Ceres Capital Corp.

Financial Statements
December 31, 2007 and 2006

RSM Richter LLP
Chartered Accountants
Calgary

Ceres Capital Corp.

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Contents

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Auditors' Report

To the Shareholders of
Ceres Capital Corp.

We have audited the balance sheets of Ceres Capital Corp. as at December 31, 2007 and December 31, 2006 and the statements of operations, deficit and cash flows for the year ended December 31, 2007 and for the period from June 5, 2006 to December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and December 31, 2006 and the results of its operations and its cash flows for the year ended December 31, 2007 and for the period from June 5, 2006 to December 31, 2006 in accordance with Canadian generally accepted accounting principles.

RSM Richter LLP

Chartered Accountants

Calgary, Alberta
April 24, 2008

Ceres Capital Corp.

Balance Sheets
As At December 31, 2007 and 2006

		2007		2006
Assets				
Current				
Cash in trust	$	**1,534,811**	$	1,526,611
Accounts receivable		**4,876**		5,474
		1,539,687		1,532,085
Deferred Organization Expenses		**-**		604
	$	**1,539,687**	$	1,532,689
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**34,502**	$	12,325
Shareholders' Equity				
Share Capital (note 6)		**1,455,042**		1,451,330
Contributed Surplus (note 7)		**250,922**		252,384
Deficit		**(200,779)**		(183,350)
		1,505,185		1,520,364
	$	**1,539,687**	$	1,532,689

See accompanying notes

Approved on Behalf of the Board

(signed) *"Ronald Allen*", Director

(signed) *"Bohdan Romaniuk"*, Director

Ceres Capital Corp.

Statements of Deficit

		For the year ended December 31, 2007	For the period from incorporation on June 5 to December 31, 2006
Retained Earnings (Deficit) - Beginning of Year	**$**	**(183,350)**	$ -
Net loss		**(17,429)**	(183,350)
Balance - End of Year	**$**	**(200,779)**	$ (183,350)

See accompanying notes

Ceres Capital Corp.

Statements of Operations

		For the year ended December 31, 2007		For the period from incorporation on June 5 to December 31, 2006
Interest Income	**$**	**42,285**	$	4,352
Expenses				
General and administrative		**59,714**		12,827
Stock-based compensation		**-**		174,875
		59,714		187,702
Net Loss and Comprehensive Loss	**$**	**(17,429)**	$	(183,350)
Loss Per Share				
Basic and diluted (note 8)	**$**	**-**	$	(0.04)
Weighted average number of shares outstanding (note 8)		**10,259,308**		4,824,162

See accompanying notes

Ceres Capital Corp.

Statements of Cash Flows

		For the year ended December 31, 2007		For the period from incorporation on June 5 to December 31, 2006
Cash Provided (Used) -				
Operating Activities				
Net loss	**$**	**(17,429)**	$	(183,350)
Items not affecting cash:				
Deferred organization expenses, expensed		**604**		-
Stock-based compensation expense		**-**		174,875
		(16,825)		(8,475)
Changes in non-cash operating elements of working capital (note 10)		**22,775**		6,851
		5,950		(1,624)
Financing Activities				
Deferred charges incurred		**-**		(604)
Issuance of shares, net of offering costs (note 6)		**-**		1,528,839
Stock options exercised (note 6)		**2,250**		-
		2,250		1,528,235
Increase in Cash in Trust		**8,200**		1,526,611
Cash in Trust - Beginning of Year		**1,526,611**		-
Cash in Trust - End of Year	**$**	**1,534,811**	$	1,526,611
Supplemental Cash Flow Information				
Interest paid	**$**	**-**	$	-
Income taxes paid		**-**		-

See accompanying notes

1. Nature of operations and continuance of operations

Ceres Capital Corp. ("Ceres" or the "Company"), incorporated under the Business Corporations Act (Alberta) on June 5, 2006, is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquiring them or an interest therein as a result of the closing of a purchase transaction, the exercising of an option or any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction ("Qualifying Transaction") under the Exchange rules.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of assets or businesses, or an interest therein. The Exchange may suspend from trading or delist the common shares of the Company should it not carry out a Qualifying Transaction within 24 months of the date of listing on the Exchange. The 24 month period for carrying out a qualifying transaction expires on November 27, 2008. The financial statements do no include any adjustments to the assets or liabilities in the event the Company fails to fulfill its obligations pertaining to the qualifying transaction.

2. Summary of significant accounting policies

Cash in trust

Cash in trust consists of cash held in the trust account of the Company's lawyer.

Deferred organization expenses

Deferred organization expenses consist of expenses incurred to identify, evaluate and negotiate an acquisition or assets or business, or an interest therein. Consistent with the Emerging Issues Committee Abstract 94, Accounting for Corporate Transaction Costs, these costs will be applied against the issuance of share capital of the Qualifying Transaction, or expensed if the transaction is abandoned.

2. Summary of significant accounting policies (cont'd)

Stock-based compensation plan

The Company uses the fair value method to account for options to be granted to consultants, employees, directors and officers. All options and similar instruments that are granted to non-employees are also accounted for at fair value. The fair value method recognizes the computed fair value of the options granted as compensation expense and contributed surplus over the vesting period. At the time of exercise, the consideration and the related contributed surplus recognized to the exercise date are credited to share capital.

