CERES
GLOBAL AG CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") dated May 11, 2017 should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements for the three-month and nine-month periods ended March 31, 2017 of Ceres Global Ag Corp. ("Ceres", the "Corporation", "we", "our", and "us"), and the Corporation's audited consolidated financial statements for the year ended June 30, 2016 (the "Annual Consolidated Financial Statements"). Additional information about Ceres filed with Canadian securities regulatory authorities, including the quarterly 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. All information is reported in United States dollars ("USD") unless otherwise specified.

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."

Change in Fiscal Year-End and Presentation Currency
On February 10, 2016, the Board of Directors approved a change in the fiscal year end from March 31 to June 30. As a result of the change, the Corporation had a fifteen month fiscal year ending June 30, 2016. In conjunction with the change in fiscal year, Ceres changed its reporting and presentation currency to USD

commencing as of July 1, 2016 and for reporting period, thereafter. Ceres believes that these changes will give investors a view of the Corporation's financial performance that better aligns the fiscal year with that of the agricultural crop year and functional currency.

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 RESULTS

	Three months ended March 31,		Nine months ended March 31,		Fifteen-month period ended
(in millions except per share)	**2017**	2016	**2017**	2016	June 30, 2016
Revenues	**$ 128.5**	$ 87.3	**$ 416.3**	$ 221.7	$ 385.8
Gross profit (loss)	**$ 3.0**	$ 2.8	**$ 7.8**	$ (3.9)	$ (0.5)
Income (loss) from operations	**$ 0.6**	$ 0.9	**$ 0.8**	$ (9.7)	$ (10.6)
Net income (loss)	**$ (8.1)**	$ 0.8	**$ (9.6)**	$ (9.2)	$ (12.1)
Weighted-average Common Shares outstanding for the period	**28.0**	27.0	**27.4**	27.1	27.0
Income (loss) per share - Basic	**$ (0.29)**	$ 0.03	**$ (0.35)**	$ (0.34)	$ (0.45)
Income (loss) per share - Diluted	**$ (0.29)**	$ 0.03	**$ (0.35)**	$ (0.34)	$ (0.45)
As at:					
Total assets	**$ 264.0**	$ 270.2	**$ 264.0**	$ 270.2	$ 254.8
Total bank indebtedness, current (1)	**$ 58.4**	$ 59.6	**$ 58.4**	$ 59.6	$ 55.6
Term debt (2)	**$ 14.4**	$ 22.9	**$ 14.4**	$ 22.9	$ 22.9
Shareholders' equity	**$ 151.0**	$ 160.1	**$ 151.0**	$ 160.1	$ 157.6
Return on shareholders' equity (3)	**-5.4%**	0.5%	**-1.0%**	-6.5%	-7.7%

(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 and nine months ended March 31, 2017

- Gross profit of $3.0 million for the quarter ended March 31, 2017 compared to a $2.8 million gross profit for the same quarter in 2016.
- Handled approximately 16.1 million bushels of grain and oilseed during the quarter through our elevators, compared to 9.5 million bushels for the same quarter in 2016.
- Direct shipped from origin to end user 5.8 million bushels during the quarter, compared to 3.2 million bushels for the same quarter in 2016.
- Ceres recorded a loss of $7.7 million on the impairment of Duluth Lakeport and Buffalo facilities, as the operations have ceased. Ceres previously announced the idling of these facilities as these assets were no longer strategic to the business.
- Cash flow generated from operating activities totaled $4.9 million for the nine-month period ended March 31, 2017 compared to cash used in operating activities of $11.3 for the nine months ended March 31, 2016.
- Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA) increased $11.2 million year-over-year, to $4.3 million for the nine months ended March 31, 2017.

- Continued the construction of the fertilizer storage warehouse at Northgate in conjunction with the agreement to handle and store fertilizer on behalf of Koch Fertilizer Canada, ULC ("Koch"). The project is on time and on budget. Subsequent to the reporting period ended March 31, 2017, the fertilizer commenced operations with the arrival the first train of fertilizer on April 30, 2017.

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 nine (9) grain storage and handling assets in Minnesota, New York, Saskatchewan and Ontario having aggregate storage capacity of approximately 43 million bushels as at March 31, 2017, including 5.4 million bushels of idled capacity. The Corporation's Commodity Logistics unit is focused on the further 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 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.

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 nine grain storage and handling facilities in Minnesota, New York, Saskatchewan and Ontario. Four 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 34 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 will be a C$100 million grain, oil, and natural gas liquids terminal and is connected to the BNSF with plans to further build out infrastructure to support storing and handling of phosphate-based fertilizer, which is described in further detail within the "Outlook" below.

