Unaudited Interim Condensed Consolidated Financial Statements of

CERES

GLOBAL AG CORP.

For the three-month and six-month periods ended December 31, 2017 and 2016

(Expressed in US Dollars)

CERES GLOBAL AG CORP.

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CERES GLOBAL AG CORP.

Interim Condensed Consolidated Balance Sheets

Unaudited

(In thousands of USD)	December 31, 2017	June 30, 2017
Assets		
Current assets:		
Cash	$ 4,370	$ 585
Due from brokers (Note 5)	2,999	1,828
Unrealized gains on open cash contracts (Note 6)	7,806	10,502
Accounts receivable, trade	10,415	22,695
Inventories, grains	70,315	95,275
Prepaid expenses and sundry assets	784	1,924
Portfolio investments (Note 6)	2,826	3,193
Total current assets	99,515	136,002
Investments in associates	2,632	2,706
Intangible assets	300	300
Property, plant and equipment (Note 7)	118,122	117,274
Total assets	$ 220,569	$ 256,282
Liabilities and Shareholders’ Equity		
Current liabilities:		
Bank indebtedness (Note 8)	$ 28,878	$ 56,443
Current portion of long-term debt (Note 9)	5,000	3,000
Accounts payable and accrued liabilities	27,578	22,560
Unrealized losses on open cash contracts (Note 6)	1,797	14,066
Total current liabilities	63,253	96,069
Long-term debt (Note 9)	6,555	11,454
Total liabilities	69,808	107,523
Shareholders’ equity:		
Common shares (Note 12)	203,358	203,263
Deferred share units (Note 13)	766	771
Contributed surplus (Note 14)	9,737	9,632
Accumulated other comprehensive income (loss)	(18,996)	(21,385)
Deficit	(44,104)	(43,522)
Total shareholders' equity	150,761	148,759
Contingent liabilities (Note 16)		
Total liabilities and shareholders’ equity	$ 220,569	$ 256,282

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

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

Three months and six months ended December 31, 2017 and 2016

Unaudited

	Three months ended December 31		Six months ended December 31	
(In thousands of USD except shares and loss per share)	**2017**	**2016**	**2017**	**2016**
Revenues	$ 89,569	$ 131,838	$ 220,208	$ 287,765
Cost of sales	(85,286)	(128,968)	(212,862)	(283,024)
Gross profit	4,283	2,870	7,346	4,741
General and administrative expenses	(3,121)	(2,091)	(5,665)	(4,567)
Income from operations	1,162	779	1,681	174
Finance income (loss) (Note 10)	(74)	56	(319)	226
Interest expense (Note 11)	(845)	(965)	(1,775)	(1,919)
Revaluation of derivative warrant liability	—	1	—	104
Gain (loss) on disposal of property, plant and equipment (Note 7)	—	—	(63)	—
Income (loss) before income taxes and undernoted item	243	(129)	(476)	(1,415)
Income tax recovery (expense)	64	11	62	8
Share of net loss in investment in associate	(83)	(35)	(168)	(102)
Net income (loss)	224	(153)	(582)	(1,509)
Components of comprehensive income (loss):				
Gain (loss) on currency translation adjustment	(717)	(1,814)	2,389	(3,059)
Total comprehensive income (loss)	$ (493)	$ (1,967)	$ 1,807	$ (4,568)
Weighted-average number of shares for the period	27,917,186	27,303,167	27,913,799	27,095,954
Income (loss) per share:				
Basic	$ 0.01	$ (0.01)	$ (0.02)	$ (0.06)
Diluted	0.01	(0.01)	(0.02)	(0.06)
Supplemental disclosure of selected information:				
Depreciation included in Cost of sales	$ (1,227)	$ (1,146)	$ (2,455)	$ (2,304)
Depreciation included in General and admin expenses	(18)	(22)	(40)	(43)
Amortization of financing costs included in Interest expense	(127)	(172)	(254)	(344)
Personnel costs included in Cost of sales	(1,227)	(1,310)	(2,780)	(2,823)
Personnel costs included in General and admin expenses	(1,747)	(1,204)	(3,265)	(2,274)

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

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Cash Flows

Six months ended December 31, 2017 and 2016

Unaudited

(In thousands of USD)		**2017**		**2016**
Operating activities:				
Net loss	$	(582)	$	(1,509)
Adjustments for:				
Depreciation of property, plant and equipment		2,495		2,347
Interest expense		1,775		1,919
Revaluation of portfolio investments		486		—
Loss on property, plant and equipment		63		—
Income tax expense (net)		(67)		(25)
Share-based compensation		195		196
Share of net loss in investments in associates		168		102
Revaluation for future payments to Front Street Capital		(10)		(44)
Revaluation of derivative warrant liability		—		(104)
Revaluation of foreign denominated accounts		(329)		—
Changes in non-cash working capital accounts:				
Due from broker		(1,171)		2,731
Unrealized gains on open cash contracts		(9,605)		837
Accounts receivable, trade		12,409		(4,370)
Inventories, grains		25,280		12,809
Prepaid expenses and sundry assets		1,123		937
Accounts payable and accrued liabilities		4,929		6,046
Interest paid		(1,590)		(1,656)
Net cash provided by operating activities		35,569		20,216
Investing activities:				
Disposition of assets held for sale		(63)		—
Acquisition of property, plant and equipment		(979)		(7,518)
Net cash used in investing activities		(1,042)		(7,518)
Financing activities:				
Net repayment of bank indebtedness		(27,582)		(8,695)
Repayment of term loan		(3,000)		(8,642)
Financing costs paid		(135)		(305)
Warrants exercised		—		5,425
Repurchase of common shares under normal course issuer bid		—		(285)
Net cash used in financing activities		(30,717)		(12,502)
Foreign exchange cash flow adjustment on accounts denominated in a foreign currency		(25)		(185)
Increase in cash and cash equivalents		3,785		11
Cash and cash equivalents, beginning of period		585		(110)