

CERES CAPITAL CORP.  
INTERIM FINANCIAL STATEMENTS  
MARCH 31, 2007  
(Unaudited - Prepared by Management)

The financial statements of Ceres Capital Corp. (the "Company") as at March 31, 2007 have been compiled by management and approved by the Company's Board of Directors.

Ceres Capital Corp.

Balance Sheets

March 31, 2007

(Unaudited - Prepared by Management)

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	(Unaudited) March 31, <u>2007</u>	(Audited) December 31, <u>2006</u>
<b>Assets</b>		
<b>Current</b>		
Cash in trust	\$ 1,520,976	\$ 1,526,611
Accounts receivable	<u>4,193</u>	<u>5,474</u>
	1,525,169	1,532,085
Deferred organization expenses	<u>-</u>	<u>604</u>
	<u>\$ 1,525,169</u>	<u>\$ 1,532,689</u>
 <b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ <u>2,631</u>	\$ <u>12,325</u>
 <b>Shareholders' equity</b>		
Share capital (Note 4)	1,455,042	1,451,330
Contributed surplus	250,922	252,384
Deficit	<u>(183,426)</u>	<u>(183,350)</u>
	<u>1,522,538</u>	<u>1,520,364</u>
	<u>\$ 1,525,169</u>	<u>\$ 1,532,689</u>

See accompanying notes

APPROVED ON BEHALF OF THE BOARD

Signed "Bohdan Romaniuk"

Signed "Ronald C Allen"

Ceres Capital Corp.

Statement of Loss and Deficit

For the Three Month Period from January 1, 2007 to March 31, 2007

(Unaudited - Prepared by Management)

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Interest income	\$ 9,753
Expenses	
General and administrative	<u>9,829</u>
Net loss for the period	(76)
Deficit beginning of period	<u>(183,350)</u>
Deficit end of period	<u>\$ (183,426)</u>
Loss per share	
Basic	<u>\$ NIL</u>
Diluted	<u>\$ NIL</u>
Weighted average number of shares outstanding	<u>10,253,500</u>

See accompanying notes

Ceres Capital Corp.

Statement of Cash Flows

For the Three Month Period from January 1, 2007 - March 31, 2007

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Operating activities	
Net loss for the period	\$ (76)
Deferred organization expenses	604
Change in non-cash working capital (Note 5)	<u>(8,413)</u>
	(7,885)
Financing activities	
Issuance of shares	<u>2,250</u>
Decrease in cash for the period	(5,635)
Cash in trust - beginning of period	<u>1,526,611</u>
Cash in trust - end of period	<u>\$ 1,520,976</u>

See accompanying notes

Ceres Capital Corp.

Notes to Financial Statements

March 31, 2007

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1. Nature of operations and going concern

Ceres Capital Corp. (the "Company"), incorporated under the Business Corporation 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 will be 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 under the Exchange rules.

This financial statement has 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. Such an acquisition will be subject to the approval of the regulatory authorities concerned, and, in the case of a non-arm's length transaction, of the majority of the minority shareholders. 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.

2. Accounting policies

The interim financial statements for the three months ended March 31, 2007 should be read in conjunction with the audited financial statements for Ceres Capital Corp. (the "Company") as at December 31, 2006. These interim financial statements are presented following the same accounting policies and methods of computation that were used in the audited financial statements of the Company for the year ended December 31, 2006 statements except for the changes in accounting policies described in note 3. Notes to these interim financial statements are provided in compliance with regulatory disclosure requirements. Disclosures that are normally required in the notes to the annual financial statements have been condensed or omitted in the notes to these interim financial statements.

3. Changes in accounting policies

During the quarter, the Company adopted the following accounting policies:

Accounting Changes

Effective January 1, 2007, the Company adopted the amended Canadian Institute of Chartered Accountants (CICA) Handbook Section 1506 "Accounting Changes". The changes to this Section particularly affect the following:

- An entity would be permitted to change an accounting policy only when it is required by a primary source of GAAP, or when the change results in a more reliable and relevant presentation in the financial statements;

Ceres Capital Corp.

