MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") dated November 14, 2017 should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements for the three-month period ended September 30, 2017 of Ceres Global Ag Corp. ("Ceres", the "Corporation", "we", "our", and "us"), and the Corporation's audited Consolidated Financial Statements for the twelve-month period ended June 30, 2017 (the "Annual Consolidated Financial Statements"). Additional information about Ceres filed with Canadian securities regulatory authorities, including the quarterly financial statements and MD&A, and annual report and the annual information form, is available online at www.sedar.com.

Basis of Presentation
Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Unless otherwise indicated, dollar amounts are expressed in United States dollars ("$" and "USD") and references to "CAD" and "C$" are to Canadian dollars.

Non-IFRS Financial Measures
This MD&A contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS. These measures include "EBITDA" (Earnings before interest, income tax, depreciation and amortization) and "Return on shareholders' equity", neither of which have a standardized meaning under IFRS. See "Non-IFRS Financial Measures and Reconciliations."

Risks and Forward Looking Information
The Corporation's financial and operational performance is potentially affected by a number of factors, including, but not limited to, the factors described in "Key Assumptions & Advisories".

This MD&A contains forward-looking information based on the Corporation's current expectations, estimates, projections and assumptions. This information is subject to a number of risks and uncertainties, including those discussed in this MD&A and the Corporation's other disclosure documents, many of which are beyond the Corporation's control. Users of this information are cautioned that actual results may differ materially. See "Key Assumptions and Advisories" for information on material risk factors and assumptions underlying the Corporation's forward-looking information.

1. FINANCIAL AND OPERATING SUMMARY

	Three months ended September 30			
(in thousands of USD except per share)		**2017**		2016
Revenues	**$**	**130,638**	$	155,927
Gross profit (loss)	**$**	**3,063**	$	1,871
Income (loss) from operations	**$**	**519**	$	(605)
Net income (loss)	**$**	**(806)**	$	(1,356)
Weighted average common shares outstanding		**27,910,413**		26,888,742
Income (loss) per share - Basic	**$**	**(0.03)**	$	(0.05)
Income (loss) per share - Diluted	**$**	**(0.03)**	$	(0.05)
As at:				
Total assets	**$**	**245,740**	$	264,805
Total bank indebtedness, current (1)	**$**	**45,352**	$	55,414
Term debt (2)	**$**	**14,504**	$	22,949
Shareholders' equity	**$**	**151,094**	$	155,062
Return on shareholders' equity (3)		**-0.5%**		-0.9%

(1) Includes Bank indebtedness and outstanding cheques in excess of cash on hand
(2) Includes current portion of long-term debt.
(3) Non-IFRS measure. See Non-IFRS Financial Measures and Reconciliations section.

HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

- In an environment of low commodity prices with suppressed margin opportunities, the Corporation increased gross profit $1.2 million or 64% compared to the same quarter in 2016 due primarily to the increase in storage and rental income.
- Handled 50% more third-party bushels of grain and oilseed during the quarter, compared to the same quarter in 2016.
- The Corporation increased income (loss) from operations $1.1 million compared to the same quarter in 2016.
- Generated cash flow from operations of $13.6 million, an increase of $8.6 million year over year through efficient management of working capital.

Who We Are

While having one reportable segment, the Corporation operates in two business units: (1) grain storage, handling and merchandising unit; and (2) commodity logistics. Ceres' grain storage, handling, and merchandising unit is anchored by a collection of six (6) grain storage and handling assets in Minnesota, Saskatchewan and Ontario having aggregate storage capacity of approximately 34.4 million bushels. The

Corporation's Commodity Logistics unit is focused on the development of a commodity logistics centre in Northgate, Saskatchewan. The Northgate Commodities Logistics Centre ("Northgate" or the "NCLC") is a state-of-the-art grain, agriculture services, and oilfield supplies transloading site, which is being developed in conjunction with several potential energy and agricultural input company partners and is connected to Burlington Northern Santa Fe Railway (the "BNSF"). Ceres also has a 25% interest in Stewart Southern Railway Inc., a short-line railway with a range of 130 kilometres that operates in Southeastern Saskatchewan, and a 17% interest in Canterra Seed Holdings Ltd ("Canterra"), a Canadian-based seed development company.

