANY'S DISCLOSURE CONTROLS AND INTERNAL CONTROLS.

As of the close of the period covered by this Quarterly Report on Form 10-QSB, the Company evaluated the effectiveness of the design and operation of its "disclosure controls and procedures" (Disclosure Controls), and its "internal controls and procedures for financial reporting" (Internal Controls). This evaluation (the Controls Evaluation) was done under the supervision and with the participation of management, including our Chief Executive Officer (CEO). Rules adopted by the SEC require that in this section of the Quarterly Report we present the conclusions of the CEO about the effectiveness of our Disclosure Controls and Internal Controls based on and as of the date of the Controls Evaluation. Based upon that evaluation, the Chief Executive Officer and Principal Financial and Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in this Quarterly Report on Form 10-QSB. There have been no changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

CEO CERTIFICATIONS.

Appearing immediately following the Signatures section of this amended Quarterly Report there are two separate forms of "Certifications" of the CEO. The first form of Certification is required in accord with Section 302 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certification). This section of the Quarterly Report which you are currently reading is the information concerning the Controls Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS.

Disclosure Controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (Exchange Act), such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified.

PART II. OTHER INFORMATION.

ITEM 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

(c) Sales of Unregistered Securities

Date	Title and Shares of Common Stock	Purchasers	Principal Underwriter	Total Offering Price/Underwriting Discounts
December 12, 2005	1,000,000	Divine Capital Markets LLC	NA	$10,000/NA
December 12, 2005	3,000,000	Financial Consultant	NA	$30,000/NA
December 14, 2005	400,000	Alphatrade, Inc.	NA	$4,000/NA

The above issuances of Common Stock were exempt from registration under the Securities Act of 1933, as amended, under section 4(1) thereof, as transactions not involving any public offering.

Item 6. Exhibits.

No.	Description
31	Certification of Michael F. Holloran Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32	Certification of Michael F. Holloran Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ELGRANDE INTERNATIONAL, INC.

By: /s/ Michael F. Holloran

Michael F. Holloran
President and Chief Executive Officer (Principal Executive and Financial Officer)

Dated: April 11 , 2007

Exhibit 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Michael F. Holloran, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Elgrande International, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
c) Evaluated the effectiveness of the registrant's disclosure controls over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b) Any fraud, whether or not material, that involves management or other employees who have significant role in the registrant's internal control over financial reporting;

/s/ Michael F. Holloran

Michael F. Holloran, Chief Executive Officer and Principal Financial Officer
Date: April 11, 2007

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Amended Quarterly Report of Elgrande International, Inc. (the "Company") on Form 10-QSB for the period ended February 28, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael F. Holloran, Chief Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge: (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Michael F. Holloran
Michael F. Holloran
Chief Executive Officer and Principal Financial Officer

April 11, 2007