



November 16, 2015

Notice to readers:

Re: Ceres Global Ag Corp. ("the Corporation") Financial Statements and Management Discussion's and Analysis ("MD&A") for the three-month and six-month periods ended September 30, 2015 and 2014.

Please be advised that on November 5, 2015, the Corporation filed its Financial Statements and Management's Discussion and Analysis for the quarter ended September 30, 2015. Subsequent to filing, it was realized by the Corporation that the consolidated balance sheet referenced a non-required and immaterial footnote that was inadvertently omitted within the footnotes of the financial statements. In addition, the table within the MD&A showing gross profit per bushel handled for the three and six month periods ended September 30, 2014 and September 30, 2015 was inaccurate.

Amended Financial Statements and an MD&A for the quarter ended September 30, 2015 have been filed as of November 16, 2015, which incorporates all necessary changes.

Sincerely,

Mark Kucala
Chief Financial Officer
Ceres Global Ag Corp

Unaudited Interim Condensed Consolidated Financial Statements of



For the three-month and six-month periods ended September 30, 2015 and 2014

CERES GLOBAL AG CORP.
Table of Contents
September 30, 2015

	<u>Page</u>
Interim Condensed Consolidated Balance Sheets	1
Interim Condensed Consolidated Statements of Comprehensive Income	2
Interim Condensed Consolidated Statements of Cash Flows	3
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity	4
Notes to the Interim Condensed Consolidated Financial Statements	5 – 17

CERES GLOBAL AG CORP.
Interim Condensed Consolidated Balance Sheets
(Unaudited)

	<u>Note</u>	September 30, 2015	March 31, 2015
ASSETS			
Current			
Cash		\$ 62,758,796	\$ 5,136,032
Portfolio investments, at fair value	10	4,385,177	848,163
Due from Brokers	5	7,596,970	8,641,335
Derivatives	6	5,135,667	9,472,984
Accounts receivable, trade		16,166,686	7,910,824
Inventories, grains		164,762,935	147,940,077
Sales taxes recoverable		67,697	1,137,391
Assets held for sale	7	1,706,605	-
Prepaid expenses and sundry assets		1,141,743	1,410,699
Current assets		263,722,276	182,497,505
Investments in associate(s)		3,700,700	5,619,412
Grain exchange memberships		402,270	379,260
Property, plant and equipment	8	144,043,715	120,450,079
Non-current assets		148,146,685	126,448,751
TOTAL ASSETS		\$ 411,868,961	\$ 308,946,256
LIABILITIES			
Current			
Bank indebtedness	9	\$ 115,237,263	\$ 18,736,400
Term debt	9	32,343,644	-
Accounts payable and accrued liabilities		35,366,494	17,388,202
Repurchase obligations		-	18,635,451
Derivatives	6	2,228,490	2,607,280
Provision for future payments to Front Street Capital		368,000	344,000
Derivative warrant liability	12	1,857,000	1,719,000
Current liabilities		187,400,891	59,430,333
Long-term debt	9	-	30,381,310
Deferred income taxes		-	296,971
TOTAL LIABILITIES		187,400,891	90,108,614
SHAREHOLDERS' EQUITY			
Common shares	13	208,857,390	208,884,960
Deferred share units	14	576,508	319,820
Contributed surplus	15	9,323,370	9,228,422
Currency translation account		29,087,948	22,179,246
Deficit		(23,377,146)	(21,774,806)
TOTAL SHAREHOLDERS' EQUITY		224,468,070	218,837,642
CONTINGENCIES AND COMMITMENTS			
	18(b)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 411,868,961	\$ 308,946,256

The accompanying notes are an integral part of these financial statements.

ON BEHALF OF THE BOARD

Signed Harold Wolkin Director Signed Doug Speers Director

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Comprehensive Income

For the three-month and six-month periods ended September 30

(Unaudited)

