



CERES
GLOBAL AG CORP.

CERES GLOBAL AG CORP. ANNOUNCES Q1 2015 RESULTS AND APPOINTMENT OF NEW DIRECTOR

FOR IMMEDIATE RELEASE

TORONTO, ON, (August 12, 2014) – Ceres Global Ag Corp. (TSX: CRP) (“Ceres” or the “Company”) today announced its financial results for the three-month period ending June 30, 2014. The Company is also pleased to announce the appointment of a new member to its Board of Directors, Mr. Harold Wolkin.

Highlights:

- Consolidated revenue was \$51.5 million for the first quarter ended June 30, 2014 (Q1 2015), compared to revenue of \$69.7 million for the three-month period ending June 30, 2013 (Q1 2014).
- Consolidated gross profit was \$1.2 million for Q1 2015, compared to gross loss of (\$2.1) million in Q1 2014.
- Consolidated EBITDA was negative (\$1.8) million for Q1 2015, compared to negative EBITDA of (\$4.1) million in Q1 2014.
- Consolidated net loss was (\$2.1) million, or fully diluted loss per share of (\$0.15) for Q1 2015, compared to net loss of (\$5.8) million and diluted loss per share of (\$0.41) in Q1 2014.
- As of end Q1 2015, Ceres capitalized costs totaling \$19.9 million (March 31, 2014 - \$14.8 million) for the Canadian portion of the Northgate facility (“Northgate” or “NCLC”). This includes land acquisition, environmental, mass grading and site preparation, and initial rail costs.
- For Q1 2015, Ceres received a dividend of \$187,500 for its 25% interest in the Stewart Southern Railway (“SSR”).
- Continued classification of Riverland Ag’s Savage, MN facility as an asset held for sale with a carry value of \$11.0 million.
- The Company received gross proceeds of US\$6.2 million from the sale of its Manitowoc, WI grain facility. The proceeds are to be used in funding the construction at Northgate.

“With site preparation near completion, and the installation of rail track connecting the Canadian and U.S. border crossing, construction at our Northgate terminal is progressing well. We anticipate using the facility for transloading and shipping grain before the end of 2014,” stated Douglas Speers, Chairman of Ceres Global Ag. “In addition, improvements over the quarter in trading margins and storage income for Riverland Ag contributed positively to our profitability and we will continue with efforts to optimize our operations at Riverland.”

Financial Highlights:

Consolidated revenue was \$51.5 million for the three-month period ending June 30, 2014. This was in comparison to \$69.7 million for the corresponding period ending June 30, 2013.

Gross profit was \$1.2 million the three-month period ending June 30, 2014. This was in comparison to a gross loss of (\$2.1) million for the three-month period ending June 30, 2013. The increase for Q1 2015 was attributable to a reduction in operating expenses at Riverland Ag, increased storage and rental income, and, most significant, an increase in trading margin.

General and administrative (G&A) expenses totalled \$3.4 million for the three-month period ending June 30, 2014. This was in comparison to \$2.9 million for the corresponding period ending June 30, 2013. The change in G&A was primarily due to consulting and advisory fees totaling \$0.5 million.

Consolidated EBITDA was negative (\$1.8) million for the three-month period ending June 30, 2014. This was in comparison to negative EBITDA of (\$4.1) million for the corresponding period ending June 30, 2013. The improvement in consolidated EBITDA is attributable to an increase in trading gains due to basis appreciation, an increase in storage and rental income, and a slight reduction in operating costs at the facilities, though offset slightly by consulting and advisory fees totaling \$0.5 million.

Consolidated net loss was (\$2.1) million, or fully diluted loss per share of (\$0.15) for the three-month period ending June 30, 2014. This was in comparison to a loss of (\$5.8) million and diluted loss per share of (\$0.41). The results include losses of (\$0.8) million due to finance expenses and realized losses on currency hedging transactions as well as realized and unrealized gains and losses on foreign exchange and in the fair value of portfolio investments.

