



CERES
GLOBAL AG CORP.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

SPECIAL MEETING OF HOLDERS OF COMMON SHARES OF CERES GLOBAL AG CORP.

JULY 24, 2013

The Board of Ceres Global AG Corp. ("**Ceres**") unanimously recommends that shareholders vote their **BLUE** proxy:

- **AGAINST** VN Capital's advisory resolution to terminate the management agreement between Ceres and Front Street Capital
- **AGAINST** VN Capital's advisory resolution directing Ceres not to enter into any future agreement with Front Street Capital or its related parties to provide any management or administrative services to Ceres

The reasons for the Board's recommendations are discussed in the accompanying Management Information Circular.

Your vote is extremely important regardless of how many common shares you own. Please take the time to cast your vote today.

Your **BLUE** proxy must be received no later than 11:00 a.m. (Toronto time) on July 22, 2013. Please refer to the "Questions and Answers About Voting and Proxies" section of the accompanying Management Information Circular for additional information regarding voting your common shares.

June 21, 2013

Dear Shareholders:

We are writing to invite you to a special meeting of shareholders of Ceres Global Ag Corp. to be held on July 24, 2013 at 11:00 am (Toronto time). *This is not an ordinary meeting of shareholders.* As you may be aware, a minority shareholder, VN Capital Management, LLC (holding approximately 6.8% of Ceres' shares), requisitioned this meeting of shareholders.

Shareholders will be asked to vote on two non-binding, advisory resolutions proposed by VN Capital. The first advisory resolution calls on Ceres to terminate the Management Agreement that exists between Ceres and Front Street Capital. The second advisory resolution seeks to restrict Ceres from entering into any future agreement with Front Street to provide management or administrative services to Ceres.

Your Board of Directors, after careful deliberation, unanimously recommends that shareholders vote **AGAINST** these resolutions.

Here are the key reasons behind the Board's unanimous recommendations, reviewed in detail in the pages that follow:

- **Ceres' value is best realized through maintaining its current strategy of actively managing its assets and operations. VN Capital's action is based on the incorrect premise that Ceres has become an operating company;**
- **The "internalization" of the management of Ceres as proposed by VN Capital, would be costly and time consuming, and is not in the best interest of Ceres shareholders at this time;**
- **The passage of VN Capital's proposals could destabilize Ceres' business development opportunities and jeopardize its ability to enter into new business contracts and generally further the development of its projects with third parties;**
- **Ceres has a highly qualified and experienced board of directors and management team, with extensive experience in agribusiness, asset management, finance, transaction negotiation and execution and company operations;**
- **Current management is aligned with shareholders – Front Street and its related parties, along with directors and officers of Ceres, control 21% of the shares – over three times that of VN Capital; and**
- **Ceres is committed to ongoing board evaluation and renewal to advance shareholder interests.**

As you will read later in this circular, the Board and the Special Committee of the Board engaged in a deliberative and careful process to consider the issues raised by VN Capital.

The Board struck a special committee of independent directors to consider and respond to VN Capital's requisition for a special meeting. The Special Committee retained independent legal advice and retained an independent financial advisor to assist and advise on its deliberations. In order to fulfill its mandate, the Special Committee met in person or by phone, over a dozen times and held frequent discussions with its independent advisors and the management of Ceres.

Ultimately, the Special Committee determined that VN Capital's proposals were based on the incorrect premise that Ceres has become a fully formed operating company. The Special Committee has

unanimously concluded that the current management structure is appropriate and in the best interest of Ceres at this time.

Shareholders, we encourage you vote **AGAINST** the VN Capital resolutions. The management and Board of Ceres are aligned with shareholders, and management is incentivized to create value for long term shareholders.

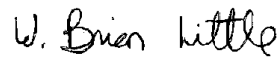
If you have any questions about the Board's recommendations or the Special Committee's process, we encourage you to contact us directly at (416) 915-2426.

Any shareholder requiring assistance in voting their proxy should contact Canadian Stock Transfer Company Inc., Investor Relations Inquiry at (416) 682-3860 or toll free at 1-800-387-0825. Please vote your **BLUE** proxy **AGAINST** the VN Capital resolutions, prior to 11:00 am (Toronto time) on July 22, 2013 – and help us *keep good things growing*, at Ceres.

Sincerely,



Gary P. Selke
Chairman
Chief Executive Officer



W. Brian Little
Chairman of the Special Committee
Independent Director

TABLE OF CONTENTS

	Page
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS	1
MANAGEMENT INFORMATION CIRCULAR.....	3
QUESTIONS AND ANSWERS ABOUT VOTING AND PROXIES	5
PARTICULARS OF MATTERS TO BE ACTED ON	8
BOARD CONCLUSIONS AND RECOMMENDATIONS.....	9
BACKGROUND TO THE SOLICITATION	12
GENERAL PROXY INFORMATION	18
AUTHORIZED CAPITAL.....	19
PRINCIPAL HOLDERS OF VOTING SECURITIES	19
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	19
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	20
THE MANAGER	20
ADDITIONAL INFORMATION	22
CERTIFICATE.....	23

CERES GLOBAL AG CORP.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a special meeting (the “**Meeting**”) of shareholders of **CERES GLOBAL AG CORP.** (“**Ceres**”) will be held at the Chairman’s Boardroom at One King Street West, Toronto, Ontario, Canada, M5H 1A1 on July 24, 2013 at 11:00 a.m. (Toronto time). The Meeting will be held for the following purposes:

1. To consider and, if thought fit, to pass the following advisory resolutions proposed by one of Ceres’ shareholders, VN Capital Management, LLC (“**VN Capital**”):
 - a. an extraordinary resolution pursuant to Section 11 of the management agreement between Ceres and Front Street Capital 2004 (“**Front Street**”) dated December 13, 2007 and amended on April 26, 2010 (the “**Management Agreement**”) approving the termination of the Management Agreement and the provision by Ceres of an irrevocable notice of termination to Front Street terminating such Management Agreement on April 27, 2015 (the “**Management Agreement Termination Resolution**”)¹; and
 - b. a resolution that Ceres shall not enter into any future agreement providing to Ceres any management and administrative services with either Front Street, Front Street Investment Management Inc. or any of its employees, affiliates, officers, directors, shareholders or beneficiaries (the “**No Further Agreement Resolution**”); and
2. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Management of Ceres is soliciting the enclosed **BLUE** form of proxy. The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

The Board considers the resolutions proposed by VN Capital for the Meeting to be advisory in nature. Section 11 of the Management Agreement does not permit shareholders to pass a resolution to terminate the Management Agreement unless the Board has first resolved to terminate the Management Agreement. The Board has not resolved to terminate the Management Agreement and is of the view that doing so would not be in the best interests of Ceres or its shareholders. If passed, the Management Agreement Termination Resolution will not trigger a termination of the Management Agreement and will only have advisory effect. In addition, the No Further Agreement Resolution proposed by VN Capital regarding restrictions on future agreements between Ceres and Front Street and its related parties purports to bind the directors when managing the business of Ceres. A special resolution of shareholders is not legally effective where it removes or restricts the discretion of the directors. Accordingly, if passed, the outcome of the No Further Agreement Resolution will only have advisory effect.

The Board unanimously recommends that shareholders vote against VN Capital’s advisory resolution to terminate the Management Agreement and against VN Capital’s advisory resolution directing Ceres not to enter into any future management or administrative services agreement with Front Street or its related parties.