	Note	<u>3 months</u>		<u>6 months</u>	
		2015	2014	2015	2014
REVENUES	\$	95,230,582	\$ 17,126,266	\$ 154,577,107	\$ 68,583,986
Cost of sales		(93,775,805)	(11,801,539)	(151,221,063)	(62,093,199)
GROSS PROFIT		1,454,777	5,324,727	3,356,044	6,490,787
General and administrative expenses		(2,531,524)	(2,919,310)	(5,067,274)	(6,329,915)
INCOME (LOSS) FROM OPERATIONS		(1,076,747)	2,405,417	(1,711,230)	160,872
Finance income (loss)	10	1,472,314	(1,818)	1,385,297	(147,252)
Revaluation of derivative warrant liability		698,000	-	(138,000)	-
Interest expense	11	(949,031)	(523,475)	(1,715,542)	(1,169,135)
INCOME (LOSS) BEFORE INCOME TAXES AND UNDERNOTED ITEM		144,536	1,880,124	(2,179,475)	(1,155,515)
Income taxes (recovery)		(7,041)	168,958	(327,081)	286,050
INCOME (LOSS) BEFORE UNDERNOTED ITEM		151,577	1,711,166	(1,852,394)	(1,441,565)
Share of net income (loss) in investments in associates		(53,753)	201,633	250,054	1,248,726
NET INCOME (LOSS) FOR THE PERIOD		97,824	1,912,799	(1,602,340)	(192,839)
Other comprehensive gain for the period					
Gain on translation of foreign currency accounts of foreign operations		10,432,215	4,976,660	6,908,702	1,019,718
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$	10,530,039	\$ 6,889,459	\$ 5,306,362	\$ 826,879
WEIGHTED-AVERAGE NUMBER OF SHARES FOR THE PERIOD		27,057,655	14,208,208	27,057,388	14,208,208
PROFIT (LOSS) PER SHARE					
Basic	\$	0.00	\$ 0.13	\$ (0.06)	\$ (0.01)
Diluted	\$	0.00	\$ 0.13	\$ (0.06)	\$ (0.01)
Supplemental disclosure of selected information:					
Depreciation included in Cost of sales	\$	840,478	\$ 761,297	\$ 1,606,019	\$ 1,292,723
Depreciation included in General and administrative expenses	\$	14,889	\$ 12,995	\$ 27,386	\$ 53,442
Amortization of financing costs included in Finance expenses	\$	136,443	\$ 146,934	\$ 264,241	\$ 294,111
Personnel costs included in Cost of sales	\$	456,554	\$ 409,974	\$ 896,311	\$ 830,986
Personnel costs included in General and administrative expenses	\$	260,985	\$ 94,487	\$ 503,965	\$ 204,074

The accompanying notes are an integral part of these financial statements.

CERES GLOBAL AG CORP.
Interim Condensed Consolidated Statements of Cash Flows
For the six-month periods ended September 30
(Unaudited)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		\$ (1,602,340)	\$ (192,839)
Adjustments for:			
Depreciation of property, plant and equipment		1,633,405	1,346,165
Revaluation of derivative warrant liability		138,000	-
Interest expense	11	1,715,542	1,169,135
Income taxes (recovery)		(327,081)	286,050
Share incentive compensation		94,948	-
Deferred share units issued to Directors and fair value adjustment		340,266	143,925
Share of net income in investments in associates		(250,054)	(1,248,726)
Revaluation of portfolio investments	10	(1,368,247)	-
Changes in non-cash working capital accounts	16	10,587,779	156,325
Interest paid		(1,261,845)	(956,106)
Income taxes recovered (paid)		57,879	(3,360)
Cash flow provided by operating activities		9,758,252	700,569
CASH FLOWS USED IN 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)
Acquisition of property, plant and equipment		(24,896,499)	(12,495,019)
Cash flow used in investing activities		(24,896,499)	(10,600,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds of bank indebtedness		90,049,300	5,446,500
Proceeds from term loan		-	21,323,000
Net repayment of repurchase obligations		(18,635,451)	(15,720,457)
Financing costs paid		-	(479,688)
Share issuance costs		(69,359)	-
Deferred share units redeemed	13	(41,789)	(18,712)
Cash flow provided by financing activities		71,302,701	10,550,643
Foreign exchange cash flow adjustment on accounts denominated in a foreign currency		1,458,312	1,053,356
Increase in cash for the period		57,622,766	1,704,018
Cash, beginning of period		5,136,030	12,009,400
Cash, end of period		\$ 62,758,796	\$ 13,713,418

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the six-month periods ended September 30

