MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") dated September 22, 2017 should be read in conjunction with the audited Consolidated Financial Statements for the twelve-month period ended June 30, 2017 of Ceres Global Ag Corp. ("Ceres", the "Corporation", "we", "our", and "us"), and the Corporation's audited consolidated financial statements for the fifteen-month period ended June 30, 2016 (the "Annual Consolidated Financial Statements"). Additional information about Ceres filed with Canadian securities regulatory authorities, including the quarterly financial statements and MD&A, and annual report and the annual information form, is available online at www.sedar.com.

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

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

Change in Fiscal Year-End and Presentation Currency
On February 10, 2016, the Board of Directors approved a change in the fiscal year end from March 31 to June 30. As a result of the change, the Corporation has a fifteen-month fiscal period that is reported in this Annual

Report for the fiscal-period ending June 30, 2016. In conjunction with the change in fiscal year, Ceres changed its reporting and presentation currency to USD commencing as of July 1, 2016 and for reporting periods, thereafter. Ceres believes that these changes will give investors a view of the Corporation's financial performance that better aligns the fiscal year with that of the agricultural crop year and functional currency.

Risks and Forward Looking Information

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

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

1. FINANCIAL AND OPERATING SUMMARY

(in millions except per share)		**Twelve-month period ended June 30, 2017**		Fifteen-month period ended June 30, 2016		Twelve-month period ended March 31, 2015
Revenues	**$**	**528.5**	$	385.8	$	279.8
Gross profit (loss)	**$**	**7.8**	$	(0.5)	$	20.2
Income (loss) from operations	**$**	**(1.7)**	$	(10.6)	$	3.8
Net income (loss)	**$**	**(13.7)**	$	(12.1)	$	0.7
Weighted average common shares outstanding		**27.5**		27.0		18.4
Income (loss) per share - Basic	**$**	**(0.50)**	$	(0.45)	$	0.04
Income (loss) per share - Diluted	**$**	**(0.50)**	$	(0.45)	$	0.04
As at:						
Total assets	**$**	**256.3**	$	254.8	$	244.4
Total bank indebtedness, current (1)	**$**	**56.4**	$	55.6	$	14.8
Term debt (2)	**$**	**14.5**	$	22.9	$	24.0
Shareholders' equity	**$**	**148.8**	$	157.6	$	173.1
Return on shareholders' equity (3)		**-9.2%**		-7.7%		0.4%

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

HIGHLIGHTS FOR THE TWELVE MONTHS ENDED JUNE 30, 2017

- In an environment of low commodity prices with suppressed margin opportunities, the Corporation increased gross profit compared to the fifteen-months ended June 30, 2016.
- Number of agricultural commodity product lines increased to 13 in 2017 from 8 in the previous year.
- Generated cash flow from operations of $14.6 million, an increase of $9.0 million year over year through efficient management of working capital.
- Handled and traded approximately 111.1 million bushels of grain and oilseed during the year, compared to 77.4 bushels for the fifteen-months ended June 30, 2016.
- Completed construction of the fertilizer storage warehouse at Northgate, as defined below, and commenced operations on April 30, 2017 in conjunction with our agreement with Koch Fertilizer Canada, ULC

("Koch") to handle and store fertilizer on their behalf.

Who We Are

While having one reportable segment, the Corporation operates in two business units: (1) grain storage, handling and merchandising unit, and; (2) commodity logistics. Ceres' grain storage, handling, and merchandising unit is anchored by a collection of six (6) grain storage and handling assets in Minnesota, Saskatchewan and Ontario having aggregate storage capacity of approximately 34.4 million bushels. The Corporation's Commodity Logistics unit is focused on the development of a commodity logistics centre in Northgate, Saskatchewan. The Northgate Commodities Logistics Centre ("Northgate" or the "NCLC") is a state-of-the-art grain, agriculture services, and oilfield supplies transloading site, which is being developed in conjunction with several potential energy and agricultural input company partners and is connected to Burlington Northern Santa Fe Railway (the "BNSF"). Ceres also has a 25% interest in Stewart Southern Railway Inc., a short-line railway with a range of 130 kilometres that operates in Southeastern Saskatchewan, and a 17% interest in Canterra Seed Holdings Ltd, a Canadian-based seed development company.

