CERVUS LP

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Management's Discussion and Analysis

For the period ended September 30, 2005

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The following discussion and analysis has been prepared by management and reviewed and approved by the Board of Directors of the general partner of Cervus LP ("the LP"). The discussion and analysis has been prepared as of November 25, 2005.

This management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements, and the notes thereto, for the period ended September 30, 2005. The unaudited consolidated financial statements and financial data contained in the MD&A have been prepared in accordance with Canadian generally accepted accounting principles.

This MD&A may contain forward-looking information that involves a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. For this purpose, any statements herein that are not statements of historical fact may be deemed to be forward–looking statements. Such risks and uncertainties include, but are not limited to: general economic conditions, industry conditions, commodity prices, currency fluctuations and competition from other agricultural equipment dealers.

The LP is primarily in the business of acquiring and operating authorized John Deere Limited dealerships selling John Deere agricultural and grounds care equipment. Currently, the LP operates ten locations in Western Canada.

Commencement of operations

On March 14, 2003, Cervus Corporation announced the creation of a limited partnership to be known as Cervus LP and entered into an arrangement agreement with Cervus LP. Pursuant to the agreement, the dealerships in Calgary, Ponoka, Stettler and Trochu transferred their net dealership assets to Cervus LP in exchange for the promissory notes, limited partnership units and fixed value limited partnership units on April 30, 2003.

On closing of the arrangement, each common shareholder of Cervus Corporation received one limited partnership unit of Cervus LP for each common share held. Cervus Corporation distributed the limited partnership units to its shareholders via a dividend. Cervus Corporation is the general partner of Cervus LP.

On January 1, 2004, the LP acquired a 59% interest in Greenline Equipment Ltd. from Cervus Corporation in exchange for a promissory note. Greenline Equipment has locations in Moosomin - SK, Wawota - SK and Russell - MB.

Revenue

Revenue was $63.5 million for the third quarter ended September 30, 2005 ("Q3 2005")compared to $47.7 million for the same period last year ("Q3 2004"), an increase of $15.8 million.

During Q3 2005, we achieved record sales of harvesting equipment. Our sales mix in this quarter for equipment versus parts and service sales shifted in favor of equipment sales when compared to Q3 2004. In Q3 2005, new and used equipment sales were $52.8 million representing 83 percent of sales compared to $37.9 million representing 80 percent of sales in the same period last year. Parts and service sales were $10.5 million representing 16 percent of sales compared to $9.6 million representing 20 percent of sales for the comparative period in 2004.

Nine months year to date, revenue was $132.9 million compared to $109.9 million for the same period last year, an increase of $23.0 million. The increase in sales was due to increased optimism amongst our customers and effective management of the sales cycle. In addition, the US has re-opened the border to cattle shipments. The sales mix between equipment and parts and service sales has remained consistent for the nine months ended September 30, 2005 compared to the same period in 2004. In the current year to date, new and used equipment sales were $108.6 million representing 81 percent of sales compared to $88.4 million representing 80 percent of sales in the same period last year. In the current year to date, parts and service sales were $23.7 million representing 17 percent of sales compared to $21.0 million representing 19 percent of sales for the comparative period in 2004.

Cost of Sales

Cost of sales was $55.2 million for the three months ended September 30, 2005 compared to $41.0 million for the comparative period. Year to date, cost of sales was $113.5 million compared to $93.8 million a year ago. The increase was due to the increased sales activity. Cost of sales as a percentage of sales remained consistent for the quarter and year to date at approximately 85%.

Gross Profit Margins

Year to date, the LP's overall gross profit margin was 14.6 percent of sales for September 30, 2005 compared to 14.7 percent for the same period last year. Q3 2005 was 13.1% compared to 14.0% in Q3 2004. The decrease was due mainly to changes in the sales mix which was discussed earlier.

Selling, General and Administrative Expenses

Year to date selling, general and administrative expenses were $14.4 million compared with $12.2 million, an increase of $2.2 million. As a percentage of sales selling, general and administrative expenses were 10.9 percent year to date compared to 11.1 percent for the same period last year. The increase of $2.2 million was due to increased selling expenses on the sharply higher sales levels. We saw a decrease in the percentage of sales numbers mainly as a result of economies of scale realized on the higher sales volumes.