Notes to Financial Statements

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### 3. Changes in accounting policies continued

- Changes in accounting policy should be applied retrospectively, except in cases where specific transitional provisions in a primary source of GAAP permit otherwise or where application to comparative information is impractical (the standard provides specific guidance as to what is considered impractical);
- Expanded disclosures about the effects of changes in accounting policy, estimates and errors on the financial statements; and
- Disclosure of new primary sources of GAAP that have been issued but have not yet come into effect and have not yet been adopted by the entity.

The adoption of the amended Section had no effect on the financial statement accounts of the Company.

#### Financial Instruments - Recognition and Measurement

Effective January 1, 2007 the Company adopted, on a retroactive without restatement basis, the new CICA Handbook Section 3855 "Financial Instruments Recognition and Measurement" which prescribes that all financial instruments within the scope of this standard, including derivatives, be initially measured at fair value (except for certain related party transactions) and included on a company's balance sheet. Subsequent measurement of financial instruments should be either at their fair value or, in limited circumstances when fair value may not be considered most relevant, at cost or amortized cost. It also specifies when gains and losses as a result of changes in fair value are to be recognized in the income statement. This standard is effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2006. The adoption of this new requirement did not significantly affect the Company's financial statements.

#### Financial Instruments - Disclosure and Presentation

Effective January 1, 2007, the Company adopted, on a retroactive without restatement basis, reissued Section 3860 of the Handbook as Section 3861, "Financial Instruments - Disclosure and Presentation", which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. The adoption of the new requirement did not affect the Company's financial statements.

#### Comprehensive Income

Effective January 1, 2007, the Company adopted, on a prospective basis, the new CICA Handbook Section 1530 "Comprehensive Income", which requires that an enterprise present comprehensive income and its components, in a financial statement that is displayed with the same prominence as other financial statements. This Section introduces a new requirement to present certain gains and losses temporarily outside net income. The adoption of the new requirement did not affect the Company's financial statements.

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Primary sources of GAAP that have been issued but have not yet come into effect

Effective December 2006, the Accounting Standards Board (AcSB) issued three new CICA Handbook Sections; Section 3862 "Financial Instruments - Disclosures"; Section 3863 "Financial Instruments - Presentation"; and Section 1535 "Capital Disclosures". These new Sections carry forward unchanged presentation requirements of Section 3861 "Financial Instruments - Disclosure and Presentation", and converge with the capital disclosure-related amendments to International Accounting Standards. Section 3862 places an increased emphasis on disclosures about the risks associated with both recognized and unrecognized financial instruments and how these risks are managed and also simplifies the disclosures about concentrations of risk, credit risk, liquidity risk and market risk currently found in Section 3861. Additional requirements include: more extensive disclosures about exposures to liquidity; currency and other price risks and an analysis of the sensitivity of net income for possible changes thereto; more specific disclosures about collateral; and details of liabilities that are in default or in breach of their terms and conditions. Proposed Section 3863 carries forward, without change, the presentation-related requirements of Section 3861. Proposed Section 1535 requires the disclosure of an entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements and if it has not complied, the consequences of such non-compliance. As required, the Company will adopt these new accounting standards for its interim and annual financial statements beginning on January 1, 2008. The Company is in the process of assessing the full impact of these new Sections on its financial statements.

4. Share capital

- (a) Authorized:  
Unlimited number of common shares  
Unlimited number of preferred shares, conditions to be determined

(b) Issued:

	<u>Number</u>	<u>Amount</u>
Common shares		
Balance December 31, 2006	10,250,000	1,451,330
Issued for cash on exercise of Agent's options	<u>11,250</u>	<u>3,712</u>
Balance March 31, 2007	<u>10,261,250</u>	<u>\$ 1,455,042</u>

On March 5, 2007, the Agent exercised options to purchase 11,250 common shares of the Company. The Agent's options were exercised at \$0.20 per share. The Company recorded non-cash share issue proceeds in the amount of \$1,462 (\$0.13 per option) with a corresponding reduction to contributed surplus.

Ceres Capital Corp.

Notes to Financial Statements

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5. Changes in non-cash working capital

Accounts receivable	\$ 1,281
Accounts payable and accrued liabilities	<u>(9,694)</u>
	<u>\$ (8,413)</u>

6. Financial instruments

Fair Value

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

Credit Risk

In the opinion of management the Company is not exposed to a significant credit risk.

Interest Rate Risk

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