Grain Division

The Corporation's grain division is engaged in grain storage, procurement, and merchandising of specialty grains and oilseeds such as oats, barley, rye, hard red spring wheat, durum wheat, canola and pulses through six grain storage and handling facilities in Minnesota, Saskatchewan and Ontario. Two of the grain storage facilities are located at deep-water ports in the Great Lakes, and one is located on the Minnesota River, which is tributary to the Mississippi River, allowing access for vessels and barges and enabling the efficient import and export of grains globally. Approximately 29.4 million bushels of the Corporation's facilities are "regular" for delivery for both spring wheat against the Minneapolis Grain Exchange futures contract and oats against the Chicago Board of Trade futures contract. In addition, spring wheat and oats sourced by the Corporation out of Canada are eligible for delivery against the respective futures contract.

The majority of the grain division's current storage space is utilized to benefit from grain trading, arbitrage and merchandising opportunities. Management determines which of the Corporation's facilities is to be employed for the storage or throughput of a particular grain shipment based on the source of the grain shipment, the elevator location relative to the end customers, the cost of logistics to transport the grain, and the availability of space in the intended elevator. In addition, the Corporation stores and handles grain for third-party customers.

Northgate Commodities Logistics Centre

Ceres owns approximately 1,300 acres of land at Northgate, Saskatchewan, where it has constructed a commodities logistics centre designed to utilize two rail loops, each capable of handling unit trains of up to 120 railcars. The NCLC is an approximately CAD $100 million grain, oil, natural gas liquids and fertilizer terminal and is connected to the BNSF with plans to further build out infrastructure to support handling of other industrial products and equipment.

The Corporation commenced its initial grain operations at Northgate in October 2014, operating the facility with a grain transloader for six months during the year-ended March 31, 2015. Phase one of the elevator was operational in November 2015 and the elevator was fully operational in May 2016. As part of its grain operations, the Corporation contracts grain and oilseed purchases from western Canadian producers that are delivered by truck and unloaded at the NCLC grain terminal. Ceres has the option of storing the grain on-site, loading it into outbound railcars to end-users, or shipping to the Corporation's other facilities to take advantage of the value and strategic location of its current asset base.

Concurrent with its grain operations at NCLC, in April 2015, the Corporation entered into an agreement with Elbow River Marketing ("ERM"), a wholly owned subsidiary of Parkland Fuel Corporation, to transload propane at Northgate. This provides a direct link and an added access point for propane to enter the US market.

In November 2015, Ceres entered into an agreement with Koch for the storage and handling of dry fertilizer products which brings fertilizer shipments to Northgate. At Northgate, Ceres unloads and warehouses fertilizer in a new, state of the art, 26,000-ton fertilizer storage terminal. The fertilizer is loaded out by Ceres into trucks and distributed to Canadian farmers. The fertilizer operation commenced on April 30, 2017.

Overall Performance
The Corporation's net loss was $806 thousand for the three months ended September 30, 2017, compared to a net loss of $1.4 million in the same quarter of 2016. The net loss was in part due to non-cash items of $570 thousand which includes a loss on investments in associates and a loss on the revaluation of non-core portfolio investments, leaving our 17% interest in Canterra as our only portfolio investment. Gross profit was $3.1 million for the three months ended September 30, 2017 compared to a gross profit of $1.9 million in the same quarter of 2016 as a result of a 50% increase in third-party bushels handled of grain and oilseed compared to the same quarter in 2016. Income from operations was $519 thousand for the three months ended September 30, 2017 compared to a $605 thousand loss from operations in the same quarter of 2016.

Revenues and Gross Profit
The Corporation's revenue is currently generated by its grain and logistics division. The revenues are predominantly composed of the sale of grain, storage and rental income, and transloading income. Since a significant portion of revenue is generated through the sale of grain, as a commercial commodities merchandizing business, revenues can vary from quarter-to-quarter due to fluctuations of agricultural commodity prices. The Corporation has the flexibility to be opportunistic in its decisions to buy, sell or hold inventory based on market conditions such as grain supply, demand, and grain values.