Shareholders are invited to attend the Meeting. *Registered Shareholders* who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed **BLUE** form of proxy and send it

¹ While the advisory Management Agreement Termination Resolution proposed by VN Capital calls for the Management Agreement to be terminated on April 27, 2015, Section 11 of the Management Agreement requires two years’ prior written notice to be given in order to terminate the Management Agreement following shareholder approval. The Management Agreement does not contemplate providing any such termination notice before April 27, 2015, which would mean that the required two year notice period would not end before April 27, 2017. Any action taken by the Board in response to the Management Agreement Termination Resolution will need to take into account the requirements of Section 11 of the Management Agreement.

in the enclosed envelope or otherwise to the Secretary of Ceres c/o Canadian Stock Transfer Company at P.O. Box 721, Agincourt, Ontario, M1S 0A1 (or, if sent by facsimile, sent to: (416) 368-2502 or 1-866-781-3111 (toll free through North America)) or by email at proxy@canstockta.com, Attention: Proxy Department or to the Secretary of Ceres at Ceres' registered office, which is located at 33 Yonge Street, Suite 600, Toronto, Ontario, M5E 1G4. *Non-registered Shareholders* who receive these materials through their broker or other intermediary should complete and send the **BLUE** voting instruction form in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Canadian Stock Transfer Company or the Secretary of Ceres no later than July 22, 2013 at 11:00 a.m. (Toronto time) or, in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The time limit for deposit of proxies may be waived by the Board without notice at its discretion. Completing and sending the proxy card will cancel any other proxy you may have previously submitted in connection with the Meeting, as it is the later dated proxy that will be counted. Shareholders of record at the close of business on June 14, 2013 will be entitled to vote at the Meeting in person or by proxy.

DATED at Toronto, Ontario as of the 21st day of June, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Gary P. Selke
Chairman and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Ceres Global Ag Corp. (“Ceres”) for use at a special meeting (the “Meeting”) of holders of common shares (the “Common Shares”) of Ceres to be held at the Chairman’s Boardroom at One King Street West, Toronto, Ontario, Canada, M5H 1A1, on July 24, 2013 at 11:00 a.m. (Toronto time) and at any adjournment or adjournments thereof, for the purposes set out in the foregoing Notice of Meeting (the “Notice”). It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited in person, by telephone, by electronic communications or otherwise by Ceres’ investor relations group and by officers and directors of Ceres without special compensation, or by Canadian Stock Transfer Company, at nominal cost. The costs of solicitation will be borne by Ceres. Ceres will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial Shareholders and will provide customary reimbursement to such firms for the cost of forwarding these materials. Ceres may also retain and pay a fee to one or more proxy solicitation firms to solicit proxies from shareholders regarding matters set forth in the Notice of Meeting.

Except as otherwise stated, the information contained herein is given as of the date hereof. References to “\$” or “CDN\$” are to Canadian dollars.

Cautionary Statement Regarding Forward-Looking Information

This Circular contains "forward-looking information" within the meaning of applicable Canadian securities legislation and United States securities laws. Forward-looking information may include, but is not limited to, 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, anticipated capital projects, construction and completion dates and the expected financial and operational consequences of future commitments. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "scheduled", "intends", "anticipates" or "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is available, and is 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 information.

Key assumptions upon which such forward-looking information is based include, but are not limited to, the following (i) expected movement to more integrated North American grain commodity markets created by changes in the powers of the Canadian Wheat Board, (ii) the volume and quality of grain held on-farm by producers in North America, (iii) the demand for, and supply of, grains, (iv) agricultural commodity prices, (v) general financial conditions for Western Canadian and American agricultural producers, (vi) the market share that will be achieved by Ceres, (vii) the ability of Stewart Southern Railway Inc. to continue its growth trend in grain and oil shipments by rail, without service disruption, (viii) Riverland Ag’s ability to maintain existing customer contracts and relationships, (ix) an agreement is reached with The Scoular Company concerning its involvement in the Northgate Commodities Logistics Hub, (x) the successful completion of the Northgate Commodities Logistics Hub, (xi) the effects of competition, (xii) the ability to maintain existing financing on acceptable terms; and (xiii) trends concerning currency exchange and interest rates.

Many such assumptions are based on factors and events that are not within the control of Ceres and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in 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 regulatory environment, processes and decisions. Although Ceres has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that 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 information. Ceres undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

QUESTIONS AND ANSWERS ABOUT VOTING AND PROXIES

Q: Why is Ceres having this Meeting?

A: A minority shareholder holding approximately 6.8% of Ceres' outstanding shares, VN Capital, requisitioned a special meeting (the "**Meeting**") on February 25, 2013 for the purposes of asking shareholders to advise Ceres to alter its management structure. In response to VN Capital's requisition, Ceres was required to call this Meeting.

Q: What am I being asked to vote on?

A: You are being asked to vote on:

- (a) VN Capital's advisory resolution to terminate the Management Agreement (the "**Management Agreement Termination Resolution**"); and
- (b) VN Capital's advisory resolution to direct Ceres not to enter into any future agreement providing Ceres any management and administrative services with either Front Street or its related parties (the "**No Further Agreement Resolution**").

Q: Are these resolutions binding on Ceres?

A: No.

Based on advice from outside counsel, the Board and the Special Committee each consider VN Capital's proposed resolutions to be advisory in nature. As such, the Management Agreement Termination Resolution will not trigger any requirement to terminate the Management Agreement. Any decision to terminate the Management Agreement must start with a decision by the directors of Ceres to resolve to terminate the Management Agreement. Thereafter, shareholders must pass an extraordinary resolution pursuant to section 11 of the Management Agreement to approve termination of the Management Agreement. The Board has not resolved to terminate the Management Agreement and is of the view that doing so would not be in the best interests of Ceres or its shareholders.

The No Further Agreement Resolution proposed by VN Capital purports to bind the directors when managing the business of Ceres. A special resolution of shareholders is not legally effective where it removes or restricts the discretion of the directors. Accordingly, if passed, the outcome of the No Further Agreement Resolution will only have advisory effect.

Q: How does the Board recommend that I vote?

A: The Board unanimously recommends that shareholder vote only the **BLUE** Proxy and vote:

(a) **AGAINST** VN Capital's advisory Management Agreement Termination Resolution; and

(b) **AGAINST** VN Capital's advisory No Further Agreement Resolution.

Q: Why should I vote against VN Capital's proposals?

A: The Board recommends that you vote against VN Capital's proposals for the following reasons:

- Ceres' value is best realized through maintaining its current strategy of actively managing its assets and operations. VN Capital's action is based on the incorrect premise that Ceres has become an operating company.
- The "internalization" of the management of Ceres as proposed by VN Capital, would be costly and time consuming, and is not in the best interest of Ceres shareholders at this time.
- The passage of VN Capital's proposals could destabilize Ceres' business development opportunities and jeopardize its ability to enter into new business contracts and generally further the development of its projects with third-parties.
- Ceres has a highly qualified and experienced board of directors and management team, with extensive experience in agribusiness, asset management, finance, transaction negotiation and execution and company operations.
- Current management is aligned with shareholders – Front Street and its related parties, along with directors and officers of Ceres, control 21% of the shares – over three times that of VN Capital.
- Ceres is committed to ongoing Board evaluation and renewal to advance shareholder interests.

The Board and the Special Committee believe that it would not be appropriate or in the best interests of Ceres or its shareholders to terminate the Management Agreement at this time.

Q: Who is soliciting my proxy?