Cash and working capital position as of June 30, 2014, amounted to \$25.6 million and \$53.9 million, compared to \$17.0 million and \$63.4 million for June 30, 2013. The increase in cash is primarily due to the US\$20.0 million bridge loan received in June 2014. Ceres has also repaid \$45.5 million in debt obligations over the quarter.

For Riverland Ag, revenue was \$51.5 million and gross profit was \$1.2 million for the three-month period ending June 30, 2014. This was in comparison to \$69.7 million and gross loss of (\$2.1) million for the corresponding period ending June 30, 2013. The increase in gross profit is due to four primary factors: a \$1.9 million increase in Riverland Ag's net trading margin from gains captured on the appreciation of basis levels across a number of commodities; an increase of \$1.0 million in storage and rental income for storing and handling third-party customers' grain; as well as a \$0.4 million reduction in operating and depreciation expenses due to the sale of Manitowoc as well as re-classifying Riverland's Savage facility as an asset held for sale.

Appointment of New Director:

The Company has also appointed Mr. Harold Wolkin to its Board of Directors. Mr. Wolkin has over 30 years of experience within capital markets, serving as managing director in the Diversified Industries Group of BMO Capital Markets for nearly 25 years. Mr Wolkin was involved in underwriting, origination and financings for a wide range of corporate issuers. Most recently, Mr. Wolkin served as Executive Vice-President and Head of Investment Banking for Dundee Capital Markets. Since 2004, he has also served on a number of public company boards and not-for-profit organizations.

"Mr. Wolkin is an accomplished investment banker and financial analyst, and brings strong capital markets experience to Ceres' Board," stated Douglas Speers. "We view that Mr. Wolkin's hands-on experience in managing the operational and financial workings of public and private companies will serve Ceres very well as we complete construction of Northgate and work to integrate our Riverland operations at the facility."

Outlook:

Ceres is developing a cross border, transloading terminal hub in Northgate, Saskatchewan. The terminal is designed to connect to the BNSF rail network, thus enabling rail transportation of grain and other commodities – including oil and natural gas liquids (NGL) – into the U.S. market. As at June 30, 2014, Ceres had invested approximately \$19.9 million for the Canadian portion of Northgate. The Board has authorized an additional \$10.1 million to be spent during the 2014 construction season to complete the horizontal build – including land, site preparation, rail installation and infrastructure – and \$2.1 million for the temporary grain transloader with additional funds to be considered pending the outcome of the review of financing alternatives by a subcommittee of the Board.

Currently, site preparation grading at NCLC is approximately 90% completed and Ceres has installed 1,150 metres out of an anticipated 12,552 metres of rail track running north from the Canada-U.S. border into the site. The Company anticipates the first phase of Northgate construction could be completed in the fall of 2014 and early 2015, with the potential to transload and ship grain before the end of 2014.

Northgate's location is highly strategic: there are approximately 178 million bushels of Canadian production (wheat, canola, oats etc.) within 100 miles of the facility. This location also offers access to BNSF's rail network and an ability to buy freight transport, to which no other elevator in Western Canada has direct access.

The Company believes an additional investment of approximately \$59.2 million over the next 3 to 5 years is required for the facility to reach capacity, which will include a 2.2 million bushel grain elevator, an energy transloading terminal having a capacity of up to 15,000 barrels of oil per day and up to 29,000 gallons per railcar per day in natural gas liquids capacity.

Non-IFRS Financial Measures

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is not a standardized financial measure prescribed by IFRS; however, management believes that most of its shareholders, creditors, other stakeholders and investment analysts benefit from using this performance measure in analyzing Ceres' results. Ceres also uses this measure internally to monitor the Corporation's performance.

In calculating EBITDA, Ceres excludes its share of the net income (loss) from investments in associates and the gain (loss) on sale or impairment of property, plant and equipment. Ceres may calculate EBITDA differently than other companies; therefore, Ceres' EBITDA may not be comparable to similar measures presented by other issuers.

