CERES
GLOBAL AG CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") dated August 5, 2015 should be read in conjunction with the June 30, 2015 unaudited interim condensed consolidated financial statements (the "Interim Consolidated Financial Statements") of Ceres Global Ag Corp. ("Ceres", the "Corporation", "we", "our", and "us"), the Corporation's audited consolidated financial statements for the year ended March 31, 2015 (the "Annual Consolidated Financial Statements") and the annual MD&A (the "Annual MD&A). 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 ("IASB"). All information is reported in Canadian dollars ("CAD") 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. For example, these measures include "EBITDA" (Earnings before income tax, depreciation and amortization) and "Return on shareholders' equity", which both do not have a standardized meaning under IFRS. See Non-IFRS Financial Measures and Reconciliations

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

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 June 30	
(in millions except per share)	**2015**	2014
Revenues	**$ 59.3**	$ 51.5
Gross profit (loss)	**$ 1.9**	$ 1.2
Income (loss) from operations	**$ (0.6)**	$ (2.2)
Net income (loss)	**$ (1.7)**	$ (2.1)
Net loss, excluding income in associates and revaluation of derivative warrant liability (2)	**$ (1.2)**	$ (3.2)
Common shares outstanding for period	**27.1**	14.2
Earnings (loss) per share	**$ (0.06)**	$ (0.15)
Total assets	**$ 307.4**	$ 207.9
Total bank indebtedness, current (1)	**$ 35.7**	$ 63.5
Long-term debt	**$ 29.7**	$ -
Shareholders' equity	**$ 213.8**	$ 128.1
Return on shareholders' equity (2)	**-0.8%**	-1.6%

(1) Includes Bank indebtedness and Repurchase obligations
(2) Non-IFRS measure. See Non-IFRS Financial Measures and Reconciliations section.

WHO WE ARE

While having one reportable segment, the Corporation operates in two segments: (1) Grain Storage, Handling and Merchandising – represented by its Grain Division that utilizes a collection of North American commercial grain storage and handling assets; and (2) Commodity Logistics – represented by the Northgate commodities logistics centre in Northgate, Saskatchewan, and a 25% interest in Stewart Southern Railway Inc. (the "SSR").

Grain Division
The Corporation's Grain Division, which is primarily anchored by its wholly-owned subsidiary Riverland Ag Corp. ("Riverland Ag"), is engaged in grain storage, procurement, merchandizing and "process-ready" cleaning of specialty grains such as oats, barley, rye, and durum wheat through nine grain storage and handling facilities in Minnesota, New York, and Ontario while also utilizing the grain operating facility at the Northgate Commodity Logistics Centre ("NCLC" or "Northgate"), with aggregate storage capacity of approximately 46.6 million bushels. The Corporation's Grain business also manages two facilities in Wyoming on behalf of their owner,

Briess Industries. Four of the grain storage facilities are located at deep-water ports in the Great Lakes and one 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. 39.5 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 Ceres 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 is constructing a new commodities logistics centre designed to utilize high-efficiency rail loops, capable of handling unit trains of up to 120 railcars. The NCLC will be a $94.7 million grain, oil, natural gas liquids ("NGL") terminal and is connected to the Burlington Northern Santa Fe Railway (the "BNSF"). The Corporation is currently operating a grain transloader where it unloads inbound grain by truck from Canadian producers and loads the grain onto outbound railcars to customer end-users, or to the Corporation's existing facilities to take advantage of the value and strategic location of its current asset base. In addition to the Corporation's current grain operations at Northgate, Ceres is also constructing a high-speed grain elevator that will benefit from the NCLC's strategic geographic location and position Ceres to further maximize the value of its existing Grain Division assets.

The current fiscal year is the first full year of grain operations at Northgate, as the Corporation completed construction on its grain transloading facility in October 2014. Currently, Ceres is completing construction of its high-speed grain elevator, which will be commissioned in October 2015 and will have the capability of loading 120-car shuttle trains within 15-hours, with anticipated outbound shuttle commencing in November 2015.