Grain Division

The Corporation's grain division is engaged in grain storage, procurement, and merchandising of specialty grains and oilseeds such as oats, barley, rye, hard red spring wheat, durum wheat, canola and pulses through six grain storage and handling facilities in Minnesota, Saskatchewan and Ontario. Two of the grain storage facilities are located at deep-water ports in the Great Lakes, and one is located on the Minnesota River, which is tributary to the Mississippi River, allowing access for vessels and barges and enabling the efficient import and export of grains globally. Approximately 29 million bushels of the Corporation's facilities are "regular" for delivery for both spring wheat against the Minneapolis Grain Exchange futures contract and oats against the Chicago Board of Trade futures contract. In addition, spring wheat and oats sourced by the Corporation out of Canada are eligible for delivery against the respective futures contract.

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

Northgate Commodities Logistics Centre

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

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

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

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

Overall Performance

The Corporation's net loss was $13.7 million for the twelve-month period ended June 30, 2017, compared to a net loss of $12.1 million in the fifteen-month period ended June 30, 2016. The net loss was in part due to non-cash items which include a $7.7 million loss on the impairment of the Buffalo and Duluth Lakeport assets and an increase in depreciation from the full deployment of Northgate assets. Gross profit was $7.8 million for the twelve-month period ending June 30, 2017 compared to a gross loss of $0.5 million in the fifteen-month period ended June 30, 2016. Furthermore, loss from operations was $1.7 million for the twelve-month period ended June 30, 2017 compared to a $10.6 million loss from operations in the fifteen-months ended June 30, 2016.

Revenues and Gross Profit

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

Total revenue increased by $142.7 million in the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016. The Corporation handled and traded 111.1 million bushels of grain and oilseed sales in fiscal year 2017 compared to 77.4 million bushels for the fiscal year 2016.

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

The table below represents a summary of the components of gross profit for the twelve-months ended June 30, 2017 and the fifteen-months ended June 30, 2016:

(in millions)	**Twelve-month period ended June 30, 2017**	Fifteen-month period ended June 30, 2016
Net trading margin	**$ 18.4**	$ 11.7
Storage and rental income	**6.4**	5.6
Logistics and transloading	**1.3**	0.8
Management service revenue	**-**	1.5
Operating expenses included in Cost of sales	**(13.8)**	(16.3)
Depreciation expense included in Cost of sales	**(4.5)**	(3.8)
Gross profit (loss)	**$ 7.8**	$ (0.5)

Gross profit increased by $8.3 million in the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016. The year over year increase in gross profit was driven by an increase in net trading margins and the exclusion of the prior years' durum loss of $8.2 million.

<u>Net trading margin</u>
Net trading margin increased by $6.7 million in the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016. The prior year results were impacted by a durum loss of $8.2 million.

<u>Storage and rental income</u>
Storage and rental income increased $0.8 million in the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016. The Corporation's storage and rental income increase was a result of a 55% increase in third-party bushels handled.

<u>Logistics and transloading</u>
Logistics and transloading revenue increased $0.5 million in the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016. The Corporation earns a service fee for handling liquefied petroleum gas ("LPG" or "propane"), industrial products and fertilizer, whose shipments began April 30, 2017, at Northgate.

<u>Management service revenue</u>
Management service revenue decreased $1.5 million in the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016 as a result of a one-time contingency payment as a part of the sale and three-year management of a grain elevator and barley seed plant in March 2013.

