

**CERES CAPITAL CORP.**  
**FORM 51-102F1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE PERIOD ENDED MARCH 31, 2007**

May 28, 2007

The following discussion and analysis should be read in conjunction with the Corporation's annual audited financial statements for the period ended December 31, 2006, its unaudited interim financial statements for the period ended March 31, 2007, and its prospectus dated September 25, 2006 and all of the notes, risk factors and information contained therein. The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Corporation's results of operations and financial condition. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements.

**Date**

This management's discussion and analysis ("MD & A") is dated May 28, 2007 and is in respect of the three month period ended March 31, 2007 (the "Period Ended March 31, 2007"). The discussion in the MD & A focuses on this period.

**Overall Performance**

Ceres Capital Corp. (the "Corporation") was incorporated under the Business Corporations Act (Alberta) on June 5, 2006 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation will consist of identification and evaluation of potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory and, if required, shareholder approval.

Where an acquisition or participation is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading.

At this time the Corporation continues to evaluate prospective Qualifying Transactions.

### **Selected Interim Financial Information**

The Corporation was incorporated on June 5, 2006. As such, comparative quarterly data of previous years is not available. A summary of selected financial information is as follows:

	<b>For the three month periods ended</b>	
	<b>March 31, 2007</b>	<b>December 31, 2006</b>
Cash in trust	\$1,520,976	\$1,526,611
Net income (loss)	(\$76)	(\$182,350)
Net loss per share (basic and diluted)	Nil	(\$0.04)
Total Assets	\$1,525,169	\$1,532,689

### **Results of Operations**

For the quarter ended March 31, 2007, the Corporation had a net loss of \$76, compared to a net loss of \$182,350 for the previous quarter. For the quarter ended March 31, 2007, the Corporation received \$9,753 in interest income (compared to \$4,352 for the previous quarter) and incurred general and administrative expenses of \$9,829 (compared to \$11,827 for the previous quarter).

### **Liquidity**

For the quarter ended March 31, 2007, the Corporation had working capital of \$1,522,538. This amounts compares to \$1,519,760 in the previous quarter.

### **Income Taxes**

The Corporation currently has no active business and therefore any tax liability is limited to taxes on income received from cash on deposit. In the future, upon completion of a Qualifying Transaction, the Corporation anticipates that this tax position will change.

### **Risks and Uncertainties**

The Corporation is a Capital Pool Company under the policies of the Exchange. If the Corporation fails to complete a Qualifying Transaction within twenty four (24) months of listing, the Exchange could suspend or delist the common shares of the Corporation. The Alberta Securities Commission or the British Columbia Securities Commission may issue an interim cease trade order against the Corporation's securities if the common shares of the Corporation are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Corporation is delisted from the Exchange. In addition, delisting from the Exchange may result in the cancellation of all of the currently issued and outstanding securities of the Corporation held by insiders. As the Corporation has not commenced principal operations, historical revenue and expenditure trends are not indicative of future activity. In the future, the Corporation will continue to incur significant expenses relating to due diligence, negotiations of the terms of a Qualifying Transaction and preparation of legal agreements required to document and complete the transaction.

### **Transactions with Related Parties**

There were no related party transactions during the Period Ended March 31, 2007.

### Escrowed Shares

The initial 3,500,000 common shares issued on incorporation and all common shares that may be acquired from treasury of the Corporation by non arm's length parties of the Corporation prior to completion of a Qualifying Transaction have been deposited with a Trustee under the Escrow Agreement.

### Disclosure Controls and Procedures

Management has ensured that there are disclosure controls and procedures that provide reasonable assurance that material information relating to the Corporation is disclosed on a timely basis, particularly, information relevant to the period in which annual filings are being prepared. Management believes these disclosure controls and procedures have been effective during the period ended March 31, 2007.

### Internal Controls Over Financial Reporting

The Corporation's management is responsible for establishing and maintaining adequate internal controls over financial reporting. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial statement preparation and presentation. The Corporation did not make any change in its internal control over financial reporting during the quarter ended March 31, 2007 that has materially affected, or is reasonably likely to affect, the Corporation's internal control over financial reporting.

### Additional Disclosure for Venture Issuers without Significant Revenue

	For the three month period ended	
	March 31, 2007	December 31, 2006
Interest income	\$9,753	\$4,352
General and administrative expenses	\$9,829	\$11,827
Net loss	(\$76)	(\$182,350)
Loss per share	Nil	\$0.04
Total assets	\$1,525,169	\$1,532,689
Long-term debt	Nil	Nil
Dividends	Nil	Nil

### ***DISCLOSURE OF OUTSTANDING SHARE DATA (as at May 28, 2007)***

#### **Authorized and Issued Share Capital**

Class	Par Value	Authorized	Issued
Common	Nil	Unlimited	10,261,250

**Description of Options, Warrants and Convertible securities outstanding.**

<b>Security Type</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Recorded Value</b>
Options	1,025,000	\$0.20	Nov. 21, 2011	N/A
Warrants	596,250	\$0.20	Nov. 27, 2008	N/A

***ADDITIONAL INFORMATION***

Additional information relating to the Corporation can also be found on SEDAR at [www.sedar.com](http://www.sedar.com).

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