Concurrent with its grain operations at NCLC, in April 2015, the Corporation commenced operations of an NGL transloader whereby the Corporation unloads NGLs from inbound trucks and loads the gas into outbound rail cars on behalf of third-party customers. The Corporation is evaluating the development of facilitating the logistics and handling of oil, fertilizer, and additional natural gas transloading business at NCLC. The Corporation is evaluating the feasibility and profit potential of such additional projects at NCLC.

As at June 30, 2015, Ceres has capitalized costs totaling $62 million (March 31, 2015: $49.9 million) for the NCLC project, including land acquisition costs, environmental costs, mass grading, site preparation, the grain transloader and related equipment, and rail track costs. In conjunction with the commencement of the NGL transloading operations and continued grain operations, during the quarter-ended June 30, 2015, the Corporation placed into service $2.7 million in property, plant and equipment at Northgate, which was most significantly composed of rail track used for NGL operations along with additional machinery and equipment being utilized for grain transloading and general operations.

HIGHLIGHTS FOR QUARTER ENDED JUNE 30, 2015

For the three-month period ended June 30, 2015 compared to 2014:

- Revenues of $59.3 million (2014: $51.5 million);
- Gross profit of $1.9 million (2014: $1.2 million);
- Loss from operations of $0.6 million (2014: loss from operations of $2.2 million);
- EBITDA[1] of 57 thousand (2014: loss of $1.8 million);
- Net loss of $1.7 million (2014: net loss of $2.1 million); and
- Basic and fully diluted consolidated loss per share was $0.06 (2014: loss $0.15 per share).

Overall Quarter Performance

The Corporation's net loss was $1.7 million for the first quarter, compared to a loss of $2.1 million in the first quarter of prior year. Items affecting the quarter ended June 30, 2015 compared to 2014 included:

- Gross profit for the first quarter of the current year increased $0.7 million to $1.9 million compared to $1.2 million for the first quarter of prior year, which was driven by an increase in net trading margin of $1.8 million. The increase in net trading margin was offset by an increase in facility operating expenses of $0.7 million. (See Revenues and Gross Profit analysis directly below.)
- General and administrative expenses declined $0.9 million from $3.4 million to $2.5 million for the quarter ended June 30, 2015. (See General and Administrative Expense analysis and discussion below for further insight.)
- Revaluation of derivative warrant liability increased $0.8 million for the quarter ended June 30, 2015 from nil for the same quarter 2014. This increase was driven by the increase in fair value of the Corporation's derivative liability for the warrants, which were conditionally issued as part of the rights offering in December 2014, and are classified as a liability. (See Revaluation of Derivative Warrant Liability for a further discussion.)
- Share of net income in investment in associates declined $0.7 million from $1 million to $0.3 million, which is due to a decline in the profitability compared to prior year's quarter of the Corporation's two equity investments: Canterra Seeds and the Stewart Southern Railroad.

Revenues and Gross Profit

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

The table below represents a summary of the components of gross profit for the quarter ended June 30, 2015 and 2014.

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[1] Non-IFRS measure. See Non-IFRS Financial Measures and Reconciliations section.

(in millions)	**2015**	2014
Net trading margin	**$ 4.6**	$ 2.8
Storage and rental income	**1.8**	2.0
Logistics and energy transloading	**0.2**	-
Operating expenses included in Cost of sales	**(3.9)**	(3.1)
Depreciation expense included in Cost of Sales	**(0.8)**	(0.5)
Gross profit (loss)	**$ 1.9**	$ 1.2

Net trading margin

The increase in trading margins of $1.8 million was driven by realized trading gains as a result of premiums across certain commodities increasing during the quarter, and the Corporation selling as the higher premium values. In addition, stronger carries in the futures market compared to the same quarter in 2014 contributed to the increase in net trading margin.

Storage and rental income

A decline in storage and rental income of $0.2 million was primarily due to handling less grain on behalf of third-party storage tenants than the same quarter 2014.

Operating expenses and depreciation

The increase in operating expenses and depreciation of $1.1 million is primarily due to operations at NCLC, which was not operating in the same quarter 2014, and totalled $0.7 million for the quarter ended June 30, 2015.