Total revenue decreased by $25.3 million in the three months ended September 30, 2017 compared to the same quarter in 2016. The Corporation handled and traded 27.2 million bushels of grain and oilseed sales in fiscal year 2017 compared to 35.0 million bushels for the fiscal year 2016. The decrease was primarily driven by fewer international vessel shipments, lower origination sales due to a late harvest and a concerted effort to focus on higher margin trades during the quarter ended September 30, 2017 compared to the same quarter of 2016.

The Corporation's grain division is principally involved in an agricultural commodity-based business, in which changes in selling prices generally move in relation to changes in purchase prices. Therefore, increases or decreases in prices of the agricultural commodities that the business deals in will have a relatively equal impact on sales and cost of sales. Accordingly, management believes it is more important to focus on changes in gross profit and bushels handled than on changes in revenue dollars.

The table below represents a summary of the components of gross profit for the three months ended September 30, 2017 and 2016:

	Three months ended September 30	
(in thousands of USD)	**2017**	2016
Net trading margin	**$ 4,204**	$ 4,868
Storage and rental income	**2,617**	1,399
Logistics and transloading	**718**	224
Operating expenses included in Cost of sales	**(3,248)**	(3,462)
Depreciation expense included in Cost of sales	**(1,228)**	(1,158)
Gross profit (loss)	**$ 3,063**	$ 1,871

Gross profit increased by $1.2 million in the three months ended September 30, 2017 compared to the same quarter in 2016. The quarter over quarter increase in gross profit was driven by the increase in storage and rental income.

Net trading margin

Net trading margin decreased $664 thousand in the three months ended September 30, 2017 compared to the same quarter in 2016 due to lower margins quarter over quarter.

Storage and rental income

Storage and rental income increased $1.2 million in the three months ended September 30, 2017 compared to the same quarter in 2016. The Corporation's storage and rental income increase was a result of an increase in third-party storage rental income and a 50% increase in third-party bushels handled.

Logistics and transloading

The Corporation earns a service fee for handling liquefied petroleum gas ("LPG" or "propane"), industrial products and fertilizer at Northgate. Logistics and transloading revenue increased $494 thousand in the three months ended September 30, 2017 compared to the same quarter in 2016. The increase was due primarily to fertilizer transloading income, whose shipments began Q4 2017.

Operating expenses and depreciation

For the three months ended September 30, 2017, operating and depreciation expense included in cost of sales decreased $144 thousand compared to the same quarter in 2016, as result of the closure and sale of non-strategic assets in Q4 fiscal year 2017 and Q1 fiscal year 2018.

General and Administrative Expenses

General and administrative expenses totaled $2.5 million for the three months ended September 30, 2017 compared to $2.5 million for the same quarter in 2016 with no significant changes.

Finance Income (Loss)

Finance income (loss) is composed of realized and unrealized gains and losses on foreign exchange transactions and currency hedging transactions along with revaluation of portfolio investments. For the three months ended September 30, 2017, finance loss totaled $246 thousand compared to finance income of $170 thousand for the same quarter in 2016. The finance loss increase of $416 thousand was due primarily to the revaluation of portfolio investments and write-off of the investment in Ocean Harvest Technology (Canada) Inc. offset by foreign exchange gains.

Interest Expense

	Three months ended September 30	
(in thousands of USD)	**2017**	2016
Interest on revolving credit facility	**$ (520)**	$ (427)
Interest on repurchase obligations	**(37)**	-
Long-term debt	**(246)**	(355)
Amortization of financing costs paid	**(127)**	(172)
Interest income and other interest expense	**-**	-
Total interest expense	**$ (930)**	$ (954)

For the three months ended September 30, 2017, interest expense decreased $24 thousand compared to the same period in 2016 due to lower inventory levels and commodity prices.

Share of Net Income (Loss) in Investments in Associates

For the three months ended September 30, 2017, the Corporation incurred a loss in its net share in investments in associates of $84 thousand compared to a loss of $67 thousand for the same period in 2016.