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 or loading it into outbound railcars to customer end-users, or to the Corporation's existing facilities, taking advantage of the value and strategic location of its current asset base.

For the twelve-month period ended March 31, 2017, the number of grain and oilseed railcars loaded out of the Northgate facility increased 188% compared to the twelve-month period ended March 31, 2016.

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 strategic agreement 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 will bring phosphate-based fertilizer to Northgate. At Northgate, Ceres will unload and warehouse the fertilizer in a new, state of the art, 26,000 ton fertilizer storage terminal. The fertilizer will be loaded out by Ceres into trucks and distributed to Canadian farmers. The fertilizer operation commenced on April 30, 2017, with the arrival of the first train.

Overall Performance

The Corporation recognized a net loss for the quarter ended March 31, 2017 of $8.1 million, compared to net income of $0.8 million in the three-month period ending March 31, 2016. The net loss for the three-month period ending March 31, 2017 included the loss on impairment of the Duluth Lakeport and Buffalo facilities of $7.7 million; if you exclude this impairment loss, the net loss would be $0.4 million for the three months ended March 31, 2017. Items affecting the three-month period ended March 31, 2017, compared to the three-month period ended March 31, 2016 included:

- Gross profit for the quarter ended March 31, 2017, totaled $3.0 million compared to $2.8 million for the comparable quarter ended March 31, 2016.
- General and administrative expenses totaled $2.4 million compared to $1.9 million for the quarter ended March 31, 2016.
- The Corporation recognized a loss on the impairment of property, plant and equipment of $7.7 million for the quarter ended March 31, 2017 compared to no gain or loss for the same period ended March 31, 2016.

The Corporation's net loss was $9.6 million for the nine-month period ended March 31, 2017, compared to a net loss of $9.2 million in the nine-month period ended March 31, 2016. The increase in net loss compared to the nine months ended March 31, 2016 is mostly due to the recognition of a $7.7 million loss on the impairment of the Buffalo and Duluth Lakeport assets. Gross profit was $7.8 million for the nine-month period ending March 31, 2017 compared to a gross loss of $3.9 million in the nine month period ended March 31, 2016. Furthermore, income from operations was $0.8 million for the nine-month period ended March 31, 2017 versus a loss from operations in the same period ended March 31, 2016 of $9.7 million.

Revenues and Gross Profit

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 we deal 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.

For the three months ended March 31, 2017, revenues totaled $128.5 million compared to $87.3 million for the same period in 2016, as the Corporation settled 27.0 million bushels of grain and oilseed sales compared to 15.5 million bushels for the same period in 2016. For the nine months ended March 31, 2017, revenues totaled $416.3 million compared to $221.7 million for the same period in 2016, as the Corporation settled 82.1 million bushels of grain and oilseed sales compared to 33.0 million bushels for the same period in 2016.

The table below represents a summary of the components of gross profit for the fiscal periods ended March 31, 2017 and 2016:

(in millions)	**Three-month period ended March 31, 2017**	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016
Net trading margin	**$ 5.8**	$ 4.3	**$ 16.3**	$ 2.8
Storage and rental income	**1.3**	0.7	**4.3**	3.0
Energy transloading	**0.3**	0.2	**0.7**	0.7
Management service revenue	**-**	1.5	**-**	1.5
Operating expenses included in Cost of sales	**(3.3)**	(3.1)	**(10.1)**	(9.6)
Depreciation expense included in Cost of sales	**(1.1)**	(0.8)	**(3.4)**	(2.3)
Gross profit (loss)	**$ 3.0**	$ 2.8	**$ 7.8**	$ (3.9)

For the three months ended March 31, 2017, the Corporation recognized a gross profit of $3.0 million compared to a gross profit of $2.8 million for the same period in 2016. For the nine months ended March 31, 2017, the Corporation recognized a gross profit of $7.8 million compared to a gross loss of $3.9 million for the same period in 2016. The year to date increase in gross profit was driven by an increase in net trading margins. The gross profit for the nine-month period ending March 31, 2016 included a durum loss of $8.2 million, if you exclude this loss the gross profit would be $4.3 million for the nine months ended March 31, 2016.

Net trading margin

For the three months ended March 31, 2017, the Corporation's total net trading margin totaled $5.8 million compared to a net trading margin of $4.3 million for the same period in 2016. For the nine months ended March 31, 2017 the Corporation recognized a net trading margin of $16.3 million compared to a net trading margin of $2.8 million for the same period in 2016. The nine month results were impacted by durum losses in the prior year. The net trading margin for the nine-month period ending March 31, 2016 included a durum loss of $8.2 million, if you exclude this loss the net trading margin would be $11.0 million for the nine months ended March 31, 2016.