The table below presents the total number of bushels the Corporation handled at its facilities for the company-owned grain and grain handled on behalf of third-party storage tenants for the quarters ended June 30, 2015 and 2014:

	2015	2014
Company-owned bushels handled	**3,841,783**	4,022,154
Third-party storage bushels handled	**2,859,979**	7,561,032
Total bushels handled	**6,701,762**	11,583,186

The following table represents the net trading margins per bushel relative to company-owned bushels handled; storage and rental income per bushel of third-party owned inventory handled along with the operating and depreciation expenses per bushel for all bushels handled for the quarters ended June 30, 2015 and 2014.

(Dollars per bushel handled)	**2015**	2014
Net trading margin	**$ 1.20**	$ 0.70
Storage and rental income	**0.62**	0.27
Average gross profit before undernoted expenses	**0.98**	0.42
Operating and depreciation expense	**(0.70)**	(0.32)
Gross profit per bushel handled	**$ 0.28**	$ 0.10

The change in the dollars per bushel handled figures for the quarter ended June 30, 2015 compared to 2014 is due to the following:

Net trading margin per bushel handled

The increase in net trading margin per bushel is due to an increase in net trading margin from realized gains relating to increased premiums across certain commodities during the quarter, and total company owned bushels handled remained relatively constant quarter-to-quarter.

Storage and rental income per bushel handled

The increase in storage and rental income per bushel handled is due to handling significantly less third-party bushels in the quarter. While total dollars declined slightly, dollars per bushels handled increase due to handling less and earning storage on the bushels in-store.

Operating and depreciation expense

The increase in operating and depreciation expense per bushel handled is due to handling nearly 5 million less bushels of grain while facility expenses $1.1 million as described above, which is predominantly driven by NCLC.

General and Administrative Expenses

General and administrative expense is composed of three components: Corporate level administrative expenses, administrative expenses associated with operating its 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 below lays out the two components of the Corporation's consolidated general and administrative expenses for the quarters ended June 30, 2015 and 2014:

	2015	2014
Corporate administration	**$ 1,125,202**	$ 2,139,603
Grain Division administration	**1,245,548**	1,319,002
Revaluation of provision to Front Street Capital	**165,000**	(48,000)
Total general and administrative expense	**$ 2,535,750**	$ 3,410,605

For the quarter ended June 30, 2105, general and administrative expenses totalled $2.5 million, which represents a decrease of $0.9 million. The reduction is predominantly due to a reduction in corporate administrative expenses, which declined nearly $0.9 million, or 47%, from the same quarter ended 2014. The reduction is due to incurring expenses relating to the build-out of NCLC that included consulting, engineering and outside services in prior year quarter, which were not incurred during the quarter ended June 30, 2015. A decline in such expenses was offset by an increase in the expense relating to the revaluation of provision for future payments due to Front Street Capital, which totalled $165 thousand for the quarter ended June 30, 2015. In addition, there was an increase of approximately $0.1 million in general and administrative personnel expenses for the quarter ended June 30, 2015 compared to 2014. This is due to increased personnel as the Corporation has expanded and continues to expand its grain trading and energy logistics business.

Finance Loss

Finance loss for the quarter ended June 30, 2015 was $87 thousand compared to a loss of $145 thousand in the same quarter in prior year. The slight loss in the current year's quarter was driven by transactional foreign currency losses unrelated to grain trading.

Revaluation of Derivative Warrant Liability
Revaluation of derivative warrant liability increased $0.8 million for the quarter ended June 30, 2015 from nil for the same quarter 2014.

As described in Note 15 of the Annual Consolidated Financial Statements, in connection with the rights offering completed by the Corporation on December 4, 2014, the Corporation issued 2,083,334 warrants, which are subject to shareholder approval at the annual general meeting to be held in August 2015. In the event of a change of control of the Corporation, the holders of the warrants may elect, in lieu of exercising the warrants for cash, a cashless exercise option to receive common shares equal to: the difference between the ten-day 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 exercises this option, there will be 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. If the warrants are approved at the annual general meeting as described above, the warrants will ultimately be converted to the Corporation's equity (common shares) when the warrants are exercised, or will be extinguished upon the expiration of the outstanding warrants, and will not result in the outlay of any cash by the Corporation.