	Note	Common shares	Deferred share units	Contributed surplus	Currency translation account	Deficit	Total
Balances, April 1, 2015		\$ 208,884,960	\$ 319,820	\$ 9,228,422	\$ 22,179,246	\$ (21,774,806)	\$ 218,837,642
Transactions with Shareholders							
Issuance of Deferred Share Units	14	-	297,581	-	-	-	297,581
Redemption of Deferred Share Units for cash	14	41,789	(41,789)	-	-	-	-
Fair value adjustment of Deferred Share Units		-	897	-	-	-	897
Share incentive compensation	15	-	-	94,948	-	-	94,948
Issuance costs of common shares, December 4, 2014	13	(69,359)	-	-	-	-	(69,359)
Total transactions with Shareholders		208,857,390	576,508	9,323,370	22,179,246	(21,774,806)	219,161,708
Comprehensive Income							
Other comprehensive gain		-	-	-	6,908,702	-	6,908,702
Net loss for the period		-	-	-	-	(1,602,340)	(1,602,340)
Total Comprehensive Income		-	-	-	6,908,702	(1,602,340)	5,306,362
Balances, September 30, 2015		\$ 208,857,390	\$ 576,508	\$ 9,323,370	\$ 29,087,948	\$ (23,377,146)	\$ 224,468,070
Balances, April 1, 2014		\$ 137,100,022	\$ 62,500	\$ 9,228,422	\$ 8,072,943	\$ (20,389,430)	134,074,457
Transactions with Shareholders							
Issuance of Deferred Share Units		-	146,356	-	-	-	146,356
Redemption of Deferred Share Units for cash		-	(18,712)	-	-	-	(18,712)
Fair value adjustment of Deferred Share Units		-	(2,431)	-	-	-	(2,431)
Total transactions with Shareholders		-	125,213	-	-	-	125,213
Comprehensive Income							
Other comprehensive loss		-	-	-	1,019,718	-	1,019,718
Net loss for the period		-	-	-	-	(192,839)	(192,839)
Total Comprehensive Income		-	-	-	1,019,718	(192,839)	826,879
Balances, September 30, 2014		\$ 137,100,022	\$ 187,713	\$ 9,228,422	\$ 9,092,661	\$ (20,582,269)	\$ 135,026,549

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

1. CORPORATE STATUS, REPORTING ENTITY AND NATURE OF OPERATIONS

Ceres Global Ag Corp. (hereinafter referred to as “Ceres” or the “Corporation”) was incorporated on November 1, 2007, as amended on December 6, 2007, under the provisions of the *Business Corporations Act* (Ontario). On April 1, 2013, Ceres Global Ag Corp. amalgamated with Corus Land Holding Corp. In addition, on April 1, 2014, Ceres Global Ag Corp. amalgamated with Riverland Agriculture Ltd. and Ceres Canada Holding Corp. Thereafter, the amalgamated corporations continued operating as Ceres Global Ag Corp. Ceres is a corporation domiciled in Canada, with its head office located at 1660 South Highway 100, Suite 350, St. Louis Park, Minnesota, United States, 55416.

These interim condensed consolidated financial statements of Ceres as at and for the three and six-month periods ended September 30, 2015 and 2014 include the accounts of Ceres and its wholly owned subsidiaries Ceres U.S. Holding Corp., and Riverland Ag Corp. (“Riverland Ag”). All intercompany transactions and balances have been eliminated. In combination with Riverland Ag, the Corporation is an agricultural cereal grain storage, customer-specific procurement and supply ingredient company that owns and operates nine (9) grain storage, handling and merchandising facilities in the states of Minnesota and New York, and the provinces of Ontario and Saskatchewan, with a combined licensed capacity of 42 million bushels. Riverland Ag also manages two (2) facilities in Wyoming on behalf of its customer-owner.

The Corporation has one reportable segment while having two operating segments: (1) grain trading, handling and storage, and; (2) logistics, which includes transloading non-grain commodities on behalf of third-party customers. With the exception of \$246,208 of revenue recognized for the six-month period ended September 30, 2015 (2014: nil), all of the Corporation’s revenues for the six-month periods ended September 30, 2015 and 2014 are generated through grain trading, handling and storage, which total \$154,330,899 (2014: \$68,583,986).

2. BASIS OF PREPARATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and with IAS 34 *Interim Financial Reporting* (“IAS 34”). Certain information and disclosures normally required to be included in notes to annual consolidated financial statements have been condensed or omitted. Accounting, estimation and valuation policies have been consistently applied to all periods presented herein, in accordance with IFRS.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 5, 2015.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars (“CAD”), which is the Corporation’s functional currency.

Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value;
- Financial instruments at fair value through profit or loss are measured at fair value; and
- Inventories are measured at fair value less costs to sell.

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements should be read in conjunction with Ceres' audited consolidated financial statements for the year ended March 31, 2015. The Corporation's significant accounting policies were presented in Note 3 of those audited financial statements.

4. STANDARD ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Corporation's interim consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Corporation reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

IAS 1 – Presentation of Financial Statements

On December 18, 2014, the IASB issued amendments to IAS 1 as part of its major initiative to improve presentation and disclosure in financial reports. The amendments to IAS 1 will be effective for annual periods beginning on or after January 1, 2016. The Corporation does not expect the amendments to have a material impact on the financial statements.

IFRS 9 – Financial Instruments

On July 24, 2014, the IASB issued the final version of IFRS 9, which replaces *IAS 39 – Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The new standard introduces requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and the fair value of an entity's own debt. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Ceres has not yet determined the impact of this standard on the Corporation's consolidated financial statements and has not decided whether to early adopt this standard.