A: Management of Ceres is soliciting your proxy in connection with this Circular and the Meeting. The cost of this Meeting and management solicitation will be borne by Ceres. Proxies will be solicited by mail, in person, by telephone or by electronic communications by Ceres' investor relations group and by officers and directors of Ceres without special compensation, or by Canadian Stock Transfer Company, at nominal cost. Ceres may also retain and pay a fee to one or more proxy solicitation firms to solicit proxies from shareholders regarding matters set forth in the Notice of Meeting.

Q: Who is entitled to vote?

A: The Board has fixed June 14, 2013 as the record date (the "**Record Date**") for the purpose of determining shareholders entitled to receive the foregoing Notice and to vote at the Meeting or any adjournment or postponement thereof, either in person or by proxy. Only shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting. Each shareholder is entitled to one vote for each share held.

Q: How do I appoint a proxyholder?

A: Shareholders wishing to be represented by proxy (or legal proxy in the case of non-registered shareholders) at the Meeting must deposit a properly executed proxy with the Company or its agent, Canadian Stock Transfer Company Inc., by July 22, 2013 at 11:00 a.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned Meeting. All Shares represented by a properly executed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The time limit for deposit of proxies may be waived by the Board without notice at its discretion.

Q: How will my shares be voted if I give my proxy?

A: Shareholders who have appointed a named appointee of management to act and vote on their behalf, as provided in the enclosed **BLUE** form of proxy or **BLUE** voting instruction form, and who do not provide instructions concerning any matter identified in the Notice, will have the Shares represented by such form or proxy or voting instruction form voted **AGAINST** each of VN Capital's proposals.

The enclosed **BLUE** form of proxy or **BLUE** voting instruction form to be used in connection with the Meeting also confers discretionary authority on the person or persons named to vote on any amendment or variation to the matters identified in the Notice and on any other matter properly coming before the Meeting. As of June 21, 2013, management is not aware of any such amendment, variation or other matter. If, however, any such amendment, variation or other matter properly comes before the Meeting, proxies will be voted at the discretion of the person or persons named on the enclosed **BLUE** form of proxy or **BLUE** voting instruction form.

Q: How do I vote if I am a REGISTERED shareholder?

A: You are a registered shareholder if your name appears on your share certificate. If this is the case, this Circular will be accompanied by a **BLUE** form of proxy. If you are a registered shareholder, there are two ways, listed below, that you can vote your shares:

1) Voting by Proxy

You may appoint the management appointee or someone else to vote for you as your proxyholder by using the enclosed **BLUE** form of proxy. A shareholder has the right to appoint a person or company other than the named appointee of management to represent such shareholder at the Meeting. To appoint a person or company other than the named appointee, write the name of the person or company you would like to appoint in the space provided.

You may vote using any of the methods outlined on the **BLUE** form of proxy.

2) Voting in Person

As a registered shareholder, you may exercise your right to vote by attending and voting your shares in person at the Meeting. Upon arriving at the Meeting registration desk to sign in. You do not need to complete or return your **BLUE** form of proxy if you intend to vote at the Meeting.

To be valid, a proxy must be signed by the shareholder or his or her attorney authorized in writing.

There are several ways to submit your **BLUE** form of proxy which are indicated on the **BLUE** form of proxy. Carefully review your **BLUE** form of proxy for these instructions.

Q: How do I vote if I am a NON-REGISTERED shareholder?

A: If your shares are not registered in your name and are held in the name of a nominee such as a trustee, financial institution or securities broker, you are a non-registered shareholder. If your shares are listed in an account statement provided to you by your broker, those Shares will, in all likelihood, not be registered in your name. Such shares will more likely be registered under the name of your broker or an agent of that broker.

All Non-Registered Shareholders will receive a **BLUE** Form of Proxy/voting instruction form. You should complete and send your **BLUE** voting instruction form in accordance with the instructions provided by your broker or other intermediary.

Q: If I change my mind, can I take back my proxy once I have given it?

A: Yes, you may revoke any proxy that you have given up until the time of the Meeting. In addition to revocation in any other manner permitted by law, you may revoke the proxy by preparing a written statement, signed by you or your attorney, or if the proxy is given on behalf of a corporation, by an authorized officer or attorney of such corporation, and depositing such written revocation statement at the office of Canadian Stock Transfer Company at any time up to and including the last business day preceding the Meeting (or any adjournment or postponement thereof) at which the proxy is to be used.

A registered shareholder participating in person, in a vote by ballot at the Meeting, will automatically revoke any proxy previously given by that shareholder regarding business considered by that vote.

Q: How will the votes be tabulated?

A: The votes will be counted and tabulated by Canadian Stock Transfer Company.

Q: Whom should I contact if I have other questions?

A: If you have any questions about the information contained in this Circular or require assistance in completing the **BLUE** form or proxy or **BLUE** voting instruction form, please contact:

Canadian Stock Transfer Company Inc., Investor Relations Inquiry at (416) 682-3860 or toll free at 1-800-387-0825.

PARTICULARS OF MATTERS TO BE ACTED ON

The Meeting has been called for the purposes of considering and voting on the following advisory resolutions proposed by VN Capital:

- a) an extraordinary resolution pursuant to Section 11 of the management agreement between Ceres and Front Street Capital 2004 ("**Front Street**") dated December 13, 2007 and amended on April 26, 2010 (the "**Management Agreement**") approving the termination of the Management Agreement and the provision by Ceres of an irrevocable notice of termination to Front Street terminating such Management Agreement on April 27, 2015 (the "**Management Agreement Termination Resolution**")¹; and
- b) a resolution that Ceres shall not enter into any future agreement providing to Ceres any management and administrative services with either Front Street, Front Street Investment

¹ While the advisory Management Agreement Termination Resolution proposed by VN Capital calls for the Management Agreement to be terminated on April 27, 2015, Section 11 of the Management Agreement requires two years' prior written notice to be given in order to terminate the Management Agreement following shareholder approval. The Management Agreement does not contemplate providing any such termination notice before April 27, 2015, which would mean that the required two year notice period would not end before April 27, 2017. Any action taken by the Board in response to the Management Agreement Termination Resolution will need to take into account the requirements of Section 11 of the Management Agreement.

Management Inc. or any of its employees, affiliates, officers, directors, shareholders or beneficiaries (the “**No Further Agreement Resolution**”).

BOARD CONCLUSIONS AND RECOMMENDATIONS

**The Board unanimously recommends that shareholders
vote their BLUE proxy
AGAINST VN Capital’s advisory Management Agreement Termination Resolution
AGAINST VN Capital’s advisory No Further Agreement Resolution**

The reasons for the Board’s recommendation include:

Ceres’ Value is Best Realized Through Maintaining its Current Strategy of Actively Managing its Assets and Operations

VN Capital’s proposals are premised on its view that Ceres has become an operating company and should be internally managed as such. The Board does not agree that Ceres has evolved to a state where it can be properly described as an operating company or where its value can be maximized by being managed as an operating company. Ceres holds a collection of loosely affiliated assets at different stages of development and profitability. The Board believes that the value of Ceres’ assets will be maximized over time through a combination of building and enhancing operations, entering into joint ventures and negotiating dispositions and that the knowledge and expertise of Ceres’ external manager is needed at this time to plan, implement and execute those strategies.

Much of Ceres’ grain storage and handling assets are in restructuring mode, and many of Ceres’ commodity logistics assets are in the early growth and/or build-out stages of development. In all cases, existing external management has acquired substantial knowledge, established significant relationships and has commenced implementation of strategies to create value from those assets. As a result, most of the work to create or realize substantial value on Ceres’ assets is in its early stages, and the Board believes that disrupting these efforts at this time is not in the best interests of Ceres or its shareholders.