Storage and rental income

The Corporation's storage and rental income totaled $1.3 million for the three months ended March 31, 2017 compared to $0.7 million for the same period in 2016. For the nine months ended March 31, 2017 the Corporation storage and rental income totaled $4.3 million compared to $3.0 million for the same period in 2016. The Corporations storage and rental income variance is the result of a 115% increase in third-party bushels handled.

Energy transloading

The Corporation earns a service fee for handling liquefied petroleum gas ("LPG" or "propane") at Northgate. The Corporation earns all of its propane transloading revenue in CAD. The Corporations transloading income was $0.3 million for the three-month period ended March 31, 2017 compared to $0.2 million for the same period in 2016. For the nine months ended March 31, 2017 the Corporation's transloading income totaled $0.7 million compared to of $0.7 million income for the same period in 2016.

Management service revenue
In March 2013, the Corporation sold a grain elevator in Ralston, Wyoming, and a related barley seed plant in Powell, Wyoming, to Briess. As part of the sale, the Corporation agreed to manage the facility for Briess for three years, and to, among other things, the Corporation would contract malting barley with producers on behalf of Briess. If the Corporation met certain annual performance targets based on the number of bushels contracted, Ceres would receive a contingency payment at the end of the three year term of $1.5 million. In March 2016, the Corporation earned and recognized the contingency following the completion of the final year's barley contracting for crop year 2016, receiving $1.5 million.

Operating expenses and depreciation
For the three-month period ending March 31, 2017, operating and depreciation expense totaled $4.4 million compared to $3.9 million for the same three-month period in 2016. For the nine months ended March 31, 2017 operating and depreciation expense totaled $13.5 million compared to $11.9 million for the same period in 2016. The largest driver of this increase is due to the fact operating expenses and depreciation for the quarter ended March 31, 2016 only consisted of Phase I assets at Northgate, whereas operating costs and depreciation for the quarter ended March 31, 2017 included both Phase I and Phase II assets. Additionally, due to significant volume increases, the costs at other operating facilities have increased for the nine-month period ended March 31, 2017 compared to the same nine months ended 2016.

The Corporation has progressed with its plan to idle three assets: Duluth Lakeport, Buffalo and Calumet. As the operations at Duluth Lakeport and Buffalo have ceased, the cash flows associated with these specific assets could no longer support their carrying value. During the three-month period ended March 31, 2017, Ceres recorded a loss of $7.7 million on the impairment of Duluth Lakeport and Buffalo. The cost savings for the nine months ended March 31, 2017 from the idled facilities was $1.3 million to the same nine months ending March 31, 2016. The Corporation expects an estimated $0.7 million of incremental expense reduction comparing fiscal year 2017 to the upcoming fiscal year 2018, resulting from the closure of Duluth Lakeport and Buffalo.

The table below represents the total number of bushels handled at the Corporation's elevator facilities and bushels shipped directly from origin to end user for the three- and nine-month periods ended March 31, 2017 and March 31, 2016:

(Bushels in millions)	**Three-month period ended March 31, 2017**	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016
Elevator Bushels Handled	**16.1**	9.5	**61.1**	30.8
Direct Ship Bushels	**5.8**	3.2	**20.3**	11.8

General and Administrative Expenses
General and administrative expense is composed of three components: corporate level administrative expenses, administrative expenses associated with operating the grain division (exclusive of those expenses incurred at grain facilities, which are captured in cost of sales and are a reduction to gross profit as described above), and the revaluation of the provision for future payments to Front Street Capital. In addition, the corporate administrative expenses are inclusive of non-grain business growth initiatives.

The following table sets out the components of the Corporation's consolidated general and administrative expenses for the three-months and nine-months ended March 31, 2017 and 2016:

(in millions)	**Three-month period ended March 31, 2017**	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016
Corporate administration	**$ 0.9**	$ 1.1	**$ 2.7**	$ 2.7
Operating administration	**1.5**	1.0	**4.3**	3.5
Revaluation of provision to Front Street Capital	**-**	(0.2)	**-**	(0.3)
Total general and administrative expense	**$ 2.4**	$ 1.9	**$ 7.0**	$ 5.9

For the three-month period ended March 31, 2017, general and administrative expenses totaled $2.4 million compared to $1.9 million in the quarter ended March 31, 2016.

For the quarter ending March 31, 2017, corporate administrative expenses total $0.9 million dollars. This is a net decrease of $0.2 million over the same three-month period in the prior year. The operating administrative expenses for the three-month period ended March 31, 2017 totaled $1.5 million compared to $1.0 million during the same three-month period in 2016. The $0.5 million increase in expense is primarily due to additional headcount added during the fiscal year as the Corporation has to build its grain merchandising team and related administrative support.