IFRS 15 – Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15, which provides a single, principles-based five-step model to be applied to all contracts with customers. IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more relevant disclosures. IFRS 15 supersedes *IAS 18 – Revenue*, *IAS 11 – Construction Contracts*, and a number of revenue-related interpretations and applies to annual reporting periods beginning on or after January 1, 2018. Application of the standard is mandatory for all IFRS reporters and early adoption is permitted. Ceres has not yet determined the impact of this standard on the Corporation's consolidated financial statements and has not decided whether to early adopt this standard.

5. DUE FROM BROKERS

Due from Brokers represents unrealized gains and losses due from custodian brokers on commodity futures and options contracts in addition to margin deposits in the form of cash that are held by custodian

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

brokers in connection with such contracts. Amounts due from Brokers are offset by amounts due to the same Brokers, under the terms and conditions of enforceable master netting arrangements in effect with all brokers, through which the Corporation executes its transactions and for which the Corporation intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Amounts due from Brokers represent the following:

	<u>September 30, 2015</u>	<u>March 31, 2015</u>
Due from Brokers		
Margin deposits	\$ 8,980,574	\$ 6,525,747
Unrealized gains on future contracts and options, at fair value	-	2,673,417
	<u>8,980,574</u>	<u>9,199,164</u>
Due to Brokers		
Unrealized losses on future contracts and options, at fair value	<u>(1,383,604)</u>	<u>(557,829)</u>
	<u>\$ 7,596,970</u>	<u>\$ 8,641,335</u>

6. FINANCIAL INSTRUMENTS

(a) Fair Value of Financial Instruments

The Corporation's financial assets and liabilities that are measured at fair value in the consolidated balance sheets are categorized by level according to the significance of the inputs used in making the measurements. The following table presents information about the financial assets and liabilities measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques used to determine such fair values.

<u>September 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Portfolio investments	\$ -	\$ 3,537,014	\$ 848,163	\$ 4,385,177
Due from Broker, unrealized gains on futures and options	-	-	-	-
Derivative assets	-	5,135,667	-	5,135,667
Due to Broker, unrealized losses on futures and options	(1,383,604)	-	-	(1,383,604)
Derivative liabilities	-	(2,228,490)	-	(2,228,490)
Derivative warrant liabilities	-	(1,857,000)	-	(1,857,000)
Provision for future payments to Front Street Capital	-	(368,000)	-	(368,000)
	<u>\$ (1,383,604)</u>	<u>\$ 4,219,191</u>	<u>\$ 848,163</u>	<u>\$ 3,683,750</u>

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

<u>March 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Portfolio investments	\$ -	\$ -	\$ 848,163	\$ 848,163
Due from Broker, unrealized gains on futures and options	2,673,417	-	-	2,673,417
Derivative assets	-	9,472,984	-	9,472,984
Due to Broker, unrealized losses on futures and options	(557,829)	-	-	(557,829)
Derivative liabilities	-	(2,607,280)	-	(2,607,280)
Derivative warrant liability	-	(1,719,000)	-	(1,719,000)
Provision for future payments to Front Street Capital	-	(344,000)	-	(344,000)
	\$ 2,115,588	\$ 4,803,704	\$ 848,163	\$ 7,766,455

(b) Management of Financial Instruments Risks

In the normal course of business, the Corporation is exposed to various financial instruments risks, including market risk (consisting of price risk, commodity risk, interest rate risk and currency risk), credit risk, custodian and prime brokerage risks, and liquidity risk. The Corporation's overall risk management program seeks to minimize potentially adverse effects of those risks on the Corporation's financial performance. The Corporation may use derivative financial instruments to mitigate certain risk exposures. The Corporation may invest in non-public and public issuers and assets.

Price risk

As at September 30, 2015 and March 31, 2015, the Corporation's market risk pertaining to portfolio investments was potentially affected by changes in actual market prices. As at September 30, 2015 and March 31, 2015, the Corporation's portfolio investments are solely in private companies. Therefore, market factors affecting the value of the portfolio investments are primarily changes in fair value of the investments and the Corporation's ability to liquidate the investments. As at September 30, 2015 and March 31, 2015, currency risk concerning the portfolio investments is no longer a significant risk issue, as the value of portfolio investments denominated in a currency other than Canadian dollars is not material.