Interest Expense

	2015	2014
Interest on revolving credit facility	**$ 201,758**	$ 432,936
Interest on repurchase obligations	**15,090**	65,640
Interest on long-term debt	**423,358**	-
Amortization of financing costs paid	**127,798**	147,177
Interest income and other interest expense	**(1,493)**	(93)
Total finance expenses	**$ 766,511**	$ 645,660

For the quarter ended June 30, 2015, interest expense increased $0.1 million compared to the same quarter in prior year. This slightly was driven by an increase in interest on long-term debt, which was offset by a reduction on interest on the revolving credit facility as a result of a decline in short-term borrowings on bank indebtedness.

Income Taxes
Income taxes recovered for the quarter ended June 30, 2015 totalled $0.3 million compared to an expense of $0.1 million for the same quarter 2014. The recovery of $0.3 million relates to deferred taxes recognized in the quarter.

Share of Net Income (Loss) in Investments in Associates
For the quarter ended June 30, 2015, the Corporation's share of net income in its investment in associates was a net gain of $0.3 million compared to $1 million for the same quarter 2014. The decline in the current year is a result of a reduction in the investees' profitability compared to prior year's quarter of the Corporation's two equity investments, as a decline in shipments of crude oil and petroleum has slowed Stewart Southern Railway's profitability and sales of canola seed were delayed for Canterra.

Loss on translation of foreign currency accounts of foreign operations
For the quarters ended June 30, 2015 and 2014 the Corporation recognized losses on translation of foreign currency accounts of foreign operations of $3.6 million and $4 million, respectively. The losses for the quarters are attributable to the Canadian dollar strengthening in each of the quarters by 2.3% in 2015 and 3.6% in 2014.

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

2. QUARTERLY FINANCIAL DATA

	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Reporting dates	6/30/2015	3/31/2015	12/31/2014	9/30/2014	6/30/2014	3/31/2014	12/31/2013	9/30/2013
(in millions except per share)	Q1 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Revenues	$ 59.3	$ 54.5	$ 69.7	$ 17.1	$ 51.5	$ 33.5	$ 54.8	$ 74.4
Gross profit (loss)	$ 1.9	$ (0.2)	$ 5.4	$ 5.3	$ 1.2	$ 3.7	$ 0.1	$ 2.6
Income (loss) from operations	$ (0.6)	$ (2.5)	$ 3.3	$ 2.4	$ (2.2)	$ 2.4	$ (1.3)	$ (8.9)
Net income (loss)	$ (1.7)	$ (3.5)	$ 2.3	$ 1.9	$ (2.1)	$ 0.4	$ (2.1)	$ (11.7)
Return on shareholders' equity	-0.8%	-1.6%	1.1%	1.4%	-1.6%	0.3%	-1.6%	-9.1%
Weighted-average number of common shares for the quarter	27.1	27.1	17.9	14.2	14.2	14.2	14.2	14.3
Basic and fully diluted earnings (loss) per share	$ (0.06)	$ (0.13)	$ 0.13	$ 0.13	$ (0.15)	$ 0.03	$ (0.15)	$ (0.82)
EBITDA	$ 0.1	$ (1.6)	$ 3.8	$ 3.2	$ (1.8)	$ 3.1	$ (1.6)	$ (10.2)
EBITDA per share	$ 0.00	$ (0.06)	$ 0.21	$ 0.23	$ (0.13)	$ 0.22	$ (0.12)	$ (0.71)
Cash and portfolio investments, at reporting date	$ 4.4	$ 6.0	$ 86.3	$ 13.7	$ 26.4	$ 12.9	$ 7.3	$ 15.9
Shareholders' equity, as at reporting date	$ 213.8	$ 218.8	$ 214.1	$ 135.0	$ 128.1	$ 134.1	$ 129.3	$ 128.0
Shareholders' equity per common share, as at reporting date	$ 7.90	$ 8.09	$ 7.91	$ 9.50	$ 9.01	$ 9.44	$ 9.10	$ 9.00