Interest

Year to date, interest expense was $0.7 million compared to $0.7 million in the same period last year. As a percentage of revenue, interest expense decreased to 0.5 percent compared with 0.7 percent for the comparative prior period. The decrease is due to a repayment of notes payable to Cervus Corporation of $1.5 million. Interest expense for Q3 2005 was $0.3 million compared to $ 0.2 million in Q3 2004. This increase was due mainly to increased inventory levels. Inventory is expected to decline to more traditional levels by the end of the year. At September 30, 2005 notes payable were $6.1 million compared to $9.4 million at September 30, 2004.

Depreciation

Year to date, depreciation expense has remained consistent at $0.2 million compared to $0.2 million for the comparative nine month period in 2004. Q3 2005 depreciation expense was also comparable to Q3 2004 at $0.1 million and $0.1 million respectively.

Income Taxes

Income taxes are the responsibility of the individual partners except for the LP's subsidiary Questus and its subsidiary corporations which are accrued by the corporations.

Equity Earnings on Investment

Equity earnings on investments represents earnings on Deer Star Systems Inc., an Alberta based company, 101034350 Saskatchewan Ltd. operating Green-Trac Spraymasters, and Greenway Sprayers. The LP owns 27 percent, 33 percent and 19 percent of these three entities respectively. All three companies retail John Deere self propelled sprayers. The income from these investments was $0.2 million year to date compared to $0.2 million in the prior year.

Net earnings

Net earnings for Q3 2005 were $2.6 million compared to $1.9 million for Q3 of 2004. Year to date net earnings were $4.3 million versus $3.2 million for the comparative nine months in the previous year. On a per unit basis for the year to date, the basic earnings were $1.01 per unit compared to basic earnings of $0.85 per unit for the same period in the last fiscal year. The weighted average units outstanding totaled 4.2 million units for the nine months ended September 30, 2005 compared to $3.8 million units for the nine months ended September 30, 2004.

Quarterly Information

	2005			2004				2003
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Revenue (thousands $)	63,530	49,582	19,747	31,684	47,681	41,754	20,498	18,959
Net Earnings (Loss) (thousands $)	2,592	2,274	(596)	496	1,890	1,684	(369)	(80)
Basic Earnings (Loss) Per Share	0.61	0.55	(0.15)	0.12	0.50	0.45	(0.10)	(0.02)
Diluted Earnings (Loss) Per Share	0.59	0.53	(0.14)	0.09	0.50	0.45	(0.10)	(0.02)
Shares Outstanding (thousands)	4,299	4,207	4,051	4,017	3,917	3,917	3,702	3,702
Fully Diluted Shares (thousands)	4,425	4,333	4,138	4,159	4,059	3,917	3,917	3,917

Liquidity and Capital Resources

Cash Flows from Operations

During the first nine months of fiscal 2005, operating activities used $0.1 million of cash. The income from operations of $4.3 million was offset by increased investments in working capital of $4.4 million.

Cash Flows from Financing

During the first nine months of fiscal 2005, financing activities used $2.1 million of cash for the year on an overall basis. Year to date cash from financing activities included $1.8 million from the exercise of unit options and the purchase of limited partnership units under the distribution reinvestment plan. In addition, the LP obtained long term debt of $0.2 million for fixed asset purchases.

Cash used for financing activities included $3.1 million cash distributions to unitholders. The LP has distributed $0.08 per unit per month for each of the nine months ended September 30, 2005, totaling $0.72 per unit for the nine months ended September 30, 2005.

Cash Flows from Investing

During the first nine months of fiscal 2005, investing activities used $0.4 million for the year on an overall basis. Cash used in investing activities included $0.3 million of fixed assets for the year to date.

Line of Credit, Liquidity and Debt

As of September 30, 2005, the LP had working capital of $13.2 million, an increase of $0.9 million from December 31, 2004. The working capital ratio decreased slightly at 1.45 to 1 at September 30, 2005 compared 1.68 to 1 at December 31, 2004.

The LP has a $5 million credit operating facility with its bank secured by current assets. At September 30, 2005, the LP had $2.8 million drawn on this line leaving $2.2 million available for operating purposes. This facility is in the process of being renewed, as discussed in more detail below, to ensure adequate borrowing capacity for future working capital needs.