Future income taxes

The Company follows the liability method with respect to accounting for income taxes. Future tax assets and liabilities are determined based on differences between the carrying amount and the tax basis of assets and liabilities. Future income tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect when these differences are expected to reverse. Future income tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that the assets will be realized.

Earnings per share

Basic net earnings per share are computed by dividing the net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share information is calculated using the treasury stock method. The treasury stock method assumes the notional exercise of all in-the-money stock options and that all notional proceeds to the Company are used to repurchase the Company's stock at the average market price during the period. No adjustment to diluted earnings per share is made if the result of this calculation is anti-dilutive.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the financial statements. Those estimates and assumptions also affect the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Changes in accounting policies

Financial Instruments

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 1530, Comprehensive Income and Section 3855, Financial Instruments.

These changes in accounting policy have been adopted retroactively without restatement.

These recommendations establish standards for recognizing and measuring financial instruments, which include financial assets, financial liabilities, derivatives and embedded derivatives. Under these recommendations, all financial instruments are to be recorded initially at fair value. In subsequent periods, all financial instruments are re-measured based on the classification adopted for the financial instrument: held-to-maturity, loans and receivables, held for trading, available-for-sale or other liability.

Financial assets that are held with the intention of generating profits in the near term and derivative contracts that are financial assets, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

Financial assets that have a fixed maturity date and which the Company has a positive intention and the ability to hold to maturity are classified as held-to-maturity, which are subsequently re-measured at amortized cost using the effective interest rate method.

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specified date, or on demand, usually with interest. Loans and receivables are subsequently re-measured at amortized cost using the effective interest rate method.

3. Changes in accounting policies (cont'd)

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are subsequently re-measured at fair value with the changes in fair value recorded in other comprehensive income.

Financial liabilities that are held with the intention of generating profits in the near term and derivative contracts that are financial liabilities, except for a derivative that is a designated and effective hedging instrument, are classified as held for trading. In addition, any other financial liabilities can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized in net income during the period.

Non-derivative financial liabilities that have not been designated as held for trading are classified as other liabilities, which are subsequently re-measured at amortized cost using the effective interest rate method.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash in trust	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

CICA Handbook Section 1530, Comprehensive Income, establishes new measurements of earnings in the financial statements. Other comprehensive income consists of changes to unrealized gains and losses on available-for-sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income.

As a result of adopting these new recommendations as of January 1, 2007, the Company had no changes to its existing financial assets and liabilities, no change to its deficit, beginning of year and no accumulated other comprehensive income.

3. Changes in accounting policies (cont'd)

Accounting Changes

Effective January 1, 2007, the Company has adopted the new recommendations of the Canadian Institute of Chartered Accountants' Handbook Section 1506, Accounting Changes. Under these new recommendations, voluntary changes in accounting policy are permitted only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and requires enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued but which are not yet effective.

4. Recent accounting pronouncements

Recent accounting pronouncements issued and not yet effective are summarized as follows:

Capital Disclosures

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company has not yet determined the impact that the adoption of this change will have on the disclosure in its financial statements.

Financial Instruments Disclosures

CICA Handbook Section 3862, Financial Instruments –Disclosures, increases the disclosures currently required that will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about liquidity risk and market risk. The quantitative disclosures must also include a sensitivity analysis for each type of market risk to which an entity is exposed, showing how net income and other comprehensive income would have been affected by reasonably possible changes in the relevant risk variable. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company has not yet determined the impact that the adoption of this change will have on the disclosure in its financial statements.

4. Recent accounting pronouncements (cont'd)

Financial Instruments Presentation

CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on presentation of financial instruments which have been carried forward unchanged to this new section. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company does not expect the adoption of this standard to have a material impact on the presentation of its financial statements.

General Standards on Financial Statement Presentation

CICA Handbook Section 1400, General Standards on Financial Statement Presentation,has been amended to include requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The changes are effective for the Company for interim and annual financial statements beginning on January 1, 2008. The Company does not expect the adoption of these changes to have an impact on its financial statements.

International Financial Reporting Standards

The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards (IFRS) over a transition period expected to end in 2011. The impact of the transition to IFRS on the Company's financial statements is not yet determinable.

Ceres Capital Corp.

Notes to Financial Statements
December 31, 2007 and 2006

5. Income taxes

The components of the future income tax asset are as follows:

Future income tax asset:

		2007		2006
Non-capital losses	**$**	**19,934**	$	9,018
Share issue costs		**29,332**		48,681
Valuation allowance		**(49,266)**		(57,699)
	$	-	$	-

The provision for income taxes differs from the result which would be obtained by applying the combined Canadian federal and provincial statutory income tax rate of 32.12% to income before income taxes. The differences result from the following:

		2007		2006
Computed expected recovery at 32.12%	**$**	**5,598**	$	58,892
Deductible financing expenses		**10,995**		6,296
Non-deductible stock-based compensation		**-**		(56,170)
Non-recognition of current period tax loss		**(16,593)**		(9,018)
	$	**-**	$	-

The Company has non-capital losses available to claim against future taxable income. The non-capital losses expire as summarized below:

2016	$	28,076
2017		51,661
	$	79,737

The future income tax benefit of these losses has not been recognized in the accounts of the Company.

