CERVUS LP

Third Quarter Financial Statements

For the nine months ended September 30, 2005

(Unaudited)

These unaudited interim consolidated financial statements have not been reviewed by the LP's auditors.

CERVUS LP

Dear Unitholders

It is my pleasure to present Cervus LP's results for the third quarter ended September 30, 2005.

Fiscal 2005 – 3rd Quarter Results

The Partnership's revenues for the third quarter were $63.5 million, $132.8 million year to date. Year to date, sales have increased 21 % compared to the same period a year ago.

Net earnings for the third quarter were $2.6 million ($0.61 per unit basic) and for the nine month period ending September 30, 2005 net earnings were $4.3 million ($1.01 per unit basic). Year to date, net earnings have increased 33 % compared to the same period a year ago.

The Partnership has distributed $0.08 per unit for each of the months of January through September 2005. Also, the Partnership has declared another $0.08 distribution for each of October and November 2005 bringing total year to date distributions to $0.88 per unit.

We continue to have a very high rate of participation in our Dividend Reinvestment Program with approximately 65% of the outstanding units participating in the program. This allows cash distributions to be reinvested into the Partnership to fund future growth and acquisitions.

Current Economic Environment and New Developments

There is much more optimism among our customers. This optimism has translated into strong third quarter results and continues to generate revenues above our initial expectations. Grain prices; unfortunately, continue to be stubbornly low but yield and quality look to be slightly above average for this year. Eastern Saskatchewan has suffered from the same excessive rainfall that Manitoba has experienced this year, so crops there were below average, but they enjoyed a dry harvest and were complete by the end of September. In Alberta, with the very wet fall, harvest occurred very late. Somewhat less than 5% of the crop remains unharvested. There may be a small negative impact on sales next year as a result of the wet harvest. Our cattle customers are relieved to have a U.S. source for their product, but it will take several months, if not years, to rebuild the infrastructure required to get shipments back to their previous levels. Cattle prices and producer margins are very good which it is anticipated will positively impact our revenues over the next 12 months. Our inventory levels have increased due to increased sales activity. We anticipate a reduction in inventory levels by year end to more normal levels.

We are very pleased to have successfully completed the acquisition of A.R. Williams Contractors Equipment Ltd. ("Contractors") in November. Contractors is an exclusive distributor of Bobcat, JCB and JLG construction equipment within the Northern and Central Alberta trade territory. The Partnership expects to realize on the objectives of this acquisition, which were to increase return to the unit holders, decrease the risks inherent in the business by diversifying into a like business serving other industries, and increase the Partnership's participation in the growth of the Alberta market. The Transaction is expected to be immediately accretive to Cervus LP.

The Partnership continues to expect growth in revenues and profitability and intends to maintain its monthly distributions.

Sincerely submitted on behalf of the employees, management and directors of the general partner of the Partnership, Cervus GP Ltd.,

Peter Lacey
President and Chief Executive Officer
Cervus GP Ltd., the General Partner

CERVUS LP

Consolidated Balance Sheets

(Unaudited)

	September 30, 2005	December 31, 2004
Assets		
Current assets:		
Trade accounts receivable	$ 3,257,025	$ 2,626,268
Inventories	39,097,755	27,594,996
Prepaids	150,970	156,529
Income taxes receivable	3,768	3,768
	42,509,518	30,381,561
Buildings and equipment	1,070,489	946,751
Goodwill	803,969	803,969
Finance reserve	1,151,297	872,144
Investments	677,731	429,598
	$ 46,213,004	$ 33,434,023
Liabilities and Partners' Equity		
Current liabilities:		
Bank indebtedness	$ 2,766,566	$ 164,664
Accounts payable and accrued liabilities	2,542,402	2,225,073
Floor plan payables	22,716,529	15,281,083
Distribution payable	343,891	321,321
Current portion of notes payable to Cervus Corporation	800,000	–
Current portion of long-term debt	102,596	67,188
	29,271,984	18,059,329
Long-term debt	216,748	135,207
Notes payable to Cervus Corporation	5,277,784	6,798,795
Notes payable (note 6(c))	777,914	714,792
Partners' equity		
Partners' capital (note 5)	5,210,835	3,389,975
Contributed surplus	44,000	44,000
Accumulated earnings	5,413,739	4,291,925
	10,668,574	7,725,900
Subsequent events (note 7)		
	$ 46,213,004	$ 33,434,023

See accompanying notes to consolidated financial statements.