Notwithstanding the foregoing, the following is a summary of the effect on the results of operations of the Corporation, if the fair value of each of the portfolio investments as at September 30, 2015 and March 31, 2015 had increased or decreased by 10%, with all other variables remaining constant:

	<u>Increase (decrease) in net income</u>	<u>Increase (decrease) in earnings per share</u>	<u>Increase (decrease) in net income</u>	<u>Increase (decrease) in earnings per share</u>
Change in fair value of investments				
10% increase in fair value	\$ 438,518	\$ 0.02	\$ 84,816	\$ 0.01
10% decrease in fair value	\$ (438,518)	\$ (0.02)	\$ (84,816)	\$ (0.01)

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

Commodity risk

The following is a summary of the effect on the results of operations of the Corporation, if the fair value of each of the open cash contracts as at September 30, 2015 and March 31, 2015 had increased or decreased by 5%, with all other variables remaining constant:

	<u>September 30, 2015</u>		<u>March 31, 2015</u>	
	<u>Increase (decrease) in net income</u>	<u>Increase (decrease) in earnings per share</u>	<u>Increase (decrease) in net income</u>	<u>Increase (decrease) in earnings per share</u>
<u>Change in bid/ask prices of commodities</u>				
5% increase in bid-ask prices	\$ 191,960	\$ 0.007	\$ 193,030	\$ 0.011
5% decrease in bid-ask prices	\$ (191,960)	\$ (0.007)	\$ (193,030)	\$ (0.011)

Interest rate risk

As at September 30, 2014 and March 31, 2015, Ceres has no long or short portfolio positions in any interest-bearing investment securities.

As at September 30, 2015 and March 31, 2015, except for cash on deposit, the amounts of which vary from time-to-time and on which the Corporation earns interest at nominal variable interest rates, the Corporation had no other variable rate interest-bearing securities. As at those dates, a notional increase or decrease in interest rates applicable to cash on deposit would not have materially affected interest revenue and the results of operations. Therefore, as at September 30, 2015 and March 31, 2015, the Corporation's assets are not directly exposed to any significant degree to cash flow interest rate risk due to changes in prevailing market interest rates.

As disclosed in Note 9 (Credit Facility and Financing), as at September 30, 2015 and March 31, 2015, the Corporation's revolving credit facility bears interest at an annual rate of 2.875% plus overnight LIBOR. As at September 30, 2015, management has determined the effect on the future results of operations of the Corporation, if the variable interest rate component applicable on those dates on the revolving credit facility were to increase by 25 basis points ("25 bps") as at those dates respectively, using the balance of the revolving credit facility payable as at those dates, using the number of shares then issued and outstanding, and with all other variables remaining constant.

CERES GLOBAL AG CORP.
Notes to the Interim Condensed Consolidated Financial Statements
September 30, 2015
(Unaudited)

On that basis, the potential effects on the future result of operations would be as follows:

	<u>September 30, 2015</u>		<u>March 31, 2015</u>	
	<u>Increase in net loss</u>	<u>Increase in loss per share</u>	<u>Increase in net loss</u>	<u>Increase in loss per share</u>
<u>Change in interest rate on revolving facility</u>				
25 bps increase in annual interest rate	\$ (282,354)	\$ (0.01)	\$ (54,611)	\$ (0.00)
<u>Change in interest rate on term loan</u>				
25 bps increase in annual interest rate	\$ (159,148)	\$ (0.01)	\$ (149,384)	\$ (0.01)

Ceres is not subject to cash flow interest rate risk concerning the repurchase obligations, as these liabilities bear interest at fixed rates.

Currency risk

In the normal course of business, Ceres may hold assets or have liabilities denominated in currencies other than Canadian dollars.

Therefore, Ceres is exposed to currency risk, as the value of any assets or liabilities denominated in currencies other than CAD will vary due to changes in foreign exchange rates.

As at September 30, 2015 and March 31, 2015, the following is a summary, at fair value, of Ceres' exposure to significant currency risks:

<u>Currency</u>	<u>September 30, 2015</u>		<u>March 31, 2015</u>	
	<u>Net asset exposure*</u>	<u>Net futures contracts (to buy foreign currency)</u>	<u>Net asset exposure</u>	<u>Net futures contracts (to buy foreign currency)</u>
U.S. dollars	\$ 207,297	\$ -	\$ 840,344	\$ -

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

The following is a summary of the effect on Ceres' results of operations if the CAD had become 5% stronger or weaker against each of the other currencies as at September 30, 2015 and March 31, 2015, with all other variables remaining constant, related to assets and liabilities denominated in foreign currencies:

	<u>September 30, 2015</u>		<u>March 31, 2015</u>	
	<u>Increase (decrease) in net income</u>	<u>Increase (decrease) in earnings per share</u>	<u>Increase (decrease) in net income</u>	<u>Increase (decrease) in earnings per share</u>
<u>Change in foreign exchange rate</u>				
CAD 5% stronger	\$ (14,630)	\$ (0.00)	\$ (50,589)	\$ (0.00)
CAD 5% weaker	\$ 13,236	\$ 0.00	\$ 55,914	\$ 0.00

Currency risk related to the accounts of Ceres' foreign subsidiary, Riverland Ag Corp., relates primarily to the translation of its accounts into CAD for the purposes of the consolidated financial reporting of Ceres. Adjustments related to the translation of foreign currency accounts of a foreign operation are included as other comprehensive income (loss) and have no effect on the determination of net income for the reporting period. Consequently, Ceres has not presented a currency risk sensitivity analysis concerning Riverland Ag Corp.