6. Share capital

Authorized:

Unlimited number of common shares
Unlimited number of preferred shares, conditions to be determined

Issued:

	2007		2006	
	Number	**Amount**	Number	Amount
Common shares				
Beginning of period	**10,250,000**	**$ 1,451,330**	-	$ -
Issued for cash to directors and officers	**-**	**-**	2,000,000	200,000
Issued for cash	**-**	**-**	1,500,000	150,000
Issued for cash pursuant to public offering	**-**	**-**	6,750,000	1,350,000
Stock option plan exercises:				
Issued for cash	**11,250**	**2,250**	-	-
Transferred from contributed surplus	**-**	**1,462**	-	-
	10,261,250	**$ 1,455,042**	10,250,000	$ 1,451,330

Escrowed shares

At December 31, 2007, 3,500,000 issued and outstanding shares were in escrow pursuant to the share escrow agreement in connection with the Company's initial public offering on the TSX Venture Exchange. As per the terms of the agreement, 10% of the escrowed shares will be released upon completion of the qualifying transaction and thereafter 15% of the escrowed shares will be released at the completion of each six month period.

Stock option plan

The Company maintains a Stock Option Plan (the "Plan") for directors and officers, employees and consultants of the Company. Each option entitles the holder to acquire one share of the Company. The total number of common shares reserved for issuance under the Plan may not exceed 10% of the issued and outstanding common shares. Stock options granted under the Plan may not be outstanding for a period of more than five years. The exercise price of the options may not be less than the fair market value of the common shares.

6. Share capital (cont'd)

Agent's options

On November 21, 2006, the Company granted Northern Securities Inc. (the "Agent") a non-transferable option to purchase 607,500 common shares of the Company. The agent's option is exercisable at a price of $0.20 per share for a period of 24 months from November 27, 2006 being the date the common shares were listed on the Exchange.

The Company has accounted for options granted using the fair value method and accordingly recorded a non-cash share issue cost in an amount of $Nil (2006 - $77,509, $0.13 per option) with a corresponding addition to contributed surplus.

On March 5, 2007, the Agent exercised its option to purchase 11,250 common shares of the Company at a price of $0.20 per share. At December 31, 2007, 596,250 options issued to the agent are outstanding. These options expire in 24 months from November 27, 2006 being the date the common shares were listed on the Exchange.

Stock-based compensation

A summary of the status of the Company's Plan and other options as of December 31, 2007 and December 31, 2006 is presented below:

	2007			2006		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Outstanding, beginning of period	**1,632,500**	**$**	**0.20**	-	$	-
Granted during the period	**-**		**-**	1,632,500		0.20
Exercised during the period	**(11,250)**		**0.20**	-		-
Outstanding, end of period	**1,621,250**	**$**	**0.20**	1,632,500	$	0.20

Options outstanding at December 31, 2007:

Exercise price	Number outstanding	Weighted average remaining life in years
$0.20	1,621,500	2.7

The Company recorded non-cash stock based compensation costs in the amount of $nil (2006 - $174,875) with a corresponding addition to contributed surplus.

7. Contributed surplus

Contributed surplus consists of the following activity:

		2007	2006
Balance, beginning of period	$	**252,384** $	-
Stock options exercised (note 6)		**(1,462)**	-
Stock-based compensation expense		**-**	252,384
Balance, end of period	$	**250,922** $	252,384

8. Loss per share

Loss per share is calculated using the weighted average number of shares outstanding. The weighted average number of shares outstanding at December 31, 2007 was 10,259,308 (2006 - 4,824,162).

As the Company had a loss for both 2007 and 2006, the basic and diluted loss per share are the same because the exercise of all stock options would have an anti-dilutive effect.

9. Financial instruments

Fair value

Cash in trust, accounts receivable, accounts payable and accrued liabilities are all short-term in nature and as such, their carrying values approximate fair values.

Interest rate risk

The Company is exposed to interest rate risk arising from fluctuations in the interest rate on cash in trust. The effective interest rate on cash in trust is approximately 2.75%.

Credit risk

The Company has not yet generated significant revenues and as a result is not exposed to significant credit concentration risk.

10. Changes in non-cash working capital

		2007		2006
Accounts receivable	$	**598**	$	(5,474)
Accounts payable and accrued liabilities		**22,177**		12,325
	$	**22,775**	$	6,851

11. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

12. Subsequent event

On February 12, 2008, the Company announced the termination of the letter of intent dated June 27, 2007 (the "Agreement") pursuant to which Ceres had conditionally agreed to acquire all of the issued and outstanding shares of Mavix Inc. as its qualifying transaction. The Agreement expired without a definitive acquisition agreement having been signed and without certain conditions having been met. Accordingly, Ceres has decided not to renew or extend the Agreement.