In order to enhance Ceres’ investor/public relations, management will more actively communicate Ceres’ business strategy and objectives to the market and will continue to provide timely updates on developments with respect to its assets.

Internalization of Management as Proposed by VN Capital Would be Costly and Time Consuming

VN Capital’s proposals are based on its view that Ceres has changed from being an asset management business to an operating company and, as such, the external management structure and Management Agreement is no longer appropriate and should be terminated. The Special Committee has concluded that VN Capital is incorrect in this assessment and, therefore, any proposal to internalize management at this time would involve considerable expense, detract from Ceres’ focus on increasing asset value and would not be in the best interests of Ceres and its shareholders. Front Street, as Ceres’ external manager, currently provides a chief executive officer, chief financial officer, president, chief transaction officer, support staff and office space to Ceres. The Special Committee believes that the current external management structure is appropriate and in the best interests of Ceres at this time.

VN Capital also had concerns with the fee structure in the Management Agreement. In response to such concerns, the Special Committee reviewed the fee structure, which has been in place since Ceres’ initial public offering, and discussed possible amendments thereto with Front Street. The Special Committee and Front Street discussed several options for adjustments to the fee structure and ultimately agreed that

no amendments were advisable at this time. Accordingly, the Special Committee recommends that no amendments be made to the Management Agreement at this time.

Passage of VN Capital's Proposals Could Destabilize Ceres' Business Development Opportunities and Jeopardize Ceres' Ability to Enter into New Contracts and Generally Further the Development of its Projects with Third Parties

As discussed below, VN Capital proposed to engage in a process to search for a new CEO and CFO. This indeterminate process could be a time consuming distraction for management and the Board; and could hamper and even jeopardize management's ability to enter into new contracts and seek out value enhancing business development opportunities. Potential partners could be reluctant to enter into new relationships with Ceres during a period of uncertainty in Ceres' executive management.

Ceres has a Highly Qualified and Experienced Board of Directors and Management Team with Extensive Experience in Agribusiness, Asset Management, Finance, Transaction Negotiation and Execution and Company Operations

Ceres current Board and management team comprises individuals who collectively contribute decades of agribusiness, asset management, financial acumen and public company experience.

The following are brief biographical descriptions of the directors and officers of Ceres:

R. John Heimbecker – Independent Director

Mr. Heimbecker is a Vice President of Parrish and Heimbecker Limited. In this role, his direct responsibilities include the operation of all of the assets of Parrish and Heimbecker Limited relating to grain handling and storage in Canada and the U.S. as well as company-wide risk management policies and procedures, domestic and worldwide trading, safety and transportation. Mr. Heimbecker also holds a number of other roles including: Director of Alliance Grain Company; Director of Great Lakes Elevator Company; President of Superior Elevator ULC; President of Parrish and Heimbecker Inc.; President and Chairman of Smith Brokerage Limited; former Acting President of the Canadian Ports Clearance Association; Past President of the Western Grain Elevator Association; Director of the Frontier Centre for Public Policy; and Past President of the Winnipeg Commodity Clearing Association. Mr. Heimbecker has also served on various committees and sub committees at the Winnipeg Commodity Exchange.

W. Brian Little – Independent Director

Mr. Little has over 30 years of experience in agriculture banking and finance at RBC Royal Bank ("RBC") recently retiring as their National Manager of agriculture and agribusiness where he was responsible for business development and strategy. In addition, he was responsible for overall growth, profitability and the quality of RBC's portfolio and worked closely with industry, government and academic personnel in Canada. Mr. Little is a Professional Agrologist and a member of the Ontario Institute of Agrologists. Mr. Little is also a Board member of Country Heritage Park, a Governor of the Agriculture Institute of Canada Foundation and an advisor to the Rural Ontario Institute. Mr. Little received a Diploma in Agriculture, a Bachelor of Science (Agriculture) degree and a Master of Science (Farm Management) degree from the Ontario Agriculture College, University of Guelph.

Mary F. Parniak – Independent Director

Ms. Parniak has over 25 years of experience leading finance, information services and supply chain operations in various U.S.-based multinational companies, including 11 years with Baxter Corporation, a medical products company, seven years with Campbell Soup Company, a leading consumer packaged food company and eight years with ConAgra Foods Canada Inc. She started her career at Thorne Riddell Chartered Accountants (now KPMG). Ms. Parniak has also been actively involved with the Institute of Chartered Accountants of Ontario. She is a Chartered Accountant and received a Bachelor of Business Management degree from Ryerson University.

Gary P. Selke – Chairman & Chief Executive Officer

Mr. Selke is the Chief Executive Officer of Ceres. Mr. Selke is a partner, Management Committee member, President and Chief Executive Officer of the Manager. Mr. Selke has been a Director, Chairman and President of Front Street Investment Management Inc. since October 2001 and Chief Executive Officer since February 2002. Mr. Selke formed Tuscarora Capital Inc. in 1996 with Mr. Normand Lamarche. Prior to that time, Mr. Selke was employed by RBC Dominion Securities Inc. and its predecessor firms in various capacities, including investment banking, public and private financings, debt restructurings, equity syndication area, capital markets, corporate finance and securitization. Mr. Selke received a Bachelor of Commerce degree from the University of Toronto and is a Chartered Accountant.

Thomas P. Muir – Chief Transaction Officer & Director

Mr. Muir, FCA, FCBV is the Chief Transaction Officer of Ceres. Mr. Muir is also Co-Managing Director of Ceres' strategic partner, Muir Detlefsen & Associates Limited, a Toronto-based firm that seeks to create shareholder value for its financial investor partners. From 1995 to 2005, Mr. Muir was the Chief Financial Officer of Maple Leaf Foods Inc., and from 2005 to 2006 he was its Chief Development Officer. Prior to joining Maple Leaf Foods Inc. in 1995, Mr. Muir was Vice-President, Director and a member of the Executive Committee of RBC Dominion Securities Inc. where he was Co-Head of the firm's Investment Banking Group and, prior to that, Co-Head of the firm's Mergers and Acquisitions Group. Prior to joining RBC Dominion Securities Inc. in 1986, Mr. Muir was a Senior Manager in the Financial Services consulting practice of Ernst & Whinney and, prior to that, worked in the firm's auditing group, which he joined in 1978. In addition to being a director of Ceres, Mr. Muir is a director of CI Financial Corp., MEGA Brands Inc. and Solium Capital Inc. Mr. Muir received a Bachelor of Commerce degree from the University of Toronto, and holds Fellow, Chartered Accountant and the Fellow, Chartered Business Valuator designations.

Michael E. Detlefsen – President

Mr. Detlefsen is the President of Ceres. Mr Detlefsen is also Co-Managing Director of Ceres' strategic partner, Muir Detlefsen & Associates Limited, a Toronto-based firm that seeks to create shareholder value for its financial investor partners. From 1999 to 2007, Mr. Detlefsen was with Maple Leaf Foods Inc. He held the position of Vice President, Corporate Development from 1999 to 2000, Executive Vice President Vertical Coordination from 2000 to 2005 and President of Maple Leaf Global Foods, the global sales, marketing and trading subsidiary of Maple Leaf Foods Inc. from 2005 to 2007. Prior to joining Maple Leaf Foods, Mr. Detlefsen was with BCE Inc. where he was Vice President, Corporate Development at Bell Canada International, from 1997 to 1999, and Vice President Strategy/Business Analysis/Mergers and Acquisitions at Bell Canada from 1996 to 1997. Mr. Detlefsen's work experience also includes roles as: a strategy consultant for Monitor Company, a Boston-based strategy consulting firm, from 1993 to 1996; Director, Corporate Strategy at Air Canada in Montreal, New York and Houston from 1989 to 1993; a consultant for Price Waterhouse's Transportation Consulting Practice in Washington, D.C. from 1988 to 1989; and, a policy analyst for the Canadian Deputy Minister of Grains & Oilseeds in Ottawa, Canada from 1987 to 1988. Mr. Detlefsen also serves on the boards of SunOpta Inc. and private companies Multi-Marques, Inc., and Telegnomics plc.

