GINGER BEEF CORPORATION

Management's Discussion and Analysis
For the quarter ended March 31, 2005

The following is management's discussion and analysis ("MD&A") of the operating and financial results of Ginger Beef Corporation for the quarter ended March 31, 2005. The information is current to May 26, 2005 and has not been reviewed by the Corporation's auditor. The first quarter results have been compared to the same period in 2004. The discussion and analysis should be read in conjunction with the Corporation's audited consolidated financial statements for the years ended December 31, 2004 and 2003, together with the accompanying notes, and the December 31, 2004 MD&A. These documents and additional information about Ginger Beef Corporation are available on SEDAR at www.sedar.com. This discussion and analysis may contain forward-looking statements about the Corporation's future prospects, and the Corporation provides no assurance that actual results will meet management's expectations.

Description of business
The Corporation was incorporated under the Business Corporation Act (Alberta) on April 26, 2000 and was listed on the Canadian Venture Exchange ("CVE") effective June 1, 2001 as a Capital pool Company ("CPC") and has continued on the TSX Venture Exchange.

On September 13, 2002, the Corporation changed its name to Ginger Beef Corporation and completed its Qualifying Transaction to acquire all of the outstanding shares of Ginger Beef Express Ltd. ("Express"). The transaction and the name change were accepted by TSXV and effective September 27, 2002 at the opening, the common shares of the Corporation commenced trading on the TSXV and the common share of AVIC Technologies Inc. delisted. As a result of the acquisition of Express, the transaction has been accounted for as a reverse takeover with Express being the acquiring company since the original Express shareholders now own the majority of shares in the Corporation. In accordance with reverse takeover accounting, the financial statements are a continuation of Express in that the capital structure reflects that of the Corporation and the stated value of the share capital is that of Express.

Ginger Beef Corporation (the "Corporation") is a food company based in Calgary, Alberta. Through two wholly owned subsidiaries, Ginger Beef Express Ltd., ("Express") and Ginger Beef Choice Ltd., ("Choice"), Express oversees a number of franchised take out/delivery service restaurants in Alberta while Choice produces a number of frozen and ready to serve deli Chinese food products. After the modernization of its new facility in the winter of 2002, the Corporation has been certified and granted a license by the Canadian Food Inspection Agency. As a result, the Corporation is now able to ship its products, fresh or frozen, to all provinces in Canada.

The Corporation has been actively involved in product developments, both new products and product improvement, in order to maintain and increase its market share.

Discussion of Operations and Financial Condition

During the first three-month period ended March 31, 2005, the Corporation had net earnings of $45,987 as compared to net earnings of $22,967 for the quarter ending March 31, 2004. The respective net earnings and explanations of the period over period changes are broken down as follows:

- Wholesale revenue of $1,740,648 in the quarter increased from $1,110,793 in the same period of 2004. The 57% increase reflects constant increase in consumer demand for our products and orders from new customers.
- Gross margin from production of 19% in the quarter decreased from 21% in Q1 of 2004 due to the general increase in price of our raw material.
- General and administrative expenses of $139,429 decreased 4% from $144,600 in the same period of 2004. When comparing that as a percentage to wholesale revenue, it has been showing larger downward trend (8% vs13%).
- Total interest expenses relating to long term debt and capital lease obligations of $25,755 decreased from $27,045 in Q1 of 2004.
- Marketing and promotions of $8,368 in the quarter decreased substantially from $14,349 in the same period of 2004. A compliment to our sale staff in their efforts in restraining in their entertainment and travelling expenses. As the Corporation continues adding new accounts, particularly in Eastern Canada, many of these expenses might be on the rise in the following quarters.
- Draw down of the future tax asset of $41,000 was recorded during the quarter that accounts for the lower net earnings for the quarter. This drawdown is resulted from applying the available losses carried forward against the taxable income of the quarter.

Financings
On March 17, 2005 the Corporation received a loan from Farm Credit Canada (“FCC”) in the amount of $27,675 with an interest rate of 7.5% compounded monthly. The loan has a 36 months repayment term secured by the specific equipment purchased with the loan proceeds.

Liquidity and solvency
As at March 31, 2005, the Corporation has working capital of $263,644 which management believes is sufficient to enable the Corporation to meet its ongoing obligations as they come due. Management has been actively exploring various avenues in obtaining additional financing for cash flow purposes to prepare for the added requirements when the anticipated new purchase orders start rolling in.

Investor relations
The Corporation is currently in search of an agent that would act as investor relations.

Related parties transactions
All transactions with related parties during the period are all considered to be in the normal course of business at regular rates and terms. Please refer to Note 4 in the Audited Financial statements for the year ended December 31, 2004.

Changes in Accounting Policy
There were no changes in Accounting Policy during the period. In 2003, the Corporation adopted the amended recommendations of Section 3870 prospectively which requires the expensing of all stock-based payment for employees as well as non-employees. This recommendation was adopted effective January 1, 2003 and is applied to awards granted on or after the date of adoption.

Critical accounting estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles ("GAPP") requires the Corporation to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet dates, and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is acquired, and are subject to change.

The Corporation follows accounting guidelines in determining the value of stock-based compensation, as disclosed in 14 of the audited financial statements for the year ended December 31, 2004. This calculated amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make several assumptions as to future events: 1) estimate the average future hold period of issued stock options before exercise, expiry or cancellation; 2) future volatility of the Corporation's share price in the expected hold period (using historical volatility as a reference); 3) and the appropriate risk free rate of interest. The resulting value is not necessarily the value which the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely on the input assumptions made.

In calculating amortization expense, the Corporation makes estimates about the expected future life of capital assets. These estimates may be revised as new information is obtained.

Chicken Tariff Rate Quota
The Corporation is currently waiting to receive the allocation of the 2004 chicken tariff rate quota. With this allocation, the Corporation could either make use of the allocated quota to import chicken at a lower cost or generate a win fall profit by selling such allocated quota to a third party. The 2003 allocation was sold to third party for $42,250.

Outlook
Ginger Beef will continue to focus in reducing its cost of production and to continue its effort to penetrate the larger Eastern Canadian market in the quarters to come.

Selected annual information

	2004	2003	2002
Wholesale revenue	$5,375,551	$ 3,827,673	$ 930,498
Gross margin	20%	22%	7%
Net earnings (loss)	468,275	(87,524)	(409,424)
Basic and diluted loss per share	0.03	(0.01)	(0.04)
Total assets	3,420,100	2,847,415	2,659,805
Total long-term financial liabilities	1,233,133	1,117,203	1,203,537

Summary of quarterly results

	Net earnings (Net loss)	Basic & diluted earning/ (loss) per share
Q1 2005	45,987	0.003
Q4 2004	404,363	0.030
Q3.2004	105,407	0.010
Q2 2004	(64,462)	-
Q1 2004	22,967	-
Q4 2003	136,356	0.010
Q3 2003	23,128	-
Q2 2003	(45,884)	-
Q1 2003	(201,124)	(0.01)
Q42002	(284,569)	(0.02)
Q3 2002	(81,601)	(0.01)
Q2 2002	(21,151)	-
Q1 2002	(22,103)	-

Forward-looking information

Certain information in this MD&A is forward-looking and is subject to important risks and uncertainties. The results or events predicted in this information may differ from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include the ability of the Corporation to implement its strategic initiatives, government and regulatory decisions, plant availability, competitive factors in the food industry and the prevailing economic conditions in Canada. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “project”, “predict”, “potential”, “could”, “might”, “should” and other similar expressions. The Corporation believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. The forward-looking statements speak only to the date of the MD&A. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.