2. QUARTERLY FINANCIAL DATA

Reporting dates *(in thousands of USD except per share)*	3 months 9/30/2017 Q1 2018	3 months 6/30/2017 Q4 2017	3 months 3/31/2017 Q3 2017	3 months 12/31/2016 Q2 2017	3 months 9/30/2016 Q1 2017	3 months 6/30/2016 Q5 2016	3 months 3/31/2016 Q4 2016	3 months 12/31/2015 Q3 2016
Revenues	$ 130,638	$ 112,178	$ 128,534	$ 131,838	$ 155,927	$ 115,762	$ 87,292	$ 61,411
Gross profit (loss)	$ 3,063	$ 52	$ 3,048	$ 2,870	$ 1,871	$ 1,863	$ 2,821	$ (7,784)
Income (loss) from operations	$ 519	$ (2,522)	$ 631	$ 779	$ (605)	$ (335)	$ 917	$ (9,820)
Net income (loss)	$ (806)	$ (4,040)	$ (8,104)	$ (153)	$ (1,356)	$ (1,480)	$ 834	$ (10,082)
Return on shareholders' equity[1]	-0.5%	-2.7%	-5.4%	-0.1%	-0.9%	-0.9%	0.5%	-6.5%
Weighted-average number of common shares for the quarter	27,910	27,947	28,030	27,303	26,889	26,940	27,047	27,058
Basic and fully diluted earnings (loss) per share	$ (0.03)	$ (0.14)	$ (0.29)	$ (0.01)	$ (0.05)	$ (0.05)	$ 0.03	$ (0.37)
EBITDA[1]	$ 1,524	$ (1,720)	$ 1,569	$ 2,002	$ 744	$ 539	$ 1,869	$ (8,948)
EBITDA per share	$ 0.05	$ (0.06)	$ 0.06	$ 0.07	$ 0.03	$ 0.02	$ 0.07	$ (0.33)
Shareholders' equity, as at reporting date	$ 151,094	$ 148,759	$ 150,958	$ 158,367	$ 155,062	$ 157,598	$ 160,091	$ 155,110
Shareholders' equity per common share, as at reporting date	$ 5.41	$ 5.33	$ 5.40	$ 5.64	$ 5.77	$ 5.86	$ 5.92	$ 5.73
Volumes								
Elevator bushels handled	22,874	26,099	16,055	20,021	25,030	18,726	9,383	10,836
Direct ship bushels	4,363	3,580	5,809	4,641	9,912	9,405	3,207	4,246

[1]Non-IFRS measurement. See Note 8 below for further information

3. LIQUIDITY & CASH FLOW

(in thousands of USD)	Three months ended September 30 **2017**	2016
Net Cash Provided by (Used in)		
Operating activities	**$ 13,617**	$ 5,014
Investing activities	**(1,342)**	(3,820)
Net Cash Provided Before Financing Activities	**12,275**	1,194
Financing Activities	**(13,573)**	(1,009)
Foreign Exchange Cash Flow Adjustment on Accounts Denominated in a Foreign Currency	**(2)**	(237)
Decrease in Cash and Cash Equivalents	**$ (1,300)**	$ (52)

Operating Activities
Cash provided by operating activities was $13.6 million for the three months ended September 30, 2017. The $8.6 million increase in cash provided by operating activities was primarily a result of the effective management of working capital.

Investing Activities
During the three months ended September 30, 2017, cash used in investing activities was $1.3 million, which comprised of additions of property, plant and equipment. The $2.5 million decrease in cash used in investing activities was primarily due to the completion of asset purchases for the fertilizer facility at Northgate.

Financing Activities
During the three months ended September 30, 2017, the Corporation had $13.6 million in cash used in financing activities. The $12.6 million increase of cash used in financing activities was primarily due to the decrease of borrowings on the revolving line of credit as a result of cash generated from operations.

Available Sources of Liquidity
The Corporation's sources of liquidity as at September 30, 2017 include available funds under its revolving credit facility (the "Credit Facility"). Management believes that cash flow from operations will be adequate to fund operating expenditures, maintenance capital, interest, and any income tax obligations. Growth capital expenditures in the next twelve months are expected to be funded by cash on hand and borrowing against the Credit Facility. Any additional debt incurred is expected to be serviced by the anticipated increases in cash flow and will only be borrowed within the Corporation's debt covenant limits.