Jason C. Gould – Chief Financial Officer

Mr. Gould is the Chief Financial Officer of Ceres. Mr. Gould joined the Manager as Director of Agricultural Projects in 2007 and became Managing Director, Agriculture and Private Equity in 2011. Formerly at Maple Leaf Foods Inc. for approximately ten years, Mr. Gould held a number of roles and responsibilities including: Director of Mergers & Acquisitions from July 2007; Director of Business Analysis from 2003 to 2007; Director of Customer Marketing at Maple Leaf Pork from 2002 to 2003; Director of Business Planning, Maple Leaf Pork from 2001 to 2002; and Manager of Corporate Development from 1997 to 2001. Prior to joining Maple Leaf Foods Inc., Mr. Gould was a Manager in the Economic and Financial Consulting Group with Arthur Anderson Co. from 1994 to 1997 and, prior to that, he was with KPMG in

Winnipeg, Manitoba, in the Audit and Tax group from 1988 to 1994. Mr. Gould received a Bachelor of Arts degree from the University of Western Ontario and is a Chartered Accountant.

Current Management is Aligned with Shareholders

The largest Ceres shareholder reporting group, holding or controlling, directly or indirectly, approximately 20.1% of the issued and outstanding shares, comprises the Front Street management committee members and officers, as well as Jason Gould. If these shares are added to the shares held or controlled, directly or indirectly by other Front Street partners and Ceres management and board members, they represent approximately 21.7% of Ceres' issued and outstanding shares. That is over three times the position of VN Capital which holds approximately 6.8% of Ceres' issued and outstanding shares. As a major shareholder, Front Street is highly incentivized to seek out opportunities to build and enhance long term shareholder value.

Front Street's incentive compensation is directly linked to increasing the net asset value ("**NAV**") of Ceres over and above a specified NAV threshold set out in the Management Agreement. On the recommendation of Front Street, Ceres has repurchased 1,458,770 of its common shares through a normal course issuer bid ("**NCIB**") program since 2010, at prices below the NAV of Ceres. These purchases have increased NAV per share for the benefit of all shareholders, while also reducing management fees that would have otherwise have been paid to Front Street by approximately \$486,000.

Ceres is Committed to Ongoing Board Evaluation and Renewal to Help Maximize Shareholder Value

The Special Committee believes it is in the best interests of Ceres to continue to review the current composition of the Board and consider adding two new independent directors to the Board and appointing an independent director as Chairman of the Board. The Special Committee has recommended that the Corporate Governance and Nominating Committee be charged with this task.

If advised by the Corporate Governance and Nominating Committee that it is in the best interests of Ceres to do so, the Board will increase the size of the Board, as it is authorized by Ceres' shareholders and by-laws to do at any time, by two members and propose two additional independent nominees for election at the next annual shareholders meeting.

The Corporate Governance and Nominating Committee, will evaluate and recruit potential directors with reference to the Board's current skills matrix. Emphasis will be placed on those candidates who can contribute relevant experience and qualifications to the Board.

BACKGROUND TO THE SOLICITATION

Ceres' Business

Ceres commenced business following its initial public offering on December 21, 2007. Ceres is an actively managed investment company focused on acquiring control or significant influence positions in operating investments with a focus on the agricultural industry and related infrastructure industries. The investment objective of Ceres is to achieve long-term capital appreciation, while reducing risk and preserving capital, through exposure to agricultural assets involved in the supply and demand chains of the agricultural sector and sector influenced industries. Ceres invests in non-public and public issuers or assets.

Pursuant the Management Agreement, Ceres retained Front Street as the Manager to manage and administer the day-to-day business and affairs of Ceres. The Manager retained Muir Detlefsen & Associates Limited (the "**Strategic Partner**") as the Strategic Partner to provide strategic, management and transactional services to Ceres. The Manager retained Front Street Investment Management Inc. (the "**Investment Advisor**") to provide investment advisory services to Ceres.

The Investment Advisor and the Strategic Partner work closely together in the identification of non-public and less-liquid public investments, with the ability to potentially acquire a controlling interest, that present significant value appreciation opportunities. Once such an investment has been made, the Strategic Partner exercises the influence or control over the investee company as permitted by the structure of the investment, which may include becoming a member of the board of directors of the investee company and/or advisors to the agribusiness. In some cases, this could also include actively stepping into a direct operating or management role for a period of time.

Ceres currently has several investments, including: (i) wholly-owned Riverland, an agricultural grain supply ingredient business which owns a portfolio of 11 commercial grain handling and storage facilities with an aggregate capacity of 52 million bushels of grain storage and handling, (ii) Stewart Southern Railway (“**SSR**”) (of which Ceres owns a 25% interest) which owns and operates an 81 mile short line railway located in Southeast Saskatchewan, (iii) a commodity logistics hub currently under development near Northgate, Saskatchewan (“**Northgate**”), and (iv) smaller investments in a number of private companies. In addition, Ceres is involved in other related and complementary logistics projects that are in various stages of development.

In the ongoing management of Ceres’ investments, the Manager and the Strategic Partner (together, “**Ceres Management**”) work closely with the management of Ceres’ separate investee companies to manage and negotiate their transactions and strategic repositioning. For example:

- **Riverland** – Riverland’s grain storage businesses comprises 11 grain facilities most of which were acquired over the period 2003 to 2008. The facilities were not part of a single, cohesive grain business. Each of the grain facilities was operated opportunistically under a general strategy of grain storage rather than grain throughput. This approach worked well for a number of years, but has proven to generate a highly volatile earnings profile due to changes that have taken place in the grain markets.

Since acquiring Riverland’s grain storage assets, Ceres Management has revamped its risk management policies, negotiated transactions resulting in a 25% growth of the business, reconstructed the capital structure of the business, led the business in establishing a management succession plan and initiated a strategic review of the business. Two examples of initiatives arising from Ceres’ Management’s strategic review are: (i) the sale of the Iona grain storage facility, which is small, inefficient and without transportation logistics advantages, and (ii) the strategic barley sourcing arrangement with Briess Industries whereby the Ralston facility was sold to Briess Industries at an attractive price while Riverland maintained management of the facility.

- **SSR** – Since investing in SSR in 2011, Ceres Management has facilitated the placement of a new chief executive officer to oversee the growth of the business, worked with SSR management on the significant expansion of a key oil shipping terminal, worked with various parties to develop continued and new shipping opportunities and engaged in constant dialogue with fellow shareholders on managing growth and economic value. Ceres’ investment in the SSR short line railway is now profitable, earning an annual return of 71% in fiscal 2012.
- **Northgate** – Northgate is being built on 1,500 contiguous acres of land owned by Ceres that were acquired in several real estate transactions. Northgate is expected to include a grain handling and shipping facility, as well as a facility for transloading and shipping oil. Site preparation for Northgate is underway and facility construction is planned to commence in the summer of 2013, subject to receipt of all remaining necessary permits and approvals and finalization of agreements with project partners, with initial grain and oil shipments expected later in 2013. Ceres Management has worked hard on this project in assembling land, negotiating development agreements with partners, obtaining regulatory approvals (environmental, border crossing and municipal), developing the facility design and entering into construction contracts.