For the nine-month period ending March 31, 2017, operating administrative expenses total $4.3 million dollars compared to $3.5 million during the same nine-month period in the prior year. As was previously stated, this is due to additional headcount added throughout the year to continue the growth of the grain merchandising and related support teams.

Finance Income

For the nine-month period ended March 31, 2017, finance income totaled $0.1 million compared to finance income of $1.3 million during the nine-month period ended March 31, 2016. For the three-month period ended March 31, 2017, finance loss totaled $0.1 million compared to finance income of $0.1 million during the three-month period ended March 31, 2016. Finance income is composed of realized and unrealized losses on foreign exchange transactions and currency hedging transactions along with revaluation gains of portfolio investments.

For the nine-month period ended March 31, 2017, the decrease compared to the nine-month period ended March 31, 2016 is attributable to the prior year revaluation of the Corporation's investment in Canterra Seeds Holdings, Ltd. ("Canterra" or "the Investee"). Until September 2015, the Corporation held a 25% equity interest in Canterra that had a carrying value of $1,755,518. This investment, accounted for using the equity method, was classified on the Consolidated Balance Sheet as "Investments in associates". During the quarter ended September 30, 2015, the Investee issued additional common equity shares, resulting in the dilution of the Corporation's equity interest to 17%. As such, the Corporation no longer had significant influence over the financial and operating policies of the Investee. Therefore Ceres reclassified its investment to portfolio investments for the period ended September 30, 2015 and recorded it at fair value, recognizing a gain of $1.0 million classified within the Consolidated Statement of Comprehensive Income as "Finance Income".

Revaluation of Derivative Warrant Liability

In connection with the completion of the Corporation's rights offering (the "Rights Offering"), on December 4, 2014, Ceres issued an aggregate of 2,083,334 warrants (the "Warrants") to the stand-by purchasers. The Warrants issued were conditional upon approval at the Corporation's annual general meeting ("AGM"), which was obtained at the AGM on August 7, 2015.

Furthermore, the Warrants were issued at a fixed exercise price of CAD $5.84 and are each exercisable into one common share of the Corporation (a "Common Share"). The Warrants had an expiry date of December 4, 2016, being 24 months after issuance. In the event that the Warrants would be exercised prior to the completion of a change of control of the Corporation, but after a transaction that would result in such a change of control has been publicly announced, in lieu of exercising the Warrants, the holders of Warrants could have elected a cashless exercise to receive Common Shares equal to: the difference between the ten-day Volume-Weighted Average Price ("VWAP") of the Corporation's stock price and $5.84; multiplied by the number of Common Shares in respect of which the election is made; divided by the ten-day VWAP of the Corporation's stock price. If a Warrant holder had exercised this option, there would have been variability in the number of shares issued per Warrant.

In accordance with IFRS, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in the fair value recognized in the statement of operations and comprehensive loss at each period end.

On November 30, 2016, 1,250,000 Warrants were exercised into 1,250,000 Common Shares at an exercise price of CAD $5.84 for total consideration of $5,425,492 (CAD $7,300,000) recognized as in increase in Common Shares in the Interim Condensed Consolidated Financial Statements. On December 4, 2014, the remaining 833,334 Warrants expired and were canceled, resulting in no warrant liability as at December 31, 2016 (as at June 30, 2016: $104,971).

Interest Expense

(in millions)	**Three-month period ended March 31, 2017**	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016
Interest on revolving credit facility	**$ (0.4)**	$ (0.4)	**$ (1.3)**	$ (1.4)
Interest on repurchase obligation	**(0.1)**	(0.1)	**(0.1)**	(0.2)
Interest on term debt	**(0.2)**	(0.3)	**(0.9)**	(1.0)
Amortization of financing costs paid	**(0.1)**	(0.2)	**(0.5)**	(0.4)
Interest income and other interest expense	**-**	-	**-**	0.1
Total Interest Expense	**$ (0.8)**	$ (1.0)	**$ (2.8)**	$ (2.9)

For the quarter ended March 31, 2017, interest expense totaled $0.8 million compared to $1.0 million for the quarter ended March 31, 2016. As the revolving credit facility is utilized to fund inventory purchases, the lower interest expense on the revolving credit facility is primarily driven by lower average inventories during the nine-month period ended March 31, 2017 versus the nine-month period ended March 31, 2016.

The nine-month period ended March 31, 2017 had interest expense of $2.8 million compared to interest expense in the nine-month period ended March 31, 2016 of $2.9 million. The Corporation incurred less interest expense on the revolving line of credit as a result of lower average inventory, however this was offset by an increase in amortization of financing costs.