In addition, the Corporation's Credit Facility at September 30, 2017 contains certain covenants, including a covenant that the Corporation maintain minimum working capital of not less than $30.0 million. As at September 30, 2017 the Corporation's working capital – defined as current assets less current liabilities – totaled $40.0 million. In addition to working capital, the covenants include the maintenance of "consolidated debt" to "consolidated tangible net worth" (as defined in the agreement) of not more than 4.0 to 1.0 and consolidated tangible net worth of not less than $120.0 million. As at September 30, 2017, the Corporation was in compliance with all of the above mentioned financial covenants.

Liquidity risk

As at September 30, 2017 and June 30, 2017, the following are the contractual maturities of financial liabilities, excluding interest payments:

(in thousands of USD) September 30, 2017	Carrying amount	Contractual cash flows	1 year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 45,352	$ 45,428	$ 45,428	$ -	$ -	$ -
Accounts payable and accrued liabilities	31,965	31,965	31,965	-	-	-
Unrealized losses on open cash contracts	2,825	2,825	2,825	-	-	-
Long-term debt	14,504	15,000	3,000	5,000	7,000	-

(in thousands of USD) June 30, 2017	Carrying amount	Contractual cash flows	1 year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 56,443	$ 56,595	$ 56,595	$ -	$ -	$ -
Accounts payable and accrued liabilities	22,560	22,560	22,560	-	-	-
Unrealized losses on open cash contracts	14,066	14,066	14,066	-	-	-
Long-term debt	14,454	15,000	3,000	5,000	7,000	-

Future expected operational cash flows and sufficient assets are available to fund the settlement of these obligations in the normal course of business. In addition, the following factors allow for the substantial mitigation of liquidity risk: the prompt settlement of amounts due from brokers, the active management of trade accounts receivable and the lack of concentration risk related thereto. The Corporation's cash flow management activities and the continued likelihood of its operations further minimize liquidity risk.

4. CAPITAL RESOURCES

The Corporation utilizes the Credit Facility to finance its grain trading operations, which primarily consist of purchases of grain inventories, financing of accounts receivable, and hedging activities, less accounts payable. Levels of short-term debt fluctuate based on changes in underlying commodity prices and the timing of grain purchases.

Credit Facility
As disclosed in the Interim Condensed Consolidated Financial Statements for the three months ended September 30, 2017, on December 30, 2016 the Corporation renewed and amended its uncommitted credit facility to a new maximum revolving facility amount of $67.5 million (previously $120.0 million). The agreement is set to expire on December 29, 2017. Borrowings bear an interest rate of overnight LIBOR plus 3.875% per annum, calculated and paid on a monthly basis. The Credit Facility is subject to borrowing base limitations. Amounts under the Credit Facility that remain undrawn are not subject to a commitment fee. The Credit Facility has certain covenants pertaining to the accounts of the Corporation, and as at September 30, 2017, the Corporation was in compliance with all covenants.

Term Loan
In addition, as noted in the Annual Consolidated Financial Statements, on June 27, 2014, Ceres entered into a senior secured term loan facility agreement for $20.0 million with Macquarie Bank to finance further development and early stage construction of Northgate.

Subsequent to that, and in conjunction with amending and extending the syndicated uncommitted credit agreement on December 30, 2014, the Corporation entered into a senior secured term loan facility agreement (the "Loan") for $25.0 million with Macquarie Bank. The Loan was for a term of 5 years with an interest rate of one month LIBOR plus 5.25%. This loan was extinguished and replaced the previous loan originated on June 27, 2014, which had an initial term maturing on December 29, 2014.

On November 17, 2015, immediately following the closure of the sale of Electric Steel, the Corporation used the net sales proceeds to repay a portion of its outstanding term debt in accordance with the terms of the Loan. The total amount repaid on the term debt was $1.4 million. In accordance with the Loan, the second principal payment was paid on December 29, 2016 for the amount of $1.6 million. An additional principal payment of $7.0 million was also made on December 29, 2016 and the term loan payment schedule was amended. The next principal payment is payable on December 29, 2017 for the amount of $3.0 million, with a principal payment of $5.0 million due on December 28, 2018 and the final principal payment due on December 27, 2019 in the amount of $7.0 million. The term loan has an effective interest rate of 6.30% plus one month LIBOR.

5. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in Accounting Policies and Standards Issued But Not Yet Effective

Refer to Note 3 to the Annual Consolidated Financial Statements for information pertaining to accounting changes effective for the current fiscal year ending June 30, 2017, and information on standards issued but not yet effective.

Critical Accounting Estimates

The discussion and analysis of Ceres' financial condition and results of operations are based upon the Corporation's Interim Condensed Consolidated Financial Statements, which have been prepared in accordance with IFRS. Ceres' significant accounting policies and accounting estimates are contained in the Annual Consolidated Financial Statements (see Notes 3 and 4, respectively, for the description of policies or references to notes where such policies are contained). The critical accounting estimates are valuation of investments; valuation of inventories and commodity derivatives; because they require Ceres to make assumptions about matters that are potentially uncertain at the time the accounting estimate is made and due to the likelihood that materially different amounts could be reported under different conditions or using different assumptions.

6. OUTLOOK

Grain Division

During Q1 fiscal year 2018, the US prairies and southwestern Canadian growing regions in Alberta and Saskatchewan continued to experience dry growing season conditions while areas further east saw average to above average rainfalls, placing Manitoba into a near ideal growing environment. Alternatively, Ontario generally produced lesser crop qualities on the excess moisture. Harvest timing in general was later than normal in most areas, reducing the value of freight and in some cases forcing up basis bids to fill rail freight out west and vessel freight further east across the Lakes. As the spring rally in flat prices began to subside and crop tours found the production losses to be less than feared, prices generally came off from their early July highs in most commodities, and in fact storage carries developed in the deliverable grains (wheat, oats) with futures curves even on the July expiration when prices were largely peaking.

By harvest time, yields and quality surprised many, particularly in wheat. Durum quality was one of the highest ever, with some color ratings approaching near perfect, while spring wheat protein that was expected to be strong due to the lack of precipitation late in the growing season has turned out very borderline against the 13% threshold minimums in many areas. Even so, this 13% spring wheat has remained in the milling mix given the lack of protein across much of the hard red winter production in this year's crop, and that kept pricing strong relative to the winter wheat prices. Yields in spring wheat and also winter wheat across the northern US prairies turned out well above expectations, perhaps due to better root depth that defied the apparent topsoil moisture deficits so badly feared back in June. Canola yields were slightly lower, partly offsetting the higher acreage but most estimates show a building stocks situation by the end of the crop year versus the very tight situation last summer. And finally, oat production was a tale of two different countries as Canadian production was very good due to better rains further north while the US production decreased considerably on the drought conditions, and in total the North American oat supplies will be tighter this year versus last.

Farmer sales were relatively light in Q1 fiscal year 2018, and yet we've managed to earn some decent margins in the quarter in several of our core commodities. We expect as farmers catch-up on their pace of sales, we will see good volumes across many of our western locations, and at the moment are earning very good storage carries with winter wheat in Port Colborne. We continue to drive for more first handle bushels where appropriate, maximize the volume and value of our space across our network of locations, and otherwise continue being recognized as a trusted and efficient supply chain partner connecting agricultural production in Canada and the northern US with consumers in North America and across the globe.

Logistics Division

Q1 fiscal year 2018 marked the beginning of the fertilizer business buildup as Koch Fertilizer Canada began marketing and selling urea and phosphate-based fertilizer through the recently built 26,000-ton warehouse. At Northgate, Ceres is unloading by rail, warehousing and loading trucks for distribution to Canadian farmers, and early stage volumes have exceeded expectations. The project officially began operating at the end of April and finished with no accidents, on time and under budget.

While the partnership with Koch is providing producer access to the western Canadian market, Ceres is working with Koch to provide freight to its fertilizer customers while at the same time provide its grain suppliers at Northgate with the ability to backhaul grain. This is off to a good start and management anticipates that this will greatly improve transportation economics and further highlight Northgate as an advantageous pricing gateway.