Special Committee Engagement

At the beginning of 2013, VN Capital, a minority shareholder of Ceres, wrote a letter to Ceres criticising its management structure and advising that it intended to requisition a meeting of shareholders to propose resolutions to trigger the termination of the Management Agreement. In response to VN Capital's actions, Ceres formed the Special Committee which has met, in person or by conference call, over a dozen times and has held frequent discussions with its financial and legal advisors and management of Ceres. The Special Committee's focus has been to carefully consider the issues raised by VN Capital, including the rationale underlying VN Capital's criticisms of Ceres' management structure and the performance of Front Street, and VN Capital's proposal to terminate the Management Agreement and the impact that would have on Ceres and shareholder value.

The following is a chronology of the main events that occurred in response to VN Capital's actions.

VN Capital Requisition Letter

On January 28, 2013, VN Capital sent a letter (the "**January 28 Letter**") to Mr. Gary Selke, Chairman and CEO of Ceres advising that it would formally requisition a special meeting of Ceres' shareholders to ask shareholders to vote on two resolutions that would (i) "trigger the termination" of the Management Agreement and (ii) direct that Ceres not enter into any future agreement providing for any management and administrative services with either Front Street or its related parties.

In the January 28 Letter, VN Capital highlighted its concern with the stock performance of Ceres and argued that "...most of the problem stems from an inexperience of managing a publicly-listed operating company as opposed to a publicly-traded closed-end fund". VN Capital further stated that it believes the discount at which Ceres' stock trades relative to its Net Asset Value is a result of (i) a stigma attached to under performing closed-end funds, (ii) excessive management fees paid to Front Street, (iii) the open nature of the Management Agreement and the incentive fee structure, and (iv) Ceres' inadequate shareholder relations program. VN Capital proposed the following solutions to such issues:

- transfer management and administrative services from Front Street to Ceres, to be handled internally as part of the existing Riverland operations;
- terminate the Management Agreement;
- terminate the Strategic Services Agreement between Front Street and the Strategic Partner;
- fulfill any management needs at Riverland by either transferring the appropriate personnel from Front Street to Ceres and/or bringing in outside personnel; and
- add two new independent members to the Board.

Delay of Requisition

In response to the January 28 Letter, Mr. Selke requested that the independent directors of the Board engage in discussions with VN Capital. As a result of such discussions, VN Capital advised Ceres on January 31, 2013 that it would delay requisitioning a special shareholder meeting until February 28, 2013. The purpose of the delay was to provide Ceres with additional time to respond to the issues raised by VN Capital.

Establishment of Special Committee

The Board established the Special Committee of independent directors comprising Brian Little (Chair), Mary Parniak and John Heimbecker on February 5, 2013. The Special Committee was established with a mandate to manage discussions with VN Capital, address the issues raised by VN Capital, respond to any formal requisition of a shareholders meeting, make recommendations to Ceres shareholders with respect to any matter raised at any requisitioned meeting and do all things necessary or desirable in connection with the foregoing. The Special Committee retained Torys LLP to act as its independent

counsel. Gary Selke and Thomas Muir declared their interest in the matters raised by VN Capital and did not participate in any Special Committee meetings.

Special Committee Responds to VN Capital

By letter dated February 21, 2013, on behalf of the Special Committee, Mr. Little responded to the January 28 Letter advising that:

- the Special Committee had retained Torys LLP to provide independent legal advice on the matters raised by VN Capital;
- the Management Agreement Termination Resolution would not have the effect of triggering a termination of the Management Agreement between Ceres and Front Street because, as a matter of law, the board of directors of a corporation has the authority and responsibility for managing the affairs of Ceres and, as such, any decision to terminate the Management Agreement must start with a decision by the directors of Ceres, and that decision may then only be effected after it has been approved by an extraordinary resolution of Ceres' shareholders. Accordingly, the proposed Management Agreement Termination Resolution would not, by itself, trigger the termination of the Management Agreement, but would rather be advisory in nature; and
- the No Further Agreement Resolution purports to direct the conduct of the directors of Ceres and, since the removal of authority from directors in favour of a corporation's shareholders can only be accomplished through the adoption of a unanimous shareholder resolution, the proposed resolution would not have any legal effect, but would rather be advisory in nature.

VN Capital Responds & Requisitions Meeting

On February 25, 2013 the Company received a requisition from the CDS for Ceres to hold a shareholder's meeting to consider, and if thought fit, to pass the Management Agreement Termination Resolution and the No Further Agreement Resolution (the "**Requisition**").

VN Capital replied to Mr. Little by letter dated February 26, 2013 disagreeing with the Special Committee's interpretation of the Management Agreement as to whether shareholders have the ability to trigger the termination of the agreement by passing an extraordinary resolution. VN Capital did not disagree with the Special Committee's view that the No Further Agreement Resolution would not have any legal effect. The February 26 Letter also noted that Ceres should have received the Requisition on February 25.

On March 6, 2013, VN Capital issued a press release announcing the Requisition and highlighting the same concerns it raised with Ceres to other shareholders.

On March 8, 2013, Front Street issued a press release acknowledging VN Capital's concerns and stating that it was committed to examining all possibilities with respect to moving Ceres forward for the benefit of all shareholders.

Financial Advisors Engaged by Special Committee

By agreement dated March 13, 2013, the Special Committee retained Origin Merchant Partners ("**Origin**") as its independent financial advisor to assist the Special Committee in reviewing alternatives with respect to the Management Agreement and related matters.

Consideration of Management Agreement

On March 13, 2013, the Special Committee, together with its financial and legal advisors and the legal advisors to Ceres, met with representatives of Front Street and their financial and legal advisors to discuss the issues raised by the Requisition and possible responses to VN Capital's concerns. The meeting discussed Ceres' business and its evolution from its initial public offering to date and concluded that the issues raised in the January 28 Letter show a fundamental misunderstanding of the nature of

Ceres' business. At this meeting, Front Street also discussed a number of factors to be considered if the parties decided to negotiate the termination of the Management Agreement and internalize Ceres' management team, including the need to, among other things, (i) provide transitional services, (ii) develop an internal management team for Ceres that would comprise a new CEO and a new CFO and at least two additional staff, and (iii) secure new office space. Front Street also discussed its initial view of the factors to be taken into account when negotiating the compensation required to effect early termination of the Management Agreement. The main elements of such compensation would include payment for up to four years of lost management fees and compensation in respect of potential performance fees. The Special Committee instructed Origin to work with management of Ceres to undertake financial due diligence and be in a position to provide advice to the Special Committee regarding the matters discussed at the March 13 meeting.

Meeting Date Set

On March 19, 2013, Ceres published a notice setting the date for the Meeting for July 24, 2013.

VN Proposal

On March 21, 2013, VN Capital provided a proposal to Ceres entitled "A New Vision for Ceres Global AG Corp. – An Operating Company With An Operating Company Structure". In summary, VN Capital proposed that:

- the Board would be reconstituted to comprise the current five member board and four new directors including Jim Vanasek (principal of VN Capital) and three non-Front Street affiliated members (the "**Transition Board**");
- a search committee of the Transition Board, comprising Gary Selke, Jim Vanasek and one other board member, would commence a search for an internal CEO and CFO;
- upon hiring a new CEO and CFO, the Management Agreement would be terminated with Front Street being paid a termination fee (comprising cash and stock options) to be negotiated by a committee of the Transition Board comprising Jim Vanasek and two others;
- the Transition Board would review options for and establish a new organizational structure, headquarters location, legal domicile, strategic review, capital allocation and compensation for a new management team;
- by December 31, 2013, the Transition Board would be reconstituted as a permanent board consisting of Gary Selke, the new CEO, and three non-Front Street affiliated directors from the Transition Board and Brian Little, Mary Parniak and John Heimbecker would all resign from the Board;
- VN Capital and Front Street would mutually agree not to oppose the permanent board for an agreed number of years; and
- Ceres would reimburse VN Capital for incurred legal and media expenses of between \$35,000 and \$50,000.