Income Taxes
Income taxes for the three-month period ended March 31, 2017 amounted to an expense of $12 thousand compared to an expense of $6 thousand for the three-months ended March 31, 2016. For the nine-month period ended March 31, 2017, the Corporation recognized an expense in the amount of $4 thousand versus an expense of $7 thousand for the nine-months ended March 31, 2016.

Share of Net Income (Loss) in Investments in Associates
In the three-month period ended March 31, 2017, the Corporation incurred a loss in its net share in investments in associates of $50 thousand compared to an income of $3 thousand in the three-month period ended March 31, 2016. The Corporation suffered a loss of $152 thousand for the nine-month period ended March 31, 2017 in contrast to an income of $78 thousand during the nine-month period ended March 31, 2016.

Other Comprehensive income (loss) for the period
Gain (loss) on translation of foreign currency accounts of foreign operations
Gains and losses pertaining to translation of foreign operations relate to net assets of CAD functional currency operations, which are translated into USD using the rate at the reporting date, while related net income (or loss) is translated using the average rate for the period.

For the three-month period ended March 31, 2017, the Corporation recognized a net gain on translation of foreign accounts totaling $1.0 million, compared to a net gain of $4.3 million for the three-month period ended March 31, 2016. The nine-month period ended March 31, 2017 yielded a net loss on translation of foreign accounts of $2.1 million in contrast to the net loss of 4.8 million for the nine months ended March 31, 2016.

The Corporation will generally recognize a gain on translation of foreign currency accounts when the spot rate from CAD to USD as at the balance sheet date is stronger than the average exchange rate for the period. When the spot rate at the balance sheet rate is weaker than the average rate, a loss is generally recognized, but a gain or loss is also driven by the change from the previous quarter for all non-monetary assets and liabilities.

For the three-month and nine-month periods ended March 31, 2017 and March 31, 2016 and the fifteen-month period ended June 30, 2016, the spot rate at which CAD denominated assets and liabilities are translated to USD along with the daily average CAD to USD rates for comparative purposes were as follows:

	Three-month period ended March 31, 2017	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016	Fifteen-month period ended June 30, 2016
Spot rate at balance sheet	**0.7533**	0.7712	**0.7533**	0.7712	0.7718
Average exchange rate	**0.7553**	0.7288	**0.7571**	0.7476	0.7665

2. QUARTERLY FINANCIAL DATA

Reporting dates	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016	12/31/2015	9/30/2015	6/30/2015
(in millions except per share)	Q3 2017	Q2 2017	Q1 2017	Q5 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Revenues	$ 128.5	$ 131.8	$ 155.9	$ 115.8	$ 87.3	$ 61.4	$ 73.0	$ 48.3
Gross profit (loss)	$ 3.0	$ 2.9	$ 1.9	$ 1.9	$ 2.8	$ (7.8)	$ 1.1	$ 1.5
Income (loss) from operations	$ 0.6	$ 0.8	$ (0.6)	$ (0.3)	$ 0.9	$ (9.8)	$ (0.8)	$ (0.5)
Net income (loss)	$ (8.1)	$ (0.2)	$ (1.4)	$ (1.5)	$ 0.8	$ (10.1)	$ 0.1	$ (1.4)
Return on shareholders' equity[1]	-5.4%	-0.1%	-0.9%	-0.9%	0.5%	-6.5%	0.0%	-0.8%
Weighted-average number of common shares for the quarter	28.0	27.3	26.9	26.9	27.0	27.1	27.1	27.1
Basic and fully diluted earnings (loss) per share	$ (0.29)	$ (0.01)	$ (0.05)	$ (0.05)	$ 0.03	$ (0.37)	$ 0.00	$ (0.05)
EBITDA[1]	$ 1.6	$ 2.0	$ 0.7	$ 0.5	$ 1.9	$ (8.9)	$ 0.9	$ 0.0
EBITDA per share	$ 0.06	$ 0.07	$ 0.03	$ 0.02	$ 0.07	$ (0.33)	$ 0.03	$ .0
Shareholders' equity, as at reporting date	$ 151.0	$ 158.4	$ 155.1	$ 157.6	$ 160.1	$ 155.1	$ 167.4	$ 173.0
Shareholders' equity per common share, as at reporting date	$ 5.40	$ 5.64	$ 5.77	$ 5.86	$ 5.92	$ 5.73	$ 6.19	$ 6.40
Volumes								
Elevator bushels handled	17.3	20.0	25.0	18.7	9.4	10.8	10.1	6.7
Direct ship bushels	5.8	4.6	9.9	9.4	3.2	4.2	4.3	0.4

Revenues: The Corporation's revenue is currently generated by its grain division, and revenues are predominantly composed of the sale of grain, storage and rental income, and other operating income that is earned. 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.