Long-term liabilities include unsecured and subordinated notes payable to Cervus Corporation of $5.3 million. The notes are payable in five year terms. The notes payable require quarterly interest payments at bank prime rate. In addition, the LP owes $0.8 million to other related companies that are unsecured and subordinated.

Capital

As of September 30, 2005, the LP's issued capital consisted of 4,298,643 units plus 126,000 options outstanding. Subsequent to the quarter the Partnership provided 97,500 options at $8.00 per unit to the brokers as part of the agency agreement for the placement of the subscription receipts. In addition, the Partnership issued 59,000 options at $8.20 to senior management subsequent to the quarter. At November 25, 2005 LP has 4,375,846 partnership units, 375,000 series A preferred units, 1,500,000 subscription receipts, and 257,000 options outstanding.

	Units Issued	Subscription Receipts	Preferred Units	Options Outstanding	Fully Diluted Units
December 31, 2004 Balance	4,016,510			142,500	4,159,010
Units issued by DRIP	265,633				4,424,643
Units issued by options	16,500			(16,500)	4,424,643
September 30, 2005 Balance	4,298,643			126,000	4,424,643
Units issued by DRIP	52,203				4,476,846
Units issued by options	25,000			(25,000)	4,476,846
Options Issued to management				59,000	4,535,846
Options issued to selling agents				97,500	4,633,346
Units issued in private placement		1,500,000			6,133,346
Preferred units issued			375,000		6,508,346
November 24, 2005 Balance	4,375,846	1,500,000	375,000	257,500	6,508,346

Related Party Transactions with Cervus Corporation

(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 the general partner, in total, own approximately 70 percent of the outstanding shares of Cervus Corporation. The shareholders of the proposed general partner, in total, own approximately 70 percent of the outstanding units of Cervus LP.

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.

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

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Other Related Party Transactions

During 2005, the LP paid limited partnership unit holders the following:

	2005	2004
Guarantee fees	226,125	159,750
Equipment and real estate rental	252,927	270,927
Management fees paid to companies controlled by two dealership managers	319,040	169,488
Interest on notes payable to companies controlled by two dealership managers	15,150	15,150
	$ 813,242	$ 615,315

Business Risks and Uncertainties

Authorized John Deere dealerships sell agricultural, lawn and garden and commercial products. The majority of sales today are derived from the agricultural sector. Consequently, grain and livestock prices, weather conditions, Canadian vs. U.S. currency exchange rates, interest rates, disease, Canadian and U.S. government trade policies and customer confidence have an impact on demand for equipment, parts and service. Cervus has embarked on a strategy to mitigate some of the regional risks inherent in the weather conditions through the ownership of dealerships in different geographical areas. The market risk is being mitigated through the hiring and retention of experienced managers and the acquisition of A.R. Williams Contractors Equipment Limited, which provides industry diversification, as discussed more fully below.

The retail farm equipment industry is very competitive. The LP faces a number of competitors, including other "in-line" John Deere dealerships and other competitors including authorized Agco, Case, Caterpillar, Kubota and New Holland dealerships that may be located in communities of the LP's dealerships or are located in surrounding communities to the LP's dealerships. Although competition can be strong, there are a number of factors which allow the LP to compete throughout its market areas: ability to complete large deals with large customers due to the LP's financial strength, its dealership locations are located in key centers such Calgary and Saskatoon and its dealerships are primarily located in higher rainfall, more productive farming areas of western Canada.

The LP is dependent on the market acceptance of John Deere's products. Presently, Deere & Company has a reputation for the manufacture and delivery of high quality, competitively priced products with excellent brand recognition and customer support. John Deere has the largest market share of manufacturing and sales of farm equipment in North America. There can be no assurance that John Deere will continue to manufacture high quality, competitively priced products or maintain its market share in the future.

The success of each dealership is largely dependent on the performance of key employees. Failure of the LP to retain key employees or attract additional key employees with the necessary skills may have a material adverse effect on the growth and profitability of the LP.

The LP acts as a sales agent for the lease of certain equipment by customers from Deere Credit. Under the terms of its agreement with Deere Credit, the LP is obligated to purchase the equipment leased to customers by Deere Credit at the end of the lease term. Deere Credit is obligated to finance these future purchases under dealer floor plan arrangements.