Approved by the Board of the General Partner:

Signed "Peter Lacey" Director

Signed "Graham Drake" Director

CERVUS LP

Consolidated Statement of Earnings

(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Revenue:				
Equipment sales	$ 52,794,395	$ 37,878,224	$ 108,636,792	$ 88,486,753
Parts and service	10,540,065	9,660,535	23,726,772	20,997,446
Other	195,734	142,277	496,143	448,271
	63,530,194	47,681,036	132,859,707	109,932,470
Cost of sales	55,182,402	41,015,575	113,487,922	93,824,905
Gross profit	8,347,792	6,665,461	19,371,785	16,107,565
Selling, general and administrative expenses	5,443,548	4,637,668	14,447,206	12,207,267
Interest expense	280,442	195,112	672,000	727,000
Depreciation expense	64,424	66,639	185,809	181,981
Earnings before the following	2,559,378	1,766,042	4,066,770	2,991,317
Equity in earnings of significantly influenced companies	33,000	16,155	203,000	214,155
Non-controlling interest	–	(108,276)	–	–
Net earnings	$ 2,592,378	$ 1,890,473	$ 4,269,770	$ 3,205,472
Net earnings per unit (note 5):				
Basic	$ 0.61	$ 0.50	$ 1.01	$ 0.85
Diluted	$ 0.59	$ 0.50	$ 0.99	$ 0.85

See accompanying notes to consolidated financial statements.

CERVUS LP

Consolidated Statement of Accumulated Earnings
(Unaudited)

For the period ended September 30, 2005

	General Partner	Cervus Corporation	Limited Partners	Total
Balance, December 31, 2004	$ –	$ 125,115	$ 4,166,810	$4,291,925
Net earnings (note 6)	25,924	46,924	4,196,922	4,269,770
Distributions to partners	–	(141,889)	(3,006,067)	(3,147,956)
Balance, September 30, 2005	$ 25,924	$ 30,150	$ 5,357,665	$5,413,739

See accompanying notes to consolidated financial statements.

CERVUS LP

Consolidated Statement of Cash Flows
(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Cash flows from (used in):				
Operations:				
Net earnings	$ 2,592,378	$ 1,890,473	$ 4,269,770	$ 3,205,472
Add items not affecting cash:				
Depreciation expense	64,424	66,639	185,809	181,981
Unit based compensation expense	–	–	–	3,432
Undistributed earnings of significantly influenced companies	(33,000)	(16,155)	(203,000)	(214,155)
Non-controlling interest	–	(108,276)	–	–
	2,623,802	1,832,681	4,252,579	3,176,730
Net change in non-cash working capital	(444,088)	(235,266)	(4,352,612)	(1,916,955)
	2,179,714	1,597,415	(100,033)	1,259,775
Financing:				
Issuance of limited partnership units	648,380	–	1,820,860	215,000
Proceeds on long-term debt	13,814	–	184,705	–
Distributions to the partners	(1,166,708)	–	(3,147,956)	–
Repayment of advance from Cervus Corporation	–	–	–	(1,660,000)
Advances to affiliate companies	–	469,235	–	327,433
Repayment of long-term debt	(29,125)	(14,806)	(67,757)	(23,016)
Increase in finance reserve	(217,555)	(70,251)	(279,154)	(132,044)
Issuance (repayment) of notes payable	(91,937)	–	63,125	–
Net change in notes payable to Cervus Corporation	(844,086)	(168,987)	(721,011)	1,118,696
	(499,498)	215,191	(2,147,188)	(153,931)
Investments:				
Purchase of equipment	(77,656)	(66,833)	(309,548)	(129,223)
Purchase long-term investment	–	–	(45,133)	–
Proceeds on sale of assets	–	–	–	1,574,349
Investment in Cervus Corporation	–	–	–	(1,240,000)
Business acquisition, net of cash acquired	–	–	–	184,400
	(77,656)	(66,833)	(354,681)	389,526
Increase (decrease) in cash	414,841	1,745,773	(2,601,902)	1,495,370
Cash (bank indebtedness), beginning of period	(3,181,407)	635,922	(164,664)	886,325
Cash (bank indebtedness), end of period	$(2,766,566)	$ 2,381,695	$(2,766,566)	$ 2,381,695