Gross profit (loss) & income (loss) from operations: 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 are expected to have a relatively equal impact on sales and cost of sales. Therefore, management of the company believes it is more important to focus on changes in gross profit and bushels handled rather than changes in revenue dollars. Gross profit may vary from quarter to quarter depending on gains from trading, carrying income, and basis income against changing inventory levels.

3. LIQUIDITY & CASH FLOW

(in thousands)		**Nine-month period ended March 31, 2017**		Nine-month period ended March 31, 2016
Net Cash Provided by (Used in)				
Operating activities	**$**	**4,590**	$	(11,303)
Investing activities		**(9,686)**		(15,716)
Net Cash Used Before Financing Activities		**(5,096)**		(27,019)
Financing Activities		**6,056**		28,942
Foreign Exchange Cash Flow Adjustment on Accounts Denominated in a Foreign Currency		**(2)**		(201)
Increase/(Decrease) in Cash and Cash Equivalents	**$**	**958**	$	1,722

Operating Activities

Cash generated from operating activities was $4.6 million for nine-month period ended March 31, 2017 compared to cash used in operating activities of $11.3 million during the nine months ended March 31, 2016. While the Corporation had a net loss of $9.6 million for the nine-month period ended March 31, 2017, the cash flow generated by operating activities was $4.6 million as much of the net loss was driven by large non-cash expenses during the period. In comparison, from June 30, 2015 to March 31, 2016, cash flow used operating activities was driven by the net loss of $9.2 million.

Investing Activities

The Corporation's primary investing activities are acquisitions of property, plant and equipment. During the nine months ended March 31, 2017, cash used in investing activities was $9.7 million, solely comprised of additions of property, plant and equipment primarily related to progress payments made on construction of the fertilizer storage facility at Northgate. This was a decrease from cash used in the investing activities of the same nine month period in 2016 which totaled $17.2 million, also used for purchases of property, plant and equipment but for the development of the grain elevator at Northgate.

Financing Activities

During the nine months ended March 31, 2017, the Corporation had $6.0 million in cash provided by financing activities compared to $28.9 million of cash provided by financing activities during the nine months ended March 31, 2016. The $6.0 million in cash provided by financing activities for the nine-month period ended March 31, 2017 primarily related to the increased borrowings on the revolving line of credit to fund capital expenditures. During the nine-month period ended March 31, 2016, cash provided by financing activities related to $31.0 million of borrowings on the revolving line of credit.

Available Sources of Liquidity

The Corporation's sources of liquidity as at March 31, 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 March 31, 2017 contains certain covenants, including a covenant that the Corporation maintain minimum working capital of not less than $30,000,000. As at March 31, 2017 the Corporation's working capital – defined as current assets less current liabilities – totaled $43.7

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 $120,000,000. As at March 31, 2017, the Corporation was in compliance with all covenants.

Liquidity risk

As at March 31, 2017 and June 30, 2016, the following are the contractual maturities of financial liabilities, excluding interest payments:

March 31, 2017	Carrying amount	Contractual cash flows	1 year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 58,447,730	58,676,480	$ 58,676,480	$ -	$ -	$ -
Accounts payable and accrued liabilities	30,167,935	30,167,935	30,167,935	-	-	-
Repurchase obligations	6,618,600	6,618,600	6,618,600	-	-	-
Derivatives	-	-	-	-	-	-
Provision for future payments to Front Street Capital	28,625	28,625	28,625	-	-	-
Warrants	-	-	-	-	-	-
Term debt	14,403,580	15,000,000	3,000,000	5,000,000	7,000,000	-

June 30, 2016	Carrying amount	Contractual cash flows	1 year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 55,584,100	$ 55,833,483	$ 55,833,483	$ -	$ -	$ -
Accounts payable and accrued liabilities	16,007,014	16,007,014	16,007,014	-	-	-
Repurchase obligations	-	-	-	-	-	-
Derivatives	2,568,309	2,568,309	2,568,309	-	-	-
Provision for future payments to Front Street Capital	73,325	73,325	73,325	-	-	-
Warrants	104,971	104,971	104,971	-	-	-
Long-term debt	22,901,645	23,642,379	1,642,379	5,000,000	17,000,000	-

(1) Inclusive of cheques in excess of cash on hand

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 nine-month and three-month periods ended March 31, 2017, on December 30, 2016, the Corporation renewed and amended its uncommitted credit facility to a new maximum revolving facility amount of $67,500,000 (previously $120,000,000). The new agreement is set to expire on December 29, 2017. Borrowings bear an interest rate of overnight LIBOR plus 3.875% per annum, and is 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.