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 predominant portion of revenue is composed of 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, and accordingly a minimal impact on gross profit. Therefore, management believes it is more important to focus on changes in gross profit 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)	Three months ended June 30 **2015**	2014
Net Cash Provided by (used in)		
Operating activities	**$ 14,375**	$ 34,498
Investing activities	**(15,292)**	1,326
Net Cash Provided (Used) Before Financing Activities	**(917)**	35,824
Financing Activities	**(1,422)**	(22,151)
Foreign Exchange Cash Flow Adjustment on Accounts Denominated in a Foreign Currency	**807**	(82)
Decrease in Cash and Cash Equivalents	**$ (1,532)**	$ 13,591
Cash and Cash Equivalents	**$ 3,603**	$ 25,601

Operating Activities
Cash from operating activities was $20.1 million lower in 2015 predominantly due to the change in non-cash working capital accounts of $22.2 from a net increase in cash of $36.9 million for the three months ended June 30, 2014 to $14.7 million for the same three months ended 2015.

Investing Activities
The Corporation's primary investing activities are acquisitions of property, plant and equipment. During the three months ended June 30, 2015, investing activities used $15.3 million of cash, entirely due to additions of property, plant and equipment. For the three months ended June 30, 2014, investing activities provided $1.3 million of cash, which was primarily due to proceeds received on the sale of the Corporation's Manitowoc facility in May 2014 of $6.8 million along with $5.7 million of property, plant and equipment additions.

Financing Activities
During the three months ended June 30, 2015, the Corporation used $1.4 million in cash for financing activities compared to $22.2 million for the same three months 2014. The decline in cash used of $20.8 million was due to net proceeds of bank indebtedness being offset by repayments of repurchase obligations for the three months ended June 30, 2015. Cash used in financing activities for the same three months of 2014 was driven by net repayments of bank indebtedness and repayment of repurchase obligations.

As at June 30, 2015, we were in compliance with all of the terms of our debt agreements.

Available Sources of Liquidity
The Corporation's sources of liquidity as at June 30, 2015 are cash and cash equivalents and available funds under its revolving credit facility ("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 will be funded by cash on hand and borrowing against the credit facility. Any additional debt incurred will

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 facilities at June 30, 2015 have certain covenants, including minimum working capital of not less than $30 million. As at March 31, 2015 the Corporation's working capital – defined as current assets less current liabilities – totaled $108.5 million.

The following table provides a summary of available cash and unused credit facilities:

(in thousands)	**June 30, 2015**	March 31, 2015
Cash and cash equivalents	**$ 3,603**	$ 5,136
Bank indebtedness	**(35,679)**	(18,736)
Repurchase obligations	**-**	(18,635)
Unused portion of credit facility	**112,421**	132,741
	$ 80,345	$ 100,506

4. CAPITAL RESOURCES

The Corporation utilizes its revolving 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 Annual Consolidated Financial Statements, on December 30, 2014, the Corporation amended and extended its syndicated uncommitted US$120 million 364-day revolving credit agreement with Macquarie Bank Ltd. ("Macquarie Bank"). Borrowings bear interest at 2.875% plus overnight LIBOR. Interest is calculated and paid on a monthly basis. Amounts under the credit agreement that remain undrawn are not subject to a commitment. The credit facility has certain covenants pertaining to the accounts of the Corporation, and as at June 30, 2015, the Corporation was in compliance with all debt covenants. Prior to this agreement, through Riverland Ag, the Corporation had a revolving credit agreement that was substantially identical as it was syndicated and for US$120 million with borrowing bearing interest at 2.875% plus overnight LIBOR.