The following cash payment has been included in the determined of net earnings:

Cash interest paid	$ 280,442	$ 242,449	$ 707,145	$ 737,670

1. Description of business:

Cervus LP (the "LP") was established under the laws of Alberta as a limited partnership on March 14, 2003. The general partner is Cervus GP Ltd. The LP is a retailer of agricultural equipment primarily supplied by Deere & Company and products and services pursuant to a contract agreement to act as an authorized dealer for John Deere Limited.

2. General:

The interim financial statements of Cervus LP have been prepared by management in accordance with accounting principles generally accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended December 31, 2004. The disclosures provided below are incremental to those included in the annual financial statements. The interim financial statements should be read in conjunction with the financial statements and the notes thereto for the year ended December 31, 2004.

3. Seasonality:

Canadian retailing of agricultural equipment is influenced by seasonality. Sales activity is normally highest between April and September during growing seasons in Canada. Sales activity is low during winter months during non-growing seasons. As a result, earnings or losses may not accrue uniformly from quarter to quarter.

4. Economic dependence:

The LP's primary source of income is from the sale of farm equipment and products and services pursuant to agreements to act as an authorized dealer for John Deere Limited. The agreement with John Deere Limited provides a framework under which John Deere Limited can terminate a John Deere dealership if such dealership fails to maintain certain performance and equity covenants. Each contract also provides a one-year remedy period whereby the LP has one year to restore any deficiencies. There can be no guarantee that circumstances will not arise which gives John Deere Limited the right to terminate John Deere dealership agreements.

Cervus GP Ltd., as general partner, is considered a co-borrower and guarantor of the indebtedness of the LP.

5. Partners' equity:

(a) Issued:

	Number of units	Fixed Value	General Partner	Limited partners	Total
Balance December 31, 2004	4,016,510	$ 803,969	$ 100	$2,585,906	$3,389,975
Issued on exercise of unit options	16,500	–	–	33,000	33,000
Issued on DRIP plan	265,633	–	–	1,787,860	1,787,860
Balance September 30, 2005	4,298,643	$ 803,969	$ 100	$4,406,766	$5,210,835

(b) Unit options:

The LP has a unit option plan available to officers, directors and employees of the general partner and its associates and affiliates with grants under the plan approved from time to time by the board of directors of the general partner. The exercise price of each option may not be lower than the market price of the partnership units at the date of grant less the maximum discount allowed by the exchange on which the partnership units are listed for trading. The plan provides for vesting, at the discretion of the board, and the options expire after five years from the date of grant.

Changes in the outstanding options are as follows:

	Number outstanding	Weighted average exercise price
Outstanding, December 31, 2004	142,500	$ 2.00
Exercised during 2005	(16,500)	2.00
Outstanding, September 30, 2005	126,000	$ 2.00

(c) Per unit amounts:

The earnings per unit have been calculated based on the weighted average number of units outstanding for the nine months ended September 30, 2005 of 4,156,158 (2004 – 3,777,623) and for the three months ending September 30, 2005 of 4,222,503 (2004 – 3,777,623). In computing diluted per unit amounts, 94,500 units (2004 – 76,113) were added to the weighted average number of units for the dilutive effect of unit options.

5. Partners' equity (continued):

(d) Distribution reinvestment plan:

In 2005, the LP instituted a Distribution Reinvestment Plan ("DRIP") entitling limited partners to reinvest cash distributions in additional units. The DRIP program allows limited partners to reinvest distributions into new units at 95 percent of the average unit price of the previous 10 trading days prior to distribution on which there was trading. During the period, the LP issued 265,633 units under this plan at an average price of $6.73 per unit.