In addition, the Corporation continues to unload LPG from inbound trucks and load into railcars for shipment into the US market via the BNSF from Northgate, Saskatchewan. The LPG marketing year begins April 1st, and due to strong U.S. demand, YTD volumes have already surpassed expectations for the full year. We expect volumes will remain consistent throughout the rest of 2017/18. Overall management anticipates that transloading propane will continue to be a steady business for the Corporation.

The Corporation is also exploring opportunities to build out and further develop the NCLC energy transloading business with additional tenant customers and the potential to handle other types of energy and industrial products such as oil field supplies, construction materials, and industrial parts and equipment. Specifically, the Corporation has conducted several test shipments and expects to see volumes increase as a result of that effort. Movement into Canada has been relatively unimpeded, however, issues have surfaced with respect to some products moving into the U.S. due to infrastructure needed for customs to perform proper inspections. The Corporation is working with both U.S. customs and BNSF to find a solution.

Lastly, there are several other opportunities the Corporation is looking at to add revenue opportunities and fully utilize the rail and road infrastructure at Northgate. Management anticipates one or more of these to come to fruition during the 2017/18 fiscal year.

7. OTHER

CONTROLS ENVIRONMENT

Disclosure Controls and Procedures
Ceres maintains appropriate information systems, procedures, and controls to ensure that new information disclosed externally is complete, reliable, and timely. National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and that they have, as at September 30, 2017, designed the DC&P (or have caused such DC&P to be designed under their supervision) to provide reasonable assurance that material information relating to Ceres is made known to them by others, particularly during the period in which Ceres' annual filings are being prepared, and that information required to be disclosed by Ceres in its annual filings, interim filings or other reports filed or submitted by Ceres under applicable securities legislation is recorded, processed, summarized, and reported within the time periods specified in applicable securities legislation.

Internal Controls over Financial Reporting
NI 52-109 also requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining internal control over financial reporting ("ICFR") and that they have, as at September 30, 2017, designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS). The control framework used by the Chief Executive Officer and the Chief Financial Officer to design Ceres' ICFR is the *Risk Management and Governance: Guidance on Control* (COCO Framework) published by CPA Canada (formerly The Canadian Institute of Chartered Accountants). There have been no material changes in the Corporation's internal control over financial reporting during the three months ended September 30, 2017 that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments and other instruments, including a discussion of risks and relevant risk sensitivities, can be found in Note 6 of the Interim Condensed Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements.

RELATED-PARTY TRANSACTIONS

The remuneration of key management personnel of the Corporation, which includes both members of the Board of Directors and leadership team including the President and CEO, CFO and vice presidents, is set out below in aggregate:

	Three months ended September 30	
(in thousands of USD)	**2017**	2016
Employee/director salaries and benefits	**$ 290**	$ 255
Share-based compensation	**18**	71
	$ 308	$ 326

SHARES OUTSTANDING

As at November 14, 2017, the issued and outstanding equity securities of the Corporation consisted of 27,912,665 common shares. In addition, the Corporation has 1,411,337 stock options outstanding with a weighted-average exercise price of C$5.95 per common share and 204,088 deferred share units outstanding.

CONTINGENT LIABILITIES

See Note 16 of the Interim Condensed Consolidated Financial Statements for disclosure of the Corporation's contingencies as at September 30, 2017.

8. NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

Certain financial measures in this MD&A and discussed below are not prescribed by and do not have a standardized meaning under IFRS. As such, they are unlikely to be comparable to similar measures presented by other issuers. These non-IFRS financial measures are included because management uses the information to analyze leverage, liquidity, and operating performance.

Earnings Before Interest, Income Taxes, Depreciation and Amortization

The Corporation believes the presentation of EBITDA can provide useful information to investors and shareholders as it provides increased transparency. EBITDA is one metric that is used by management to determine the Corporation's ability to service its debt and finance capital. EBITDA excludes gains and losses on property, plant and equipment and assets held for sale, as these items are considered to be non-reccurring in nature.