Investors are cautioned that EBITDA should not be construed as alternatives to net income or loss, or to other standardized financial measures determined in accordance with IFRS, and are not intended to represent cash flows or results of operations in accordance with IFRS.

About Ceres Global Ag Corp. (ceresglobalagcorp.com)

Ceres Global Ag Corp. is a Toronto-based company focused on two primary businesses: a Grain Storage, Handling and Merchandising unit, anchored by its 100% ownership of Riverland Ag Corp., and a Commodity Logistics unit, containing its 25% interest in Stewart Southern Railway Inc. and its development of the Northgate, SK Commodity Logistics Centre. Riverland Ag Corp. is a collection of nine

(9) grain storage and handling assets in Minnesota, New York, and Ontario having aggregate storage capacity of approximately 48 million bushels. Riverland Ag also manages two (2) facilities in Wyoming on behalf of its customer-owner. Stewart Southern Railway Inc. is a short-line railway with a range of 130 kilometres that operates in South-eastern Saskatchewan. The Northgate Commodity Logistics Centre is a proposed \$90 million grain, oil and oilfield supplies transloading site being developed in conjunction with Riverland Ag and several potential energy company partners, connected to BNSF Railway.

Cautionary Notice: This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation and United States securities laws. Forward-looking information may include, but is not limited to, statements regarding future operations and results, anticipated business prospects and financial performance of Ceres and its subsidiaries, including the plans, costs, timing and capital for the development of the Northgate Commodities Logistics Centre, expectations or projections about the future, strategies and goals for growth, expected and future cash flows, costs, planned capital expenditures, regulatory change, general economic political and market conditions anticipated capital projects, construction and completion dates, operating and financial results, critical accounting estimates, the expected financial and operational consequences of future commitments. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", "may have implications" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Key assumptions upon which such forward-looking information is based are listed in the "Forward-Looking Information" section of the interim MD&A for the quarter ended June 30, 2014. Many such assumptions are based on factors and events that are not within the control of Ceres and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in agricultural, food processing and feed sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments, global and local economic conditions, the ability of Ceres to successfully implement strategic initiatives and whether such strategic initiatives will yield the expected benefits, the ability of Ceres to successfully defend the claim by The Scoular Company, the operating performance of the Corporation's assets, the availability and price of commodities and regulatory environment, processes and decisions. Although Ceres has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results that are not anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Ceres undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

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CERES GLOBAL AG CORP.
Consolidated Balance Sheets
(Unaudited)

	June 30, <u>2014</u>	March 31, <u>2014</u>
ASSETS		
Current		
Cash	\$ 25,600,912	\$ 12,009,400
Portfolio investments, at fair value	848,163	848,163
Due from Brokers	5,253,270	4,620,007
Derivatives	1,675,388	2,965,891
Accounts receivable, trade	11,911,564	6,757,757
Inventories, grains	74,174,159	113,320,466
GST - HST recoverable	1,714,074	1,469,543
Income taxes recoverable	71,995	58,465
Assets held for sale	10,974,309	18,233,455
Prepaid expenses and sundry assets	1,230,372	1,477,376
Current assets	133,454,206	161,760,523
Investments in associates	5,485,260	4,625,667
Intangible assets	319,845	331,650
Investment property	19,856,259	14,803,988
Property, plant and equipment	48,770,932	50,687,083
Non-current assets	74,432,296	70,448,388
TOTAL ASSETS	\$ 207,886,502	\$ 232,208,911
LIABILITIES		
Current		
Bank indebtedness	\$ 42,214,209	\$ 71,746,950
Term loan	21,323,000	-
Accounts payable and accrued liabilities	14,789,820	7,567,634
Repurchase obligations	-	15,941,080
Derivatives	299,890	1,752,256
Provision for future payments to Front Street Capital	922,000	970,000
Current liabilities	79,548,919	97,977,920
Non-current liability, deferred income taxes	275,120	156,534
TOTAL LIABILITIES	79,824,039	98,134,454
SHAREHOLDERS' EQUITY		
Common shares	137,100,022	137,100,022
Deferred share units	113,086	62,500
Contributed surplus	9,228,422	9,228,422
Currency translation account	4,116,001	8,072,943
Deficit	(22,495,068)	(20,389,430)
TOTAL SHAREHOLDERS' EQUITY	128,062,463	134,074,457
CONTINGENT LIABILITY		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 207,886,502	\$ 232,208,911