Long-term Debt
In addition, also as noted in the Annual Consolidated Financial Statements, on June 27, 2014, Ceres entered into a senior secured term loan facility agreement (the "Loan") for US$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 described above, on December 30, 2014, the Corporation entered into a senior secured term loan facility agreement (the "New Loan") for US$25 million with Macquarie Bank. This New Loan is for a term of 5 years with an interest rate of one month LIBOR plus 5.25%. This New Loan extinguished and replaced the previous loan originated on June 27, 2014, which had an initial term maturing on December 29, 2014.

Equity Financing & Rights Offering
On December 4, 2014, the Corporation successfully completed a fully backstopped rights offering. The rights offering was fully subscribed at a price of $5.84. The Corporation issued 12,842,465

common shares for aggregate gross proceeds of approximately $75 million. Costs incurred relating to the issuance of shares totaled $1,640,421.

5. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in Accounting Policies and Standards Issued But Not Yet Effective
Refer to Note 4 to the Interim Condensed Consolidated Financial Statements for information pertaining to accounting changes effective for the current fiscal year ending March 31, 2016, and information on standards issued buy not yet effective.

Critical Accounting Estimates
The discussion and analysis of Ceres' financial condition and results of operations are based upon the Corporation's 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

MARKET OUTLOOK

Grain Division
As we reported in our Annual MD&A, in the quarter ended June 30, 2015, the Corporation expanded its operations by opening a grain merchandising office in southeastern Ontario, which management expects will play a significant role in extending the Corporation's trading and merchandising reach into Ontario and the eastern Canadian markets, while enhancing the utilization of its Port Colborne, Ontario, facility. During the quarter ended June 30, 2015 and subsequent to the quarter then ended, the Corporation has been entering into cash grain purchase and sales contracts in anticipation of the upcoming eastern Ontario harvest.

As also noted in our Annual MD&A, the Corporation has expanded its existing hard wheat trading portfolio with the addition of key personnel, which has allowed the Corporation to expand its geographic procurement and merchandising reach throughout North America. Such efforts were beneficial in the quarter ended June 30, 2015, as our enhanced geographic reach allowed us to trade the increased premium levels profitably through procurement in key US regions that we ordinarily would not have had access.

Statistics Canada has reported slightly less seeded acres of cereal grain compared to prior year, however, there is no indication as to crop yields or anticipated cereal crop production. The seeded acres and crops tributary to our Northgate, Saskatchewan, terminal appear to be relatively favorable while crops further west and northwestern has been challenged by a lack of moisture. Early crop production indications out of Manitoba suggest a very strong wheat crop, while areas in western Saskatchewan are suggesting weaker production than prior years, leaving Northgate central to both growing regions.

These early crop reports, coupled with our first crop year present in western Canada and our commitment to enhancing our grain merchandising and trade flow capabilities as noted above, leads management to expect that these factors will contribute positively to the Corporation's net earnings through the rest of fiscal 2016. Furthermore, our expectation continues to be that we will trade and handle more company-owned bushel volume in fiscal year 2016 than in fiscal 2015 with the intention that increased handling will lead to greater net trading margins and gross profits.

Specifically to the cereal crops that the Corporation merchandises and handles, compared to prior years, the lack of moisture throughout Saskatchewan along with an early dry season in Alberta has led to some production and quality concerns in durum. Although the futures price in oats has fallen recently, there is a shortage in the feed market that would tighten any anticipated end-stocks following this crop year suggesting increased flat price of oats and tightened oat carrying charges in the future market. Furthermore, production in the spring wheat continues to appear strong, which would lead to ample supplies and anticipated firm spring wheat carrying charges.

Logistics Division
Concurrent with its grain operations at NCLC, as we reported in our Annual MD&A, in the first quarter of fiscal year 2016, the Corporation entered into an agreement with Elbow River Marketing Ltd. ("ERM"), a wholly owned subsidiary of Parkland Fuel Corporation, to transload liquefied petroleum gas ("LPG") at Northgate. Under this agreement, the Corporation unloads propane from inbound trucks loading it into railcars for shipment into the US market via the BNSF from Northgate, Saskatchewan. This provides a direct link and an added access point for propane to enter the US market. Through July 31, 2015, the Corporation has loaded 190 railcars.