Term Debt
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 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 million with Macquarie Bank. The Loan was for a term of 5 years with an interest rate of one month LIBOR plus 5.25%. The Loan 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 $1,357,621 (CAD $1,808,895). In accordance with the Loan, the second principal payment was paid on December 29, 2016 for the amount of $1,642,379. An additional principal payment of down $7,000,000 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 $3,000,000, with a principal payment for $5,000,000 due on December 28, 2018 and the final principal payment due on December 27, 2019 for the amount of $7,000,000. The term loan has an effective interest rate of 6.30% plus one month LIBOR.

Normal Course Issuer Bid
During the nine-month period ended March 31, 2017, the Corporation purchased Shares under normal course issuer bids, the purpose of which was to provide Ceres with a mechanism to decrease the potential spread between the net asset value per Share and the market price of the common shares. On June 9, 2016, Ceres announced a normal course issuer bid ("the 2016-2017 NCIB") which commenced on June 12, 2016. Using the facilities of the Toronto Stock Exchange ("TSX") and in accordance with its rules and policies, Ceres intends to purchase up to a maximum of 1,595,765 of its Common Shares, representing approximately 10 percent of its unrestricted public float as of June 2, 2016, subject to a maximum aggregate purchase price of $5 million pursuant to restrictions under the Corporation's Credit Facility. The 2016-2017 NCIB will conclude on the earlier of the date on which purchases under the 2016-2017 NCIB have been completed and June 11, 2017. Ceres may purchase up to a daily maximum of 2,119 Common Shares under the 2016-2017 NCIB, except for purchases made in accordance with the "block purchase" exception under applicable TSX rules and policies.

During the nine months ended March 31, 2017, the Corporation purchased and canceled a total of 174,036 common shares under the normal course issuer bid for aggregate cash consideration of $716,748. The stated capital value of these repurchased Shares was $1,273,301. The excess of the stated capital value of the repurchased common shares over the cost thereof, being $556,553, was allocated to Retained Earnings in the nine-month period ended March 31, 2017.

During the nine months ended March 31, 2016, Ceres acquired a total of 51,900 Common Shares under the 2015-2016 NCIB. Of that amount, 29,900 Shares were paid for and canceled for a total consideration of

$116,909. The stated capital value of these repurchased Common Shares was $172,740. The excess of the stated capital value of the repurchased Common Shares over the cost thereof, being $55,831, was allocated to "Deficit" in the three months ended March 31, 2016.

The remaining 22,000 Common Shares repurchased were still outstanding as at March 31, 2016, and subsequently canceled in the normal course. These Common Shares were classified as "Treasury shares" on the Interim Condensed Consolidated Balance Sheet until they were canceled. Of the 22,000 Treasury shares 12,600 Common Shares totaling $48,819 were paid for as at March 31, 2016. The stated capital value of these repurchased Common Shares was $75,126. The excess of the stated capital value of the repurchased Common Shares over the cost thereof, being $26,307, was allocated to "Deficit" in the three months ended March 31, 2016.

As at March 31, 2016, the Corporation, through a broker, had acquired, but not yet paid for nor canceled 9,400 Common Shares, which total $36,294, which is classified on the Interim Condensed Consolidated Balance Sheet within "Accounts payable and accrued liabilities". The stated capital value of these repurchased Common Shares was $55,852. The excess of the stated capital value of the repurchased Shares over the cost thereof, being $19,558, was allocated to "Deficit" in the three months ended March 31, 2016.

5. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in Accounting Policies and Standards Issued But Not Yet Effective

These interim condensed consolidated financial statements should be read in conjunction with Ceres' audited consolidated financial statements for the fifteen-month period ended June 30, 2016. The Corporation's significant accounting policies were presented in Note 3 of those audited financial statements. Refer to Note 4 of the interim condensed consolidated financial statements for 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; fair value of financial instruments; income taxes and the valuation of warrant obligations; and deferred share units, 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

The 2016/17 crop year started with large supplies of almost all crops, leading to a decrease in price volatility and limited basis trading opportunities. As we near the end of the 16/17 crop year the market has begun to focus on what lies ahead for 2017/18, specifically, extreme weather is bringing volatility to the markets. At this stage it is unclear whether these issues will subside and we will return to large crops and low prices, or if production will be affected and prices will go higher. Preparing for a number of possible outcomes requires diligent risk vs. reward management as all outcomes are considered:

- Large ending stocks of spring wheat - will we have more of the same, or will weather challenges delay planting and result in a smaller crop and higher prices?
- Low ending stocks of canola, due to an increase in overall demand - will be replaced with an expected

record crop in Canada?