(Unaudited)

	<u>2014</u>	<u>2013</u>
REVENUES	\$ 51,457,720	\$ 69,713,342
Cost of sales	(50,291,660)	(71,770,004)
GROSS PROFIT (LOSS)	1,166,060	(2,056,662)
General and administrative expenses	(3,410,605)	(2,916,941)
LOSS FROM OPERATIONS	(2,244,545)	(4,973,603)
Finance (loss) income	(145,434)	190,455
Finance expenses	(645,660)	(1,390,008)
LOSS BEFORE INCOME TAXES AND THE UNDERNOTED ITEM	(3,035,639)	(6,173,156)
Income taxes	117,092	30,090
LOSS BEFORE THE UNDERNOTED ITEM	(3,152,731)	(6,203,246)
Share of net income in investments in associates	1,047,093	363,165
NET LOSS FOR THE PERIOD	(2,105,638)	(5,840,081)
Other comprehensive (loss) gain for the period		
(Loss) gain on translation of foreign currency accounts of foreign operations	(3,956,942)	3,789,698
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	\$ (6,062,580)	\$ (2,050,383)
WEIGHTED-AVERAGE NUMBER OF SHARES FOR THE PERIOD	14,208,208	14,335,699
LOSS PER SHARE		
Basic	\$ (0.15)	\$ (0.41)
Diluted	\$ (0.15)	\$ (0.41)
Supplemental disclosure of selected information:		
Depreciation included in Cost of sales	\$ 531,426	\$ 694,537
Depreciation included in General and administrative expenses	\$ 40,447	\$ 38,473
Amortization of financing costs included in Finance expenses	\$ 147,177	\$ 110,532
Personnel costs included in Cost of sales	\$ 421,012	\$ 305,592
Personnel costs included in General and administrative expenses	\$ 109,587	\$ 95,064

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period	\$	(2,105,638)	\$	(5,840,081)
Adjustments for:				
Depreciation of property, plant and equipment		571,873		733,010
Unrealized increase in fair value of investments		-		(621,445)
Finance expenses		645,660		1,390,008
Income taxes		117,092		30,090
Deferred share units issued to Directors and fair value adjustment		69,298		-
Share of net income in investments in associates		(1,047,093)		(363,165)
		(1,748,808)		(4,671,583)
Changes in non-cash working capital accounts		36,884,192		61,801,065
Interest paid		(637,644)		(1,516,673)
Income taxes paid		-		-
Cash flow provided by operating activities		34,497,740		55,612,809

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposition of assets held for sale		6,759,240		-
Dividend received from associate		187,500		-
Acquisition of, and costs capitalized on, investment property		(5,052,271)		(2,031,399)
Acquisition of property, plant and equipment		(568,110)		(67,740)
Cash flow provided by (used in) provided by investing activities		1,326,359		(2,099,139)

CASH FLOWS FROM FINANCING ACTIVITIES

Net repayment of bank indebtedness		(27,255,000)		(29,675,700)
Proceeds from term loan		21,323,000		-
Net repayment of repurchase obligations		(15,720,457)		(27,325,435)
Financing costs paid		(479,688)		-
Deferred share units redeemed		(18,712)		-
Cash flow used in provided by financing activities		(22,150,857)		(57,001,135)

**Foreign exchange cash flow adjustment on accounts
denominated in a foreign currency**

		(81,730)		36,405
Increase (decrease) in cash for the period		13,591,512		(3,451,060)
Cash, beginning of period		12,009,400		20,443,836
Cash, end of period	\$	25,600,912	\$	16,992,776