

CERES CAPITAL CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2008**

August 15, 2008

The following discussion and analysis should be read in conjunction with the Corporation's annual audited financial statements for the year ended December 31, 2007, its unaudited interim financial statements for the period ended June 30, 2008, 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 August 15, 2008 and is in respect of the six month period ended June 30, 2008 (the "Period Ended June 30, 2008"). The discussion in the MD & A focuses on this period.

Overall Performance

Ceres Capital Corp. ("Ceres", the "Company" or 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" or the "TSXV"). The principal business of the Corporation consists 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.

Qualifying Transaction

The Company has entered into a letter of intent (the "LOI") dated May 20, 2008 with certain of the majority shareholders of Toggle Networks Inc. ("Toggle"), a private Alberta corporation, whereunder the parties have agreed to negotiate a definitive agreement relating to a proposed transaction (the "Transaction") pursuant to which Ceres will acquire all of the issued and outstanding securities of Toggle (the combined entity hereinafter referred to as the "Resulting

Issuer”). The arm’s length Transaction will constitute Ceres’s “Qualifying Transaction” under the applicable policies of the “TSXV”. Pursuant to the LOI, the parties have agreed to the essential terms of the Transaction.

If the Transaction is completed, Ceres will issue 4,166,667 common shares to the Toggle shareholders having a deemed value of \$0.18 per share, which implies an entity value for Toggle of approximately \$750,000. Further, it is a condition of the Transaction that Ceres complete a private placement for gross proceeds of \$750,000 (the “Ceres Private Placement”) concurrent with the closing of the Transaction. The Ceres Private Placement will result in the issuance of an aggregate of 4,166,667 units (each a “Unit”) at a price of \$0.18 per Unit. Each Unit shall consist of one common share of Ceres and one-half of one common share purchase warrant (a “Warrant”). Each whole Warrant shall entitle the holder thereof to purchase one common share of Ceres at a price of \$0.24 per share for two (2) years following the closing date of the Transaction. The proceeds from the Ceres Private Placement will be used to provide the Resulting Issuer with additional working capital. If the Transaction and the Ceres Private Placement are completed, Ceres will have 18,594,584 common shares issued and outstanding (on a non-diluted basis).

Toggle provides high quality data protection and hosting services to empower organizations with disaster recovery and business continuity solutions. Toggle is dedicated to protecting organizations from unforeseen interruptions by protecting computer data and improving availability of computer systems. It specializes in providing hosted services that meet the most demanding recovery time and recovery point objectives in the event of data loss or computer system failures.

Since 2002, Toggle has been providing innovative solutions for hosting and protecting computer data for all sizes and types of organizations. Toggle serves small, medium and large organizations across Canada and into the United States of America, representing various industries including oil and gas, high tech, insurance, medical and paramedical, marketing, food services, distribution and retail.

Toggle’s services currently include continuous data backup, synchronous data mirroring, automatic server failover, high availability virtual server hosting, high density co-location, online monitoring, managed internet hosting and application development. Toggle delivers a comprehensive suite of high quality hosted services to significantly improve the availability, security and protection of computer data and applications.

Toggle’s data protection and hosting services are designed with next generation technologies providing comprehensive solutions not previously available. Toggle has always focused on providing high quality services targeted at SMB’s with technology and infrastructure that scales for Enterprises. Toggle has effectively engineered its services to deliver solutions with flexible feature sets that adapt to the many diverse requirements of information driven organizations. Toggle keeps pace with the latest advances in information technology; implementing proven hardware and software solutions that attain the quality, flexibility and affordability demanded by its customers.

The proposed qualifying transaction is subject to a number of conditions including the following:

- a. approval by the board of directors of both Ceres and Toggle;
- b. approval by the Toggle shareholders;
- c. satisfactory due diligence by both Ceres and Toggle;
- d. completion of the Ceres Private Placement;
- f. Toggle appointing a Chief Financial Officer (who will become the Chief Financial Office of the Resulting Issuer) who is acceptable to Ceres and who has experience with Canadian GAAP and Canadian Public reporting requirements;
- g. negotiation and execution of a definitive agreement; and
- h. regulatory approval.

There can be no assurance that the Transaction will be completed as proposed, or at all.

Financial Results

A summary of selected financial results is as follows:

	For the three month period ended June 30, 2008	For the six month period ended June 30, 2008	For the twelve month period ended December 31, 2007	For the six month period ended June 30, 2007
Cash in trust	\$ 1,475,838	\$ 1,475,838	\$ 1,534,811	\$ 1,523,114
Net loss and comprehensive loss	(\$9,532)	(\$9,740)	(\$17,429)	(\$5,920)
Net loss per share (basic and diluted)	NIL	NIL	NIL	NIL
Total Assets	\$ 1,505,703	\$ 1,505,703	\$ 1,539,687	\$ 1,527,804

Results of Operations

For the three months ended June 30, 2008 the Corporation had a net loss of \$9,532 (compared to a net loss of \$5,844 for the corresponding period in the previous year). For the three months ended June 30, 2008 the Corporation received \$8,699 in interest income (compared to \$9,959 for the corresponding period in the previous year) and incurred general and administrative expenses of \$18,231 (compared to \$15,803 for the corresponding period in the previous year).

For the six months June 30, 2008 the Corporation had a net loss of \$9,740 (compared to a net loss of \$5,920 for the corresponding period in the previous year). For the six month period ended June 30, 2008 the Corporation received \$19,349 in interest income (compared to \$19,723 for the corresponding period in the previous year) and incurred general and administrative expenses of \$29,089 (compared to \$25,632 for the corresponding period in the previous year).

Summary of Quarterly Results

The summary of quarterly results is as follows:

	For the three month period ended June 30, 2008	For the three month period ended March 31, 2008	For the three month period ended December 31, 2007	For the three month period ended September 30, 2007	For the three month period ended June 30, 2007	For the three month period ended March 31, 2007
Interest income	\$ 8,699	\$ 10,650	\$ 11,705	\$ 10,868	\$ 9,959	\$ 9,753
Net loss and comprehensive loss	(\$9,532)	(\$ 208)	(\$9,263)	(\$2,246)	(\$5,844)	(\$76)

Liquidity

For the quarter ended June 30, 2008 the Corporation had working capital of \$1,495,445 (compared to \$1,519,760 for the corresponding period in the previous year and \$ 1,505,185 as at December 31, 2007).

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 June 30, 2008.

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 would be deposited with a Trustee under the Escrow Agreement.

Additional Disclosure for Venture Issuers without Significant Revenue

	For the three month period ended June 30, 2008	For the three month period ended March 31, 2008	For the twelve month period ended December 31, 2007	For the period June 5 to December 31, 2006
Interest income	\$ 8,699	\$ 10,650	\$ 42,285	\$ 4,352
General and administrative expenses	\$ 18,231	\$10,858	\$ 59,714	\$ 12,827
Net loss and comprehensive loss	(\$9,532)	(\$208)	(\$17,429)	(\$183,350)
Loss per share	NIL	NIL	NIL	(\$0.04)
Total assets	\$1,505,703	\$1,544,450	\$1,539,687	\$1,532,689
Long-term debt	NIL	NIL	NIL	NIL
Dividends	NIL	NIL	NIL	NIL

DISCLOSURE OF OUTSTANDING SHARE DATA (as at August 15, 2008)

Authorized and Issued Share Capital

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

Description of Options, Warrants and Convertible securities outstanding.

Security Type	Number	Exercise Price	Expiry Date	Recorded Value
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.