6. Related party transactions:

(a) Cervus Corporation has resigned as general partner of the LP effective May 31, 2005. The new general partner is a private company, Cervus GP Ltd. The appointment was approved by the limited partners at the annual special meeting on May 31, 2005 and received final regulatory approval on August 1, 2005. The shareholders of Cervus GP Ltd., in total, own approximately 70 percent of the outstanding shares of Cervus Corporation and the outstanding units of Cervus LP.

Under the arrangement agreement and subsequent operational agreement between the LP and the previous General Partner, Cervus Corporation, Cervus Corporation was entitled to reimbursement for costs incurred as general partner. The agreement provided for an allocation of insurance costs, allocation of data services, guarantee fees based on 3% of the guarantee amounts to John Deere payable to either Cervus Corporation or the individual providing the guarantees, interest on any overdraft balances, interest on any outstanding indebtedness, building lease charges based on 1% per month of the fair market value of the property, and other direct expenses reimbursable with no handling fees or markup. The guarantee amounts to John Deere and related fees and the building leases remain subsequent to the resignation of Cervus Corporation as General Partner.

During the period ended September 30, 2005 and 2004, the LP had the following transactions with Cervus Corporation:

	2005	2004
Equipment and real estate rentals	$ 653,136	$ 603,243
Interest on notes payable	229,972	334,285
Interest on fixed value units	30,150	30,150
Monthly management fees	-	263,551
Guarantee fees	109,125	73,125
General partner profit allocation	16,774	32,055
	$ 1,039,157	$ 1,336,409

6. Related party transactions (continued):

Under the Amended and Restated Limited Partnership Agreement, Cervus GP Ltd. is entitled to reimbursement of all reasonable direct and indirect costs incurred on behalf of the Partnership and to 1% of the net income of the Partnership.

During the three month period ended September 30, 2005 the LP paid $25,924 in general partner profit allocation to Cervus GP Ltd.

Cervus Corporation and certain limited partnership unit holders have provided guarantees to John Deere, relating to dealership agreements, aggregating $10,050,000 (2004 - $7,100,000). During 2005, the LP paid Cervus Corporation and these individuals $226,125 (2004 -$159,750) for providing these guarantees.

(b) During the period, equipment and real estate rentals of $252,927 (2004 - $270,927) were paid to unitholders of the LP. During the period, management fees of $319,040 (2004 - $169,488) were paid to companies controlled by dealership managers.

(c) Notes payable to other related parties:

		2005
5% notes payable, unsecured	$	404,000
Note payable, non-interest bearing and unsecured		373,914
	$	777,914

The notes payable to other related parties are to companies controlled by dealership managers. The 5% notes payable have a five year term, maturing January 1, 2009, and are repayable in advance without penalty. The non-interest note payable has no maturity and is repayable in advance without penalty. During the period, interest of $15,150 (2004 - $15,150) was paid on the notes.

7. Subsequent Events:

On October 14, 2005, Cervus LP announced that it had signed a letter of intent to purchase all of the outstanding shares of AR Williams Contractors Equipment Ltd. ("Contractors"), an Alberta corporation. The acquisition closed on November 16, 2005.

7. Subsequent Events (continued):

Cervus LP purchased 100% of the shares of Contractors from the two existing shareholders for total consideration of $16.5 million (the “Transaction”) comprised of:

i. $12 million in cash, such cash proceeds financed through a combination of debt and the net proceeds of a previously completed offering of 1,500,000 subscription receipts (the “Subscription Receipts”);

ii. $3 million through the issuance to the vendors of 375,000 Series A Preferred Units of Cervus LP; and

iii. $1.5 million by way of the issuance of promissory notes due January 31, 2006 with interest at 8% per annum.

The earnings will be consolidated for accounting purposes commencing on the date that Cervus LP acquires control of Contractors.

The Partnership entered into a credit agreement with TD Commercial Banking on November 17, 2005. The agreement provides for a committed 364 day operating loan facility of up to $10 million, bearing interest from prime to prime + 0.50%, depending on the Senior Debt/EBITDA ratio, and a $5 million committed non-reducing term facility bearing interest from prime + 0.25% to prime + 0.75%, depending on the Senior Debt/EBITDA ratio. The purpose of these facilities is for working capital and acquisition financing. A portion of the proceeds from the new operating loan will be used to retire Contractors’ existing operating facility.