Other financial instruments

The carrying values of cash and cash equivalents, accounts receivable, bank indebtedness, account payable and accrued liabilities approximate their fair values as at September 30, 2015 due to the short-term nature of these instruments. The carrying value of long-term debt approximates fair value as at September 30, 2015.

Fair value measurements hierarchy transfers

The Corporation recognizes transfers between fair value measurements hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels in the six-month period ended September 30, 2015.

7. ASSETS HELD FOR SALE

Ceres is committed to, and has activated, a plan for the immediate sale of its Electric Steel facility located in Minneapolis, Minnesota, to the University of Minnesota. Management expects it is highly probable the facility will be sold in its present condition.

As at September 30, 2015, the major classes of assets held for sale are as follows:

Land	\$	468,032
Buildings and silos / elevators		1,049,515
Machinery and equipment		189,058
	\$	<u>1,706,605</u>

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

8. PROPERTY, PLANT AND EQUIPMENT

	<u>September 30, 2015</u>	<u>March 31, 2015</u>
Buildings and silos/elevators	\$ 74,822,558	\$ 71,162,646
Machinery and equipment	9,076,665	6,460,963
Furniture, fixtures, computers, office equipment & other assets	2,318,965	1,882,790
Land	29,436,316	29,469,992
Construction in progress	43,215,314	24,016,033
	158,869,818	132,992,424
Less: accumulated depreciation	(14,826,103)	(12,542,345)
	\$ 144,043,715	\$ 120,450,079

As at September 30, 2015, property, plant and equipment accrued but not yet paid totaled \$8,034,265 (as at March 31, 2015: 8,326,721). For the six-month period ended September 30, 2015, acquisitions of property, plant and equipment totaled \$23,105,990 (2014: \$12,495,019).

As at September 30, 2015, property, plant and equipment relating to the development of NCLC totaled \$71,169,224 (as at March 31, 2015: \$49,958,486), which consisted of \$42,607,954 of construction in progress (as at March 31, 2015: \$22,051,477).

9. CREDIT FACILITY AND FINANCING

The Corporation has an uncommitted US\$120,000,000 credit facility. The short-term obligation, which is due December 29, 2015, is guaranteed by wholly owned subsidiaries of the Corporation. 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.

As at September 30 and March 31, 2015, the carrying amount of bank indebtedness is summarized as follows:

	<u>September 30, 2015</u>	<u>March 31, 2015</u>
Revolving line of credit	\$ 115,317,400	\$ 18,963,000
Unamortized financing costs	(80,137)	(226,600)
	\$ 115,237,263	\$ 18,736,400

In addition, the Corporation has a secured term loan facility agreement for US\$25,000,000 with a term of 5 years with an interest rate of one month LIBOR plus 5.25%. The first principal payment on the New Loan is payable on December 29, 2016 for the amount of US\$3,000,000 with the following principal payments of US\$5,000,000 payable on each of December 29, 2017, and December 28, 2018, and US\$12,000,000 payable on December 27, 2019. The loan has an effective interest rate of 6.21% plus one month LIBOR.

The revolving credit facilities at September 30 and March 31, 2015 have certain covenants, including the maintenance of "consolidated debt" to "consolidated tangible net worth" (as defined in the agreement) of not more than 4.0 to 1.0; consolidated minimum working capital of not less than \$30,000,000; and consolidated tangible net worth of not less than \$130,000,000. As at September 30 and March 31, 2015, the Corporation was in compliance with all the above mentioned financial covenants. As at September 30 and March 31, 2015, the carrying amount of the term loan is summarized as follows:

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

	<u>September 30, 2015</u>	<u>March 31, 2015</u>
Term debt	\$ 33,522,500	\$ 31,605,000
Unamortized financing costs	(1,178,856)	(1,223,690)
	<u>\$ 32,343,644</u>	<u>\$ 30,381,310</u>

As at September 30, 2015, the Corporation was unable to fulfill its interest coverage ratio financial covenant as required under its term loan facility agreement. Subsequent to September 30, but prior to the issuance of the Interim Condensed Consolidated Financial Statements, Ceres received an irrevocable waiver of the covenant violation from its lender, and as a result, the lender cannot demand payment of the debt as a result of the breach.