<u>Operating expenses and depreciation</u>
For the twelve-months ended June 30, 2017, operating and depreciation expense included in cost of sales totaled $18.3 million compared to $20.1 million for the fifteen-months ended June 30, 2016. On an annualized basis, the increase was due to a full year's depreciation of Northgate's assets compared to the prior year. Also, due to significant volume increases, the costs at other operating facilities have increased for the twelve-months ended June 30, 2017 compared to the fifteen-months ended June 30, 2016.

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

The following table sets out the components of the Corporation's consolidated general and administrative expenses for the twelve-months ended June 30, 2017 and the fifteen-months ended June 30, 2016:

(in millions)	**Twelve-month period ended June 30, 2017**	Fifteen-month period ended June 30, 2016
Corporate administration	**$ 3.4**	$ 4.5
Non-corporate administration	**6.3**	5.8
Revaluation of provision of Front Street Capital	**(0.1)**	(0.2)
Total general and administrative expense	**$ 9.6**	$ 10.1

For the twelve-months ended June 30, 2017, general and administrative expenses totaled $9.6 million compared to $10.1 million in the fifteen-months ended June 30, 2016. The increase in non-corporate administration expense was primarily due to additional headcount year over year as the Corporation built its grain merchandising team and related administrative support.

Finance Income (Loss)
For the twelve-month period ended June 30, 2017, finance loss totalled $0.3 million compared to finance income of $1.2 million during the fifteen-month period end June 30, 2016. Finance income (loss) is composed of realized and unrealized losses on foreign exchange transactions and currency hedging transactions along with revaluation gains of portfolio investments.

For the twelve-month period ended June 30, 2017, the decrease compared to the fifteen-month period ended June 30, 2016 is attributable to the prior year revaluation of the Corporation's investment in Canterra Seeds Holdings, Ltd. ("Canterra"). Until September 2015, the Corporation held a 25% equity interest in Canterra that had a carrying value of $1.8 million. This investment, accounted for using the equity method, was classified on the Consolidated Balance Sheet as "Investments in associates". During the quarter ended September 30, 2015, Canterra issued additional common equity shares, resulting in the dilution of the Corporation's equity interest to 17%. As such, the Corporation no longer had significant influence over the financial and operating policies of Canterra. Therefore, Ceres reclassified its investment to portfolio investments for the period ended September 30, 2015 and recorded it at fair value, recognizing a gain of $1.0 million. The investment in Canterra totals $2.0 million as at June 30, 2017, and is classified on the Consolidated Balance Sheet within "Portfolio investments, at fair value".

Revaluation of Derivative Warrant Liability
In connection with the completion of the Corporation's rights offering (the "Rights Offering"), on December 4, 2014, Ceres issued an aggregate of 2.1 million warrants (the "Warrants") to the stand-by purchasers. The Warrants issued were conditional upon approval at the Corporation's annual general meeting ("AGM"), which was obtained at the AGM on August 7, 2015.

Furthermore, the Warrants were issued at a fixed exercise price of CAD $5.84 and are each exercisable into one common share of the Corporation (a "Common Share"). The Warrants have an expiry date of December 4, 2016, being 24 months after issuance. In the event that the Warrants are being exercised prior to the completion of a change of control of the Corporation, but after a transaction that will result in such a change of control has been publicly announced, in lieu of exercising the Warrants, the holders of Warrants can elect a cashless exercise to receive Common Shares equal to: the difference between the ten-day Volume-Weighted Average Price ("VWAP") of the Corporation's stock price and CAD $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.

On November 30, 2016, 1.25 million Warrants were exercised into 1.25 million Common Shares at an exercise price of CAD $5.84 for total consideration of $5.4 million (CAD $7.3 million). On December 4, 2016, the remaining 0.8 million Warrants expired and were canceled, resulting in no warrant liability as at June 30, 2017. As at June 30, 2016, warrant liability was $0.1 million.