Presently, the agreement with John Deere also provides an arrangement under which John Deere Limited can terminate a John Deere dealership owned by the LP if such dealership fails to maintain certain performance and equity covenants as agreed to by John Deere Limited and the LP. Each contract also provides a one year remedy period whereby the LP has one year to restore any deficiencies to a dealership contract. There can be no guarantee that John Deere Limited will provide its consent to John Deere dealership acquisitions and there can be no guarantee that circumstances will not arise which give John Deere Limited the right to terminate John Deere dealership contracts owned by the LP. To date the LP has maintained a good relationship with John Deere and management expects this will continue going forward.

New Developments and Outlook

There is much more optimism among our John Deere 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 are higher than normal because of higher anticipated sales and by year end should be back to more normal levels.

Subsequent Events

Acquisition

On October 14, 2005, Cervus LP announced that it had entered into 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.

Contractors is an exclusive distributor of Bobcat, JCB and JLG construction equipment within the Northern and Central Alberta trade territory. In addition to selling new and used equipment, Contractors rents equipment, sells parts and provides equipment repair and maintenance service to its customers. Contractors has five dealerships in four cities: one in each of Calgary, Red Deer and Fort McMurray and two in Edmonton.

The Partnership pursued this acquisition as a means 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 its participation in the growth of the Alberta market. As part of the agreement with John Deere, Contractors’ businesses must be separately managed with separation of locations. The Partnership has entered into dealership agreements with Bobcat, JCB and JLG.

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

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

(b) $3 million through the issuance of 375,000 Series A Preferred Units of Cervus LP; and

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

The Subscription Receipts are exchangeable, without additional payment, into regular limited partnership units (“Cervus LP Units”) of Cervus LP on a one-for-one basis at any time now that the Transaction has been completed by the submission by the holder thereof to the subscription receipt agent of the certificate representing the Subscription Receipt together with the duly completed surrender form. Any Subscription Receipts not exchanged for Cervus LP Units by January 15, 2006 will be deemed to have been exchanged for Cervus LP Units on that date without any further action on the part of the holder.

Each Series A Preferred Unit may, at the option of the holder thereof, at any time and from time to time be converted, for no additional consideration, for Cervus LP Units on the basis of one Cervus LP Unit for each Series A Preferred Unit converted. Any Series A Preferred Unit that has not been converted into a Cervus LP Unit on or before November 16, 2010 shall automatically convert to a Cervus LP Unit on that date. The holders of Series A Preferred Units shall not be entitled to receive notice of, attend at and vote at any meeting of holders of Cervus LP Units, except in respect of an amendment or alteration to the rights, privileges, restrictions and conditions attaching to such Series A Preferred Units. The holders of Series A

Preferred Units shall be allocated the net income of Cervus LP, in priority to the general partner and the holders of Cervus LP Units, in an amount equal to 4% multiplied by the aggregate capital contribution of the Series A Preferred Units, computed annually from November 16, 2005 (the "Interest Allocation") which shall be allocated pro rata to each Series A Preferred Unit, such Interest Allocation in aggregate not to exceed the profit of Cervus LP for the reporting period. To the extent that the aggregate of the Interest Allocation exceeds the profit for Cervus LP for the reporting period, the amount of excess shall be carried forward to future reporting periods without limitation for allocation out of the profits of Cervus LP in future reporting years. Holders of Series A Preferred Units will be entitled to receive, subject to applicable law, distributions in an amount in cash for each Series A Preferred Unit equal to the cash distribution declared on each Cervus LP Unit.

The partnership has entered into a one year management agreement with Arne Charbonneau, past President of Contractors, to assist with the smooth transition of the business. It has also entered into a 5 year non-compete agreement with Mr. Charbonneau.

For the fiscal year ended December 31, 2004 Contractors generated $2.4 million of earnings before management bonus and income taxes on revenues of $47.1 million. Unaudited earnings before taxes for the ten months ended October 31, 2005 were $4.1 million on revenues of $57 million. Results are expected to continue to be strong through 2006 as a result of the significant construction and oil & gas activities in Alberta. The earnings will be consolidated for accounting purposes commencing on the date that Cervus LP acquires control of Contractors.

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

Banking facility

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.

SEDAR

Additional information about the LP may be found on the Sedar website at www.sedar.com