

CERES CAPITAL CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

April 25, 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, 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 April 25, 2008 and is in respect of the year ended December 31, 2007 (the "Year Ended December 31, 2007"). 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"). 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.

Selected Financial Information

A summary of selected financial information is as follows:

	For the twelve months ended December 31, 2007	For the period June 5, 2006 to December 31, 2006
Cash in trust	\$ 1,534,811	\$ 1,526,611
Interest income	\$ 42,285	\$ 4,352
Net loss	(\$ 17,429)	(\$ 183,350)
Net loss per share (basic and diluted)	NIL	(\$ 0.04)
Total assets	\$ 1,539,687	\$ 1,532,689
Long term debt	NIL	NIL
Dividends	NIL	NIL

Summary of Quarterly Results

period	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	For the June 5, 2006 to December 31, 2006
Interest income	\$ 11,705	\$ 10,868	\$ 9,959	\$ 9,753	\$ 4,352
Net loss	(\$ 9,263)	(\$ 2,246)	(\$ 5,844)	(\$ 76)	(\$ 183,350)
Net loss per Share basic and diluted	NIL	NIL	NIL	NIL	(\$ 0.04)

Liquidity

A summary of the working capital is as follows:

<u>December 31, 2007</u>	<u>December 31, 2006</u>
\$ 1,505,185	\$ 1,519,760

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 Year Ended December 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.

Additional Disclosure for Venture Issuers without Significant Revenue

	For the twelve months ended December 31, 2007	For the period June 5, 2006 to December 31, 2006
Interest income	\$ 42,285	\$ 4,352
General & administrative	\$ 59,714	\$ 12,827
Net loss	\$ 17,429	\$ 183,350
Total assets	\$ 1,539,687	\$ 1,532,689
Long term debt	NIL	NIL
Dividends	NIL	NIL

DISCLOSURE OF OUTSTANDING SHARE DATA (as at April 25, 2008)

Authorized and Issued Share Capital

Class	Par Value	Authorized	Issued December 31, 2007	Issued December 31, 2006
Common	Nil	Unlimited	10,261,250	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

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.

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:

<u>Financial Instrument</u>	<u>Classification</u>
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 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.

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 not yet effect.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can also be found on SEDAR at www.sedar.com.