Gain (Loss) on Property, Plant and Equipment

As at June 30, 2017, the Corporation had three idle facilities: Duluth Lakeport, Buffalo and Calumet. As the operations of Duluth Lakeport and Buffalo ceased, the cash flows associated with those specific assets could no longer support their carrying value. During the twelve-months ended June 30, 2017, Ceres recorded a loss of $7.7 million on the impairment of Duluth Lakeport and Buffalo compared to a gain of $0.2 million for the sale of Ceres' Electric Steel facility during the fifteen-months ended June 30, 2016. Subsequent to June 30, 2017, the Corporation closed the sale of its Buffalo facility on August 15, 2017. The gross proceeds of which were $0.1 million. On September 19, 2017, the Corporation closed the sale of its Duluth Lakeport facility for a loss of $0.2 million.

Interest Expense

(in millions)	**Twelve-month period ended June 30, 2017**	Fifteen-month period ended June 30, 2016
Interest on revolving credit facility	**$ (2.1)**	$ (1.9)
Interest on repurchase obligations	**(0.3)**	(0.2)
Long-term debt	**(0.9)**	(1.8)
Amortization of financing costs paid	**(0.6)**	(0.7)
Interest income and other interest expense	**-**	0.1
Total interest expense	**$ (3.9)**	$ (4.5)

For the twelve-months ended June 30, 2017, interest expense totaled $3.9 million compared to $4.5 million for the fifteen-months ended June 30, 2016. The higher interest expense on the revolving credit facility was primarily driven by maintaining higher average inventory levels and a mid-year revolving credit facility interest rate increase of 1.0% per annum.

Share of Net Income (Loss) in Investments in Associates

For the twelve-months ended June 30, 2017, the Corporation incurred a loss in its net share in investments in associates of $0.2 million compared to an income of $0.3 million for the fifteen-months ended June 30, 2016.

2. QUARTERLY FINANCIAL DATA

	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Reporting dates	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016	12/31/2015	9/30/2015
(in millions except per share)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q5 2016	Q4 2016	Q3 2016	Q2 2016
Revenues	$ 112.2	$ 128.5	$ 131.8	$ 155.9	$ 115.8	$ 87.3	$ 61.4	$ 73.0
Gross profit (loss)	$ 0.1	$ 3.0	$ 2.9	$ 1.9	$ 1.9	$ 2.8	$ (7.8)	$ 1.1
Income (loss) from operations	$ (2.5)	$ 0.6	$ 0.8	$ (0.6)	$ (0.3)	$ 0.9	$ (9.8)	$ (0.8)
Net income (loss)	$ (4.0)	$ (8.1)	$ (0.2)	$ (1.4)	$ (1.5)	$ 0.8	$ (10.1)	$ 0.1
Return on shareholders' equity[1]	-2.7%	-5.4%	-0.1%	-0.9%	-0.9%	0.5%	-6.5%	0.0%
Weighted-average number of common shares for the quarter	27.9	28.0	27.3	26.9	26.9	27.0	27.1	27.1
Basic and fully diluted earnings (loss) per share	$ (0.14)	$ (0.29)	$ (0.01)	$ (0.05)	$ (0.05)	$ 0.03	$ (0.37)	$ 0.00
EBITDA[1]	$ (1.7)	$ 1.6	$ 2.0	$ 0.7	$ 0.5	$ 1.9	$ (8.9)	$ 0.9
EBITDA per share	$ (0.06)	$ 0.06	$ 0.07	$ 0.03	$ 0.02	$ 0.07	$ (0.33)	$ 0.03
Shareholders' equity, as at reporting date	$ 148.8	$ 151.0	$ 158.4	$ 155.1	$ 157.6	$ 160.1	$ 155.1	$ 167.4
Shareholders' equity per common share, as at reporting date	$ 5.33	$ 5.40	$ 5.64	$ 5.77	$ 5.86	$ 5.92	$ 5.73	$ 6.19
Volumes								
Elevator bushels handled	26.1	16.1	20.0	25.0	18.7	9.4	10.8	10.1
Direct ship bushels	3.6	5.8	4.6	9.9	9.4	3.2	4.2	4.3