- Large ending stocks of low quality durum - will they benefit from high quality (low vomitoxin) new crop or become a major problem due to another high vomitoxin crop?
- Low ending stocks of oats (one of the only smaller crops in 16/17) - will stocks be replaced by an expected large crop in 17/18 or will it face production challenges that prevent supplies from replenishing?
- Large demand for pulse crops in 16/17 will demand be steady from from Asia or will demand decrease and Canadian ending supply increase?

At this stage it is too early to be able to answer most of these questions with any degree of certainly and therefore risk taking short-term will be limited, however, while the market waits for events to unfold the company presses forward in its effort to increase volume by profitably supplying chosen customers with product. Specifically, the Corporation remains focused on:

1. Increasing origination volume direct from farmers in the U.S. and Canada
2. Maximizing volumes and value through and around its network, capitalizing on its asset utility and effectively lowering fixed cost per bushel handled
3. Investing in its infrastructure to broaden its product portfolio and focus more on pulses and specialty crops, both at Northgate and other locations
4. Extending its reach to chosen customers both into the U.S. and internationally
5. Hiring talented people who can execute on all of the above

After three quarters volume goals are on target and likely to surpass the corporations goal of handling & merchandizing over 110 million bushels. This has been made possible by extending presence up and down the supply chain through increased farmer-direct origination and key customer destination access in the U.S. and beyond.

Logistics Division
As mentioned in the Q5 and Year-End Fiscal 2016 Management Discussion and Analysis, Ceres entered into an agreement with Koch for the storage and handling of phosphate-based fertilizer to Northgate. Q3 marked completion of the construction of 26,000 ton fertilizer warehouse, with the exciting news that we will now store and handle both urea- and phosphate-based fertilizer for Koch Fertilizer Canada. At Northgate, Ceres will unload by rail, warehouse and load trucks to be distributed to Canadian farmers. The project officially began operating at the end of April and finished on time and under budget.

While the partnership with Koch provides the international fertilizer 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 the grain suppliers at Northgate the ability to backhaul grain, as local grain suppliers would reload their trucks with fertilizer after having unloaded grain and return to their origination. 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 transloading of LPG has slightly increased over the past quarter as North Dakota truck demand has decreased. We believe volumes will remain modest, but consistent through the rest of 2017. 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, in

May Northgate will conduct a test to handle several of the above products and will be looking to add the infrastructure needed to pursue those opportunities once positive results are confirmed.

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 2017.

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 March 31, 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 March 31, 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 month period ended March 31, 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:

	3 Months		9 Months	
Period ended March 31,	**2017**	2016	**2017**	2016
Salary and short-term employee/director benefits	**$ 266,622**	$ 310,863	**$ 802,230**	$ 911,764
Share-based compensation	**168,630**	1,306	**363,210**	202,114
	$ 435,252	$ 312,169	**$ 1,165,440**	$ 1,113,878

SHARES OUTSTANDING

As at May 11, 2017, the issued and outstanding equity securities of the Corporation consisted of 27,956,457 common shares.

CONTINGENCIES AND COMMITMENTS

See Note 17 of the interim condensed consolidated financial statements for disclosure of the Corporation's contingencies and commitments as at March 31, 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-reoccurring in nature.

The following table is a reconciliation of EBITDA for Ceres on a consolidated basis for the three-month and nine-month periods ended March 31, 2017 and 2016.

(in thousands)	**Three-month period ended March 31, 2017**	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016
Net income (loss) for the period	**$ (8,104)**	$ 834	**$ (9,613)**	$ (9,187)
Add/(Deduct):				
Interest Expense	**881**	1,022	**2,800**	2,883
Revaluation of derivative warrant liability	**-**	(817)	**(104)**	(1,820)
Loss (gain) on property, plant and equipment	**7,651**	-	**7,651**	(205)
Income taxes (recovered)	**12**	6	**4**	7
Share of net (income) loss in investments in associates	**50**	(3)	**152**	(78)
Depreciation on property, plant and equipment	**1,078**	826	**3,425**	1,426
	$ 1,568	$ 1,868	**$ 4,315**	$ (6,974)

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-month and six-month periods ended March 31, 2017 and 2016.

(in thousands)	**Three-month period ended March 31, 2017**	Three-month period ended March 31, 2016	**Nine-month period ended March 31, 2017**	Nine-month period ended March 31, 2016
Net income (loss) for the period	**$ (8,104)**	$ 834	**$ (9,613)**	$ (9,187)
Total shareholders' equity as at reporting date	**150,958**	160,089	**150,958**	160,089
	-5.4%	0.5%	**-6.4%**	-5.7%

9. KEY ASSUMPTIONS & ADVISORIES

FORWARD LOOKING INFORMATION

This 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 the plans, costs, timing and capital requirements for the development of 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 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.