However, while the waiver of the September 30, 2015 financial covenant occurred subsequent to September 30, 2015, but prior to the issuance date, IFRS requires this liability to be classified as current, since, according to IFRS, the Corporation did not have an unconditional right at the balance sheet date to defer the settlement of the debt for at least 12 months.

Therefore, the term loan less unamortized financing cost are classified within “Current portion of long-term debt” on the Interim Condensed Consolidated Balance Sheet as at September 30, 2015. The Corporation expects that the debt will be repaid in accordance with the original payment terms described above.

10. FINANCE INCOME (LOSS)

The following table presents realized and unrealized gain (loss) on foreign exchange for the three-month and six-month periods ended September 30, 2015 and 2014:

	<u>3 months</u>		<u>6 months</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Realized and unrealized gain (loss) on foreign exchange	\$ 176,500	\$ (347,300)	\$ 20,541	\$ (492,734)
Realized and unrealized gain (loss) on currency hedging	(72,433)	327,603	(3,491)	327,603
Revaluation of portfolio investments	1,368,247	-	1,368,247	-
Interest and other revenues	-	17,879	-	17,879
	<u>\$ 1,472,314</u>	<u>\$ (1,818)</u>	<u>\$ 1,385,297</u>	<u>\$ (147,252)</u>

As at March 31, 2015, the Corporation held a 25% equity interest in Canterra Seeds Holdings, Ltd. (“Canterra” or “the Investee”), that had a carrying value of \$2,168,767. This investment, accounted for using the equity method, was classified on the Consolidated Balance Sheet as “Investments in associates”.

During the quarter ended September 30, 2015, the Investee issued additional common equity shares, resulting in the dilution of the Corporation’s equity interest to 17%. As a result, the Corporation no longer has significant influence over the financial and operating policies of the Investee. Therefore, as at September 30, 2015, Ceres reclassified its investment to portfolio investments and recorded it at fair value, recognizing a gain of \$1,368,247 classified within the Interim Condensed Consolidated Statement of Comprehensive Income as “Finance income”. The investment in Canterra totals \$3,537,014 as at September

CERES GLOBAL AG CORP.
Notes to the Interim Condensed Consolidated Financial Statements
September 30, 2015
(Unaudited)

30, 2015, and is classified on the Interim Condensed Consolidated Balance Sheet within “Portfolio investments, at fair value”.

11. INTEREST EXPENSE

The following table presents interest income (expense) for the three-month and six-month periods ended September 30, 2015 and 2014:

	<u>3 months</u>		<u>6 months</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Interest on revolving line of credit	\$ 430,358	\$ 376,697	\$ 632,116	\$ 809,632
Interest on repurchase obligation	-	(54)	15,090	65,586
Interest on term debt	435,739	-	859,097	-
Amortization of financing costs paid	136,444	146,934	264,242	294,111
Interest income	(53,510)	(102)	(55,003)	(194)
	\$ 949,031	\$ 523,475	\$ 1,715,542	\$ 1,169,135

12. DERIVATIVE WARRANT LIABILITY

In connection with the completion of the rights offering, on December 4, 2014, Ceres issued an aggregate of 2,083,334 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 stand-by warrants issued, were issued at a fixed price of \$5.84 and are each exercisable into one common share of the Corporation. The warrants have an expiry date 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 such transaction 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 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, and if, the warrants when exercised are converted to common shares, or will be extinguished upon the expiration of the outstanding warrants, and will not result in the outlay of any cash by the Corporation.

As at September 30, 2015, the fair value of the warrants is estimated using the Black Scholes pricing model with the following assumptions: an average risk free interest rate of 0.52%; an average expected volatility factor of 22.83%; an expected dividend yield of nil; and expected remaining life of 1.18 years. The fair value of the stand-by warrants as at September 30, 2015, was estimated at \$1,857,000.

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

13. SHAREHOLDERS' CAPITAL

As at September 30, 2015, directors and officers of the Corporation, through a controlled entity, beneficially own, directly or indirectly, or exercise control or direction over 40.5% of the outstanding Common shares of the Corporation (compared to 40.3% as at March 31, 2015).

Authorized capital of Ceres consists of an unlimited number of common shares. Changes to shareholders' capital were as follows:

	Number of shares	Amount
Balances, March 31, 2014	14,208,679	\$ 137,100,022
Adjustment to outstanding common shares	(471)	-
Issuance of common shares, December 31, 2014	12,842,465	75,000,000
Share issuance costs		(1,571,062)
Warrants, conditionally issued, December 4, 2014, classified as liabilities		(1,644,000)
Balances, March 31, 2015	27,050,673	\$ 208,884,960
Redemption of deferred share units	6,982	41,789
Share issuance costs	-	(69,359)
Balances, September 30, 2015	27,057,655	\$ 208,857,390

14. DEFERRED SHARE UNITS

The following table summarizes the information related to Deferred Share Units ("DSUs" held by non-executive members of the Board of Directors).