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

Fourth Quarter

Gross profit for the quarter ended June 30, 2017 decreased $1.8 million to $0.1 million compared to the same period of the previous year. The decline in gross profit was primarily driven by $1.9 million reduction in net trading margin, due to lower carries quarter over quarter, offset by $0.2 million increase in storage and rental income due to the increase in stored bushels and storage and handling rates and $0.3 million in logistics and transloading revenue due to the addition of fertilizer shipments in 2017. Operating and depreciation expense in cost of sales increased $0.4 million due to addition Northgate assets being placed in service. General and administrative expenses increased $0.4 for the quarter ended June 30, 2017 compared to the same period in prior year was due to additional headcount quarter over quarter growth of the grain merchandising and related support teams. Net loss for the quarter ended June 30, 2017 increased $2.5 million to $4.0 million compared to the same period of the previous year as a result of the reduction in net trading margin.

3. LIQUIDITY & CASH FLOW

(in millions)	Twelve-month period ended June 30, 2017	Fifteen-month period ended June 30, 2016
Net Cash Provided by (Used in)		
Operating activities	**$ 14.6**	$ 5.6
Investing activities	**(11.0)**	(30.2)
Net Cash Provided (Used) Before Financing Activities	**3.6**	(24.6)
Financing Activities	**(3.0)**	22.7
Foreign Exchange Cash Flow Adjustment on Accounts Denominated in a Foreign Currency	**-**	(2.3)
Increase (Decrease) in Cash and Cash Equivalents	**$ 0.6**	$ (4.2)
Cash and Cash Equivalents (Outstanding cheques)	**$ -**	$ (0.8)

Operating Activities
Cash provided by operating activities was $14.6 million for the twelve-months ended June 30, 2017. The $9.0 million increase in cash provided by operating activities was primarily a result of the effective management of working capital.

Investing Activities
During the twelve-months ended June 30, 2017, cash used in investing activities were $11.0 million, which comprised of additions of property, plant and equipment. The $19.2 million decrease in cash used in investing activities was primarily due to the completion of asset purchases for the initial buildout of Northgate.

Financing Activities
During the twelve-months ended June 30, 2017, the Corporation had $3.0 million in cash used in financing activities. The $25.7 million decrease in cash provided by financing activities was primarily due to this year's repayment of prior year's net borrowings to fund the purchase of Northgate assets.

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

In addition, the Corporation's Credit Facility at June 30, 2017 contains certain covenants, including a covenant that the Corporation maintain minimum working capital of not less than $30.0 million. As at June 30, 2017 the Corporation's working capital – defined as current assets less current liabilities – totaled $39.9 million. In addition to working capital, the covenants include the maintenance of "consolidated debt" to "consolidated tangible net worth" (as defined in the agreement) of not more than 4.0 to 1.0 and consolidated tangible net worth of not less than $120.0 million. As at June 30, 2017 and June 30, 2016, the Corporation was in compliance with all of the above mentioned financial covenants.

Liquidity risk

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

June 30, 2017	Carrying amount	Contractual cash flows	1 year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 56.4	$ 56.6	$ 56.6	$ -	$ -	$ -
Accounts payable and accrued liabilities	22.5	22.5	22.5	-	-	-
Repurchase obligations	-	-	-	-	-	-
Derivatives	14.1	14.1	14.1	-	-	-
Provision for future payments to Front Street Capital	-	-	-	-	-	-
Warrants	-	-	-	-	-	-
Long-term debt	14.5	15.0	3.0	5.0	7.0	-

June 30, 2016	Carrying amount	Contractual cash flows	1 year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	55.6	55.8	55.8	-	-	-
Accounts payable and accrued liabilities	16.0	16.0	16.0	-	-	-
Repurchase obligations	-	-	-	-	-	-
Derivatives	2.6	2.6	2.6	-	-	-
Provision for future payments to Front Street Capital	0.1	0.1	0.1	-	-	-
Warrants	0.1	0.1	0.1	-	-	-
Long-term debt	22.9	23.6	1.6	5.0	17.0	-