The Special Committee reviewed and considered VN Capital's proposal with its legal and financial advisors and concluded that it would not be in the best interests of Ceres to adopt such proposal.

On May 14, 2013 VN Capital contacted the Chair of the Special Committee to complain that the Special Committee had not responded to its March 21 proposal. Mr. Little replied on May 17, 2013 and explained the process that was being followed by the Special Committee in response to VN Capital's Requisition. Mr. Little also noted that if VN Capital wanted to become more involved in the Special Committee's confidential discussions, he would take that matter back to the Special Committee for consideration, but before engaging in any confidential discussions with VN Capital it would be necessary for VN Capital to sign a non-disclosure agreement. VN Capital did not respond to this suggestion.

Special Committee's Analysis of the Business

Following completion of its due diligence activities, Origin met with representatives of the Special Committee and its legal advisors on April 22, 2013 to review its analysis and discuss alternatives for Ceres' business. At this meeting, the Special Committee discussed whether Ceres' business plan or strategy had changed since the acquisition of the Riverland assets. The Special Committee also addressed related questions of whether Ceres should continue with its asset management strategy or consider the alternative of internalizing management.

The Special Committee concluded that Ceres' has not evolved to a state where it can be properly described as an operating company or where its value can be maximized by being managed as an operating company. Ceres holds a collection of loosely affiliated assets at different stages of development and profitability. The Special Committee believes that the value of Ceres' assets will be maximized over time through a combination of building and enhancing operations, entering into joint ventures and negotiating dispositions and that the knowledge and expertise of Ceres' external manager is needed at this time to plan, implement and execute those strategies. As such, the Special Committee determined that the fundamental premise of VN Capital's position is incorrect and that Ceres has an appropriate management structure for its business at this time. The Special Committee also considered the corporate governance structure of Ceres and discussed whether it would be in the best interests of Ceres to add independent directors to the Board.

Proposal of Special Committee

The Special Committee together with its financial and legal advisors continued their deliberations following the April 22 meeting and conducted initial discussions with Front Street regarding proposed responses to VN Capital's concerns. Those discussions culminated in a proposal that the Special Committee made to Front Street which can be summarized as follows:

- Ceres' Strategy and Business Plan. Fundamentally, Ceres' business is active management of assets and operations. In the Special Committee's view, shareholder value will be maximized through a combination of building and enhancing operations, entering into joint ventures and negotiating dispositions. The Special Committee proposed that Front Street more actively communicate Ceres' business strategy and objectives to the market.
- The Management Agreement. In response to VN Capital's concerns with respect to the Management Agreement, the Special Committee proposed possible amendments to the term provisions and fee structure in the Management Agreement. The Special Committee and Front Street discussed several options for adjustments to the fee structure and ultimately agreed that no amendments were advisable at this time.
- Board Renewal. The Special Committee recommended that the Corporate Governance and Nominating Committee be charged with identifying two independent directors to be added to the Board. The Special Committee also recommended that the positions of board chair and CEO of Ceres be split.

Meeting and Effect of Resolutions

As stated above, the Board considers the resolutions to be proposed by VN Capital for the Meeting to be advisory in nature. Therefore, the Management Agreement Termination Resolution will not trigger any requirement to terminate the Management Agreement. Further, as this is not an extraordinary resolution to terminate the Management Agreement in the manner contemplated by section 11 of the Management Agreement, Front Street is not prohibited from voting at the Meeting and will be voting its shares on both the Management Agreement Termination Resolution and the No Further Agreement Resolution.

Ceres will clearly disclose the voting results of the Meeting, showing all votes cast by Front Street and its affiliates separately. The Board will carefully consider the voting results of the Meeting as a factor in their decisions with respect to the management structure of Ceres going forward.

GENERAL PROXY INFORMATION

Appointment of Proxyholder

The person(s) designated by management of Ceres in the enclosed form of proxy are officers of Ceres. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of Ceres) other than the person(s) or company(ies) designated by management of Ceres in the enclosed form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of Ceres c/o Canadian Stock Transfer Company, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S OA1, fax number (416) 368-2502 (or toll-free 1 (866) 781-3111) or by email to proxy@canstockta.com or to the Secretary of Ceres at Ceres' registered office, which is located at 33 Yonge Street, Suite 600, Toronto, Ontario, M5E 1G4, fax number (416) 364-8893. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the voting instruction form in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Canadian Stock Transfer Company or the Secretary of Ceres not later than July 22, 2013 at 11:00 a.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The time limit for deposit of proxies may be waived by the Board without notice at its discretion.

Revocation of Proxy

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing, to or at the registered office of Ceres at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the common shares represented by a properly executed proxy given in favour of the person(s) designated by management of Ceres in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of Ceres is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the common shares represented by properly executed proxies given in favour of the person(s) designated by management of Ceres in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

AUTHORIZED CAPITAL

The authorized share capital of Ceres consists of an unlimited number of common shares without nominal or par value, of which 14,334,669 common shares were issued and outstanding as at the close of business on June 21, 2013.

Each common share carries one vote in respect of each matter to be voted upon at the Meeting. The record date for the determination of holders of common shares entitled to receive the Notice of Special Meeting of Shareholders has been fixed as June 14, 2013 (the "**Record Date**"). Only holders of common shares of record at the close of business on the Record Date are entitled to vote at the Meeting.

PRINCIPAL HOLDERS OF VOTING SECURITIES

As at June 21, 2013, to the knowledge of the directors and executive officers of Ceres, no persons beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding common shares of Ceres except as stated below.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Front Street Capital 2004 ¹	2,891,120	20.2%
Wellington Management Company LLP ²	1,820,025	12.65%

¹ Front Street Capital 2004 is an Ontario general partnership. This figure includes the shares held or controlled directly or indirectly by Front Street Capital 2004 partners, as well as by Jason Gould.

² Based on the public filings made by Wellington Management Company LLP

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as detailed in this Circular, no person who has been a director or executive officer of Ceres at any time since the beginning of Ceres' most recently completed financial year and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Ceres and the Manager entered into the Management Agreement pursuant to which the Manager agreed to provide management, administrative and investment advisory services to Ceres. The Manager, on its own behalf and on behalf of Ceres, and the Investment Advisor entered into the Investment Advisory Agreement pursuant to which the Investment Advisor agreed to provide investment advisory services to Ceres. In addition, the Manager, on its own behalf and on behalf of Ceres, and the Strategic Partner entered into the Strategic Services Agreement pursuant to which the Strategic Partner agreed to provide strategic, management and transactional services to Ceres. In consideration for the services provided by the Manager pursuant to the Management Agreement, the Manager receives a Management Fee and an Incentive Fee (as both such terms are hereinafter defined) payable by Ceres to the Manager. See “The Manager”.

The principals of the Manager are Gary Selke, Normand Lamarche, Frank Mersch, David Conway, Linda Hyrma, Craig Porter and Chris Fontana. Gary Selke is the Chairman, Chief Executive Officer and a director of Ceres. See “The Manager”.