	April 1, 2015 to September 30, 2015	April 1, 2014 to March 31, 2015
	Number of DSUs	Number of DSUs
Deferred share units, beginning of period	52,813	8,913
Granted	45,709	46,574
Redeemed	(6,982)	(2,674)
Balance, end of period	91,540	52,813

CERES GLOBAL AG CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2015

(Unaudited)

15. STOCK OPTION PLAN

During the six months ended September 30, 2015, Ceres granted stock options under the Corporation's Stock Option Plan to certain officers and employees of the Corporation. The exercise price is fixed by the Board of Directors at the time of grant; provided that the exercise price shall not be less than fair market value of the common shares.

As at September 30, 2015, the outstanding stock options are as follows:

Expiry Date	Weighted average fair value of the option	Exercise price	Exercisable options outstanding	Number of stock options issued and outstanding
June 2020	1.47	6.75	60,237	301,185

The total share option compensation cost that has been included in general and administrative expenses for the six months ended September 30, 2015 amounted to \$94,948 (six months ended September 30, 2014: nil).

16. CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS

Six months ended September 30	2015	2014
(Increase) decrease in due from Broker, commodity futures contracts	\$ 1,483,711	\$ (1,514,320)
Decrease in net derivative assets	4,138,196	2,898,690
(Increase) decrease in accounts receivable	(6,010,266)	2,107,397
Increase in inventories	(7,422,358)	(16,298,613)
Decrease (increase) in Sales taxes recoverable	1,069,694	762,473
(Increase) decrease in prepaid expenses and sundry assets	319,568	(1,992,173)
Increase in accounts payable and accrued liabilities	16,985,235	14,298,871
Increase (decrease) in provision for future payments to Front Street Capital	24,000	(106,000)
	\$ 10,587,779	\$ 156,325

17. KEY MANAGEMENT COMPENSATION

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:

	<u>3 months</u>		<u>6 months</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salary and short-term employee benefits	\$ 392,076	\$ 384,853	\$ 769,081	\$ 1,221,237
Share-based compensation	150,191	116,860	367,789	253,299
	\$ 542,267	\$ 501,713	\$ 1,136,870	\$ 1,474,536

CERES GLOBAL AG CORP.
Notes to the Interim Condensed Consolidated Financial Statements
September 30, 2015
(Unaudited)

18. CONTINGENCIES AND COMMITMENTS

(a) Legal

The Corporation is involved in various legal claims and legal notices arising in the ordinary course of business. The Corporation believes it has adequately assessed each claim, and the necessity of a provision for such claims. As at September 30, 2015, the Corporation has no provision for any contingent liabilities.

During the year ended March 31, 2014, Ceres terminated its arrangements and ongoing discussions with a potential development partner with respect to the development and construction of a grain facility at NCLC. The termination of discussions with the potential partner may have implications for any amounts to be collected from the potential partner and amounts previously paid to Ceres by the potential partner in respect to a certain portion of NCLC site preparation costs under a Cost-Sharing Agreement. The recovery and/or reimbursement of such amounts, if any, will be subject to resolution of the claim described below.

During the year ended March 31, 2015, the potential partner initiated an action against the Corporation for injunctive relief and unspecified damages relating to the development and construction of a grain facility at the Corporation's NCLC.

As of the date hereof, the Corporation, based on the advice of its litigation counsel, does not believe that the claims alleged by the former partner have any legal merit, and therefore, the Corporation intends to vigorously defend the lawsuit. Prior to the termination of its relationship with the former partner, the counterparty paid \$3,899,146 in costs related to the project. The Corporation does not believe that the counterparty is entitled to any of these costs based on the legal relationship that existed at the time, and based on the claims alleged in the counterparty's complaint. The outcome of this complaint is difficult to assess or quantify. The plaintiff may seek recovery of large or indeterminate amounts, and the magnitude of the potential loss may remain unknown for substantial periods of time. The cost to defend this complaint may be significant. In addition, this complaint, if decided adversely to the Corporation or settled by the Corporation, may result in liability material to the Corporation's financial statements as a whole or may materially and adversely affect the Corporation's business, financial position, cash flow, and/or results of operations.

(b) Commitments

Capital expenditures contracted but not yet incurred are as follows:

	September 30, 2015	March 31, 2015
Property, plant and equipment	\$ 11,043,748	\$ 25,383,770