Management expects this business to grow throughout fiscal year 2016, as it is renegotiating and extending is current transloading agreement with ERM while exploring opportunities to build out and further develop its current LPG transloading business with additional tenant customers. In addition, the Corporation is pursuing opportunities that further leverage the international port advantages of NCLC with other oilfield products and agricultural inputs.

As an example, during the first quarter, the Corporation entered into a non-binding term sheet with a global fertilizer company to develop fertilizer capacity at Northgate. This development will potentially allow Ceres to bring 100 car trains of phosphate-based fertilizer to Northgate, warehouse it, and load trucks in a high-speed, efficient manner through a terminal we are considering building. This arrangement would provide the Corporation's grain suppliers at Northgate with the ability to backhaul grain, as local grain suppliers would reload their trucks with fertilizer after having unloaded grain and return to their origination. This would greatly improve transportation economics, and highlight Northgate as an advantageous pricing gateway.

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 June 30, 2015, designed and evaluated the effectiveness of 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 June 30, 2015, 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 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 June 30, 2015 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 14 of the Annual Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

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

SHARES OUTSTANDING

As at August 5, 2015, the issued and outstanding equity securities of the Corporation consisted of 27,057,655 common shares.

CONTINGENCIES AND COMMITMENTS

See Note 14 of the Interim Condensed Consolidated Financial Statements for disclosure of the Corporation's contingencies and commitments as at June 30, 2015.

8. NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

Certain financial measures in this MD&A and discussed below are not prescribed by and 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 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 the quarters ended June 30, 2015 and 2014.

	Three months ended June 30	
(in thousands)	**2015**	2014
Net income (loss) for the period	**$ (1,700)**	$ (2,106)
Add/(Deduct):		
Interest expense	**767**	646
Revaluation of derivative warrant liability	**836**	-
Gain on sale or property, plant and equipment	-	-
Loss on impairment of assets held for sale	-	-
Income taxes (recovered)	**(320)**	117
Share of net (income) loss in investments in associates	**(304)**	(1,047)
Depreciation on property, plant and equipment	**778**	572
	$ 57	$ (1,818)

Net Loss Excluding Income in Associates and the Revaluation of Derivative Warrant Liability

Management believes that the net income (loss) of the Corporation excluding the revaluation of the derivative warrant liability and income in investment in associates provides a transparent measure to assess the core operations of the Corporation. This is one metric that is used by management to evaluation the Corporation's operating profitability.

	Three months ended June 30	
(in thousands)	**2015**	2014
Net income (loss) for the period	**$ (1,700)**	$ (2,106)
Add/(Deduct):		
Revaluation of derivative warrant liability	**836**	-
Share of net (income) loss in investments in associates	**(304)**	(1,047)
	$ (1,168)	$ (3,153)

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' as at the reporting date.

The following table is a calculation of return on shareholders' equity for Ceres for the quarters ended June 30, 2015 and 2014.

(in thousands)	Three months ended June 30 **2015**	2014
Net income (loss) for the period	**$ (1,700)**	$ (2,106)
Total shareholders' equity as at reporting date	**213,775**	207,887
	-0.8%	-1.0%

9. KEY ASSUMPTIONS & ADVISORIES

FORWARD LOOKING INFORMATION

This annual 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 Northgate Commodities Logistics Centre ("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 (in no particular order of importance):

- No material change in the regulatory environment in Canada and the United States;

- Supply and demand factors as well as the pricing environment for grains and other agricultural commodities;
- Fluctuation of currency and interest rates;
- General financial conditions for Western Canadian and American agricultural producers;
- Market share that will be achieved by the Corporation;
- Adequate and timely service from the railroad companies, and in particular from the Burlington Northern Santa Fe railroad at the NCLC;
- The ability of Ceres to successfully build and operate the Northgate grain elevator;
- 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;
- The Corporation's ability to maintain existing customer contracts and relationships coupled with its ability to increase its customer portfolio; and
- Continued compliance by the Corporation with its loan covenants.

The preceding list is not exhaustive 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.