The shareholders of the Investment Advisor are currently five corporations, each of which is controlled, directly or indirectly, by one or more of Gary Selke, Normand Lamarche, Frank Mersch, David Conway and Linda Hyrma.

Messrs. Muir and Detlefsen are the controlling shareholders of the Strategic Partner. Thomas Muir is a director and officer of Ceres and Michael Detlefsen is an officer of Ceres.

On April 26, 2010, Ceres and the Manager agreed to amend the terms of the Management Agreement to change the term of the Management Agreement to five years and add a two-year termination notice period. Gary Selke and Thomas Muir abstained from voting on this amendment to the Management Agreement due to their material interests in the Manager.

THE MANAGER

Front Street is the manager of Ceres (the “**Manager**”) pursuant to the Management Agreement. Front Street’s principal office is located at 33 Yonge Street, Suite 600, Toronto, Ontario, M5E 1G4. The principals of Front Street are Gary Selke, Normand Lamarche, Frank Mersch, David Conway, Linda Hyrma, Craig Porter and Chris Fontana, who collectively have over 80 years of experience in a variety of investment activities. See “Interest of Informed Persons in Material Transactions”.

Pursuant to the Management Agreement, Ceres retained Front Street to manage and administer the day-to-day business and affairs of Ceres. Front Street may from time to time employ or retain any other person or entity to manage on behalf of Front Street or to assist Front Street in managing or providing administrative and investment advisory services to all or any portion of Ceres’ agricultural assets and in performing other duties of Front Street as set out in the Management Agreement. Front Street has delegated certain of its duties and powers to the Investment Advisor, the prime broker, Citigroup Fund Services Canada, Inc., in its capacity as administrator, the registrar and transfer agent, the warrant agent and certain other service providers to Ceres.

In consideration for the services provided by Front Street pursuant to the Management Agreement, Ceres will pay to Front Street a monthly management fee (the “**Management Fee**”) equal to one-twelfth of 2.0% of the Net Asset Value of Ceres (as such term is defined in the Management Agreement) based on the average weekly Net Asset Value of Ceres, payable in arrears within ten business days after the end of each month, and calculated without regard to any accrual of the Incentive Fee (as described below) and before payment of such fee.

Ceres shall not be responsible for the payment of any fees or expenses for services provided by the Investment Advisor, the Strategic Partner, industry experts, property managers retained to provide

property management services with respect to farmland properties owned by Ceres or to any other service providers retained by Front Street and/or the Investment Advisor. The fees or expenses of such service providers shall be paid from the Management Fees and Incentive Fees Front Street receives from Ceres pursuant to the Management Agreement or from the investment advisor fees the Investment Advisor receives from Front Street pursuant to the Investment Advisory Agreement, as applicable. None of the fees or expenses of these service providers shall be borne by or passed on to Ceres.

In addition to the Management Fee, Ceres will pay to Front Street in respect of each fiscal year of Ceres an annual incentive fee (the “**Incentive Fee**”) equal to: (a) 20% of the amount by which the Adjusted Net Asset Value per common share at the end of such fiscal year exceeds the highest year-end Net Asset Value per common share (“**Highest Year**”) adjusted pro rata to reflect warrants of Ceres exercised since the Highest Year multiplied by (b) the average daily number of common shares outstanding during such fiscal year. As used herein, “**Adjusted Net Asset Value per Common Share**” means the Net Asset Value per Common Share at the end of such fiscal year (a) without giving effect to the accrual of any Incentive Fee, and (b) before giving effect to any distributions by Ceres since the Highest Year. As used herein, the Highest Year will be the ending Net Asset Value per Common Share equal to the greater of: (a) the previous Highest Year; and (b) the preceding year Adjusted Net Asset Value per Common Share. Notwithstanding the foregoing, no Incentive Fee will be payable with respect to the current fiscal year of Ceres unless the Adjusted Net Asset Value per Common Share at the end of the current fiscal year exceeds the Net Asset Value per common share at the end of the preceding year, adjusted pro rata to reflect warrants of Ceres exercised during the current fiscal year, by a minimum of 8% (the “**Threshold Rate**”).

For the purpose of calculating the Incentive Fee for all fiscal years, the Threshold Rate will be pro rated for any partial fiscal year. The Incentive Fee will be estimated and accrued each Valuation Date (as such term is defined in the Management Agreement), and any such fee will be paid within 30 business days after the end of each fiscal year of Ceres.

Front Street may resign upon 90 days’ prior written notice to Ceres or upon such lesser period of notice as Ceres may accept. If Front Street resigns, it may appoint its successor, but its successor must be approved by a majority of the votes duly cast at a meeting of shareholders of Ceres called for such purpose, unless such successor manager is an affiliate of Front Street.

After April 26, 2015, Front Street may be removed by the Board of Ceres at any time, with or without cause, upon two years’ prior written notice following the approval of such termination by an extraordinary resolution passed at a meeting of shareholders of Ceres called for such purpose. Pursuant to the Management Agreement, none of Front Street or its affiliates or partners or their respective shareholders, beneficiaries, officers or directors shall be entitled to vote any shares then held by them in connection with a resolution to remove Front Street.

Ceres may also immediately terminate Front Street if: (a) Front Street is in material default of its obligations under the Management Agreement and such default continues for 60 days from the date that Front Street receives notice requiring it to cure such material default; (b) Front Street has been declared bankrupt or insolvent or has entered into liquidation or winding-up, whether compulsory or voluntary (but not merely a voluntary liquidation for the purposes of an amalgamation or reorganization); (c) Front Street makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or (d) the assets of Front Street have become subject to seizure or confiscation by any public or governmental authority.

The following table sets out the name and the municipality of residence of each of the informed persons of Front Street and their respective positions and offices held with Front Street:

<u>Name and Municipality of Residence</u>	<u>Present Position with the Manager</u>
GARY P. SELKE ⁽¹⁾ Toronto, Ontario	President and Chief Executive Officer
FRANK L. MERSCH ⁽¹⁾ Toronto, Ontario	Chairman and Vice President
NORMAND G. LAMARCHE ⁽¹⁾ Toronto, Ontario	Vice President
DAVID A. CONWAY Stouffville, Ontario	Vice President, Corporate Secretary, Chief Operating Officer and Chief Compliance Officer
LINDA D. HRYMA Oakville, Ontario	Assistant Corporate Secretary
TERENCE LUI Toronto, Ontario	General Counsel
SUSAN JOHNSON Oakville, Ontario	Chief Financial Officer

Notes:

⁽¹⁾ Member of the Manager's management committee. The Manager's management committee has complete and exclusive power and authority to generally administer the Manager's business.

Pursuant to the Management Agreement for the financial period from April 1, 2012 to March 31, 2013, Management Fees in the amount of \$3,135,745 (including federal goods and services tax) were paid or accrued to the Manager by Ceres.

ADDITIONAL INFORMATION

Additional information relating to Ceres is available on SEDAR at www.sedar.com. Financial information relating to Ceres is provided in the audited annual financial statements of Ceres for the financial year ended March 31, 2013, and the auditors' report thereon, and the accompanying management's discussion and analysis. Shareholders may also contact Ceres to request copies of these documents by mail to 33 Yonge Street, Suite 600, Toronto, Ontario, M5E 1G4. Upon request, Ceres will promptly provide a copy of any such documents free of charge to a shareholder of Ceres.

CERTIFICATE

The contents and the distribution of this Circular have been approved by the Board of Ceres.

DATED at Toronto, Ontario as of the 21st day of June, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Gary P. Selke
Chairman and Chief Executive Office