The following table is a reconciliation of EBITDA for Ceres on a consolidated basis for the three months ended September 30, 2017 and 2016:

	Three months ended September 30	
(in thousands of USD)	**2017**	2016
Net income (loss) for the period	**$ (806)**	$ (1,356)
Add/(Deduct):		
Interest Expense	**930**	954
Revaluation of derivative warrant liability	**-**	(103)
Loss (Gain) on sale or property, plant and equipment	**63**	-
Income taxes (recovered)	**2**	3
Share of net (income) loss in investments in associates	**84**	67
Depreciation on property, plant and equipment	**1,250**	1,179
	$ 1,523	$ 744

Return on Shareholders' Equity

Ceres believes that the return on shareholders' equity can be an effective measure used to evaluate the performance of the business over time. Management uses this metric to analyze performance and set targets. Return on shareholders' equity is the quotient of the net income (loss) for the period and the total shareholders' equity as at the reporting date.

The following table is a calculation of return on shareholders' equity for the three months ended September 30, 2017 and 2016:

	Three months ended September 30	
(in thousands of USD)	**2017**	2016
Net income (loss) for the period	**$ (806)**	$ (1,356)
Total shareholders' equity as at reporting date	**$ 151,094**	$ 155,062
	-0.5%	-0.9%

9. KEY ASSUMPTIONS & ADVISORIES

FORWARD LOOKING INFORMATION

This interim MD&A contains information that is “forward-looking information”, “forward-looking statements” and “future oriented financial information” (collectively herein referred to as “forward-looking statements”) within the meaning of applicable securities laws. Forward-looking statements in this document may include, among others, statements regarding future operations and results, anticipated business prospects and financial performance of Ceres and its subsidiaries, expectations or projections about the future, strategies and goals for growth, the action against Ceres initiated by the Scoular Company, expected and future cash flows, costs, planned capital expenditures, additional anticipated capital projects, construction and completion dates, including plans to further develop the NCLC, operating and financial results, critical accounting estimates and the expected financial and operational consequences of future commitments.

Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “outlook”, “likely”, “probably”, “going forward”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, “may have implications” or similar words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might”, or “will be taken”, “occur”, or “be achieved”. Forward-looking statements in this document are intended to provide Ceres’ shareholders and potential investors with information regarding Ceres and its subsidiaries, including Management’s assessment of future financial and operational plans and outlook for Ceres and its subsidiaries.

Forward-looking statements are based on the opinions and estimates of management at the date the information is made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Actual results or events may differ from those predicted in these forward-looking statements. All of the Corporation’s forward-looking statements are qualified by the assumptions that are stated or inherent therein, including the assumptions listed below. Although Ceres believes these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements.

KEY ASSUMPTIONS

Key assumptions have been made in connection with the forward-looking statements in this interim MD&A. These assumptions include, but are not limited to, the following:

- No material change in the regulatory environment in Canada and the United States;
- Supply and demand factors as well as the pricing environment for grains and other agricultural commodities;
- Fluctuation of currency and interest rates;
- General financial conditions for Western Canadian and American agricultural producers;
- Market share that will be achieved by the Corporation;
- Adequate and timely service from the railroad companies, and in particular from the Burlington Northern Santa Fe railroad at the NCLC;
- The ability of Ceres to successfully operate Northgate;
- The Corporation’s ability to successfully defend itself against, or settle, the dispute with The Scoular Company;

- Realization of economic benefits resulting from the synergies with NCLC; and
- The Corporation’s ability to maintain existing customer contracts and relationships coupled with its ability to increase its customer portfolio.

The preceding list is not an exhaustive list of all possible factors. All factors should be considered carefully when making decisions with respect to Ceres. Many such factors and events are not within the control of Ceres. Factors that could cause actual results or events to differ materially from current expectations include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in the agricultural, food processing and feed sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments, global and local economic conditions, the ability of Ceres to successfully implement strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of the Corporation’s assets, the availability and price of commodities, and the regulatory environment, processes and decisions. Ceres has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements. However, there may be other factors that might cause actions, events or results that are not anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information.

By its nature, forward-looking information is subject to various risks and uncertainties, including those risks discussed in other sections of this interim MD&A and in other filings and communications, any of which could cause Ceres’ actual results and experience to differ materially from the anticipated results or published expectations. Additional information on these and other factors is available in the reports filed by Ceres with Canadian securities regulators. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date of this interim MD&A or otherwise, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. Ceres undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, change in management’s estimates or opinions, future events or otherwise, except as required by law.