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

4. CAPITAL RESOURCES

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

Credit Facility

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

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

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

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

Normal Course Issuer Bid
During the twelve-month period ended June 30, 2017, the Corporation purchased Shares under normal course issuer bids, the purpose of which was to provide Ceres with a mechanism to decrease the potential spread between the net asset value per Share and the market price of the common shares. On June 9, 2016, Ceres announced a normal course issuer bid ("the 2016-2017 NCIB") which commenced on June 12, 2016. Using the facilities of the Toronto Stock Exchange ("TSX") and in accordance with its rules and policies, Ceres can purchase up to a maximum of 1,595,765 of its Common Shares, representing approximately 10% of its unrestricted public float as of June 2, 2016, subject to a maximum aggregate purchase price of CAD $5.0 million pursuant to restrictions under the Corporation's Credit Facility. The 2016-2017 NCIB concluded on June 11, 2017. Ceres may purchase up to a daily maximum of 2,119 Common Shares under the 2016-2017 NCIB, except for purchases made in accordance with the "block purchase" exception under applicable TSX rules and policies.

During the twelve months ended June 30, 2017, the Corporation purchased and canceled a total of 257,582 common shares under the normal course issuer bid for aggregate cash consideration of $1.1 million. The stated capital value of these repurchased Shares was $1.9 million. The excess of the stated capital value of the repurchased common shares over the cost thereof, being $0.8 million, was allocated to Retained Earnings in the twelve-month period ended June 30, 2017.

During the fifteen months ended June 30, 2016, the Corporation purchased and cancelled a total of 168,600 common shares under the normal course issuer bid for aggregate cash consideration of $0.7 million. The stated capital value of these repurchased Shares was $1.0 million. The excess of the stated capital value of the repurchased common shares over the cost thereof, being $0.3 million, was allocated to retained earnings in the fifteen-month period ended June 30, 2016.

5. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in Accounting Policies and Standards Issued But Not Yet Effective
Refer to Note 3 to the Annual Consolidated Financial Statements for information pertaining to accounting changes effective for the current fiscal year ending June 30, 2017, and information on standards issued but not yet effective.

Critical Accounting Estimates

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

6. OUTLOOK

Grain Division

The 2017 cereal grain growing season faced severe droughts in the western half of the U.S. and Southwestern Canadian growing areas. These droughts created a significant amount of volatility for markets. Initially prices increased due to supply concerns, then more recently prices set back as yields have been better than expected due to sufficient soil moisture prior to drought conditions. High prices in the spring and early summer, plus a relatively strong USD during that time, led to high priced U.S. wheat and durum, and lower than expected exports and margins out of Duluth/Superior. Meanwhile, high prices led to minimal carries and overall limited ways to generate revenue until new crop's arrival.

Early indications of the 2017 crop suggest mixed yields: lower than average where drought conditions were worst and average or better than average in the east and north where moisture was more abundant. Also, protein levels appear to be higher for wheat grown in the U.S. than in Canada. Due to the varied protein levels from this year's harvest (vs. relatively high uniform protein over the past two years), we expect to see greater volatility around protein basis levels throughout 2017/18. Meanwhile, the durum crop in the U.S. was more negatively affected than spring wheat and we expect U.S. imports of Canadian durum to increase in 2017/18 vs. 2016/17.

The fiscal year ending June 30, 2017 marked the first year of operating a fully commissioned grain elevator at Northgate. While margins were challenging in this environment, and some growing pains were realized, we achieved our volume objectives and are confident margins and overall performance will improve in 2017/18 vs. 2016/17.

Meanwhile, the Corporation continues to focus on the following:

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

Logistics Division

Q4 2017 marked the start-up of a 26,000-ton fertilizer warehouse to provide storage and handling of urea and phosphate-based fertilizer for Koch Fertilizer Canada. At Northgate, Ceres began unloading by rail, warehousing and loading trucks for distribution to Canadian farmers. The project officially began operating at the end of April and finished with no accidents, on time and under budget.

While the partnership with Koch provides the international fertilizer producer access to the western Canadian market, Ceres is working with Koch to provide freight to its fertilizer customers while at the same time provide the grain suppliers at Northgate the ability to backhaul grain, as local grain suppliers would reload their trucks with fertilizer after having unloaded grain and return to their origination. This is off to a very good start and management anticipates that this will greatly improve transportation economics and further highlight Northgate as an advantageous pricing gateway.

In addition, the Corporation continues to unload LPG from inbound trucks and load into railcars for shipment into the US market via the BNSF from Northgate, Saskatchewan. The transloading of LPG has increased over the past quarter as movement into the U.S. via BNSF continues to be competitive vs. other outlets. We expect volumes will remain consistent throughout the rest of 2017/18. Overall management anticipates that transloading propane will continue to be a steady business for the Corporation.

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

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

7. OTHER

CONTROLS ENVIRONMENT

Disclosure Controls and Procedures
Ceres maintains appropriate information systems, procedures, and controls to ensure that new information disclosed externally is complete, reliable, and timely. National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and that they have, as at June 30, 2017, 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, 2017, designed and evaluated the effectiveness of ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS). The control framework used by the Chief Executive Officer and the Chief Financial Officer to design Ceres' ICFR is the *Risk Management and Governance: Guidance on Control* (COCO Framework) published by CPA Canada. There have been no

material changes in the Corporation's internal control over financial reporting during the twelve-months ended June 30, 2017 that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments and other instruments, including a discussion of risks and relevant risk sensitivities, can be found in Note 14 of the Annual Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED-PARTY TRANSACTIONS

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

(in millions)	**Twelve-month period ended June 30, 2017**	Fifteen-month period ended June 30, 2016
Employee/director salaries and benefits	**$ 1.1**	$ 1.5
Share-based compensation	**0.4**	0.4
	$ 1.5	$ 1.9

SHARES OUTSTANDING

As at September 22, 2017, the issued and outstanding equity securities of the Corporation consisted of 27,911,014 common shares.

CONTINGENCIES

See Note 21 of the Annual Consolidated Financial Statements for disclosure of the Corporation's contingencies as at June 30, 2017.

8. NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

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

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

The following table is a reconciliation of EBITDA for Ceres on a consolidated basis for the twelve-months ended June 30, 2017, and the fifteen-months ended June 30, 2016:

(in millions)	**Twelve-month period ended June 30, 2017**	Fifteen-month period ended June 30, 2016
Net income (loss) for the period	**$ (13.7)**	$ (12.1)
Add/(Deduct):		
Interest Expense	**3.9**	4.5
Revaluation of derivative warrant liability	**(0.1)**	(1.1)
Loss (Gain) on sale or property, plant and equipment	**7.7**	(0.2)
Income taxes (recovered)	**-**	(0.2)
Share of net (income) loss in investments in associates	**0.2**	(0.3)
Depreciation on property, plant and equipment	**4.6**	3.9
	$ 2.6	$ (5.5)

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

The following table is a calculation of return on shareholders' equity for the twelve-months ended June 30, 2017, and the fifteen-months ended June 30, 2016:

(in millions)	**Twelve-month period ended June 30, 2017**	Fifteen-month period ended June 30, 2016
Net income (loss) for the period	**$ (13.7)**	$ (12.1)
Total shareholders' equity as at reporting date	**$ 148.8**	$ 157.6
	-9.2%	-7.7%

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 plans to further develop the NCLC, operating and financial results, critical accounting estimates and the expected financial and operational consequences of future commitments.

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

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

KEY ASSUMPTIONS

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

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

The preceding list is not an exhaustive list of all possible factors. All factors should be considered carefully when making decisions with respect to Ceres. Many such factors and events are not within the control of Ceres.

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

By its nature, forward-looking information is subject to various risks and uncertainties, including those risks discussed in other sections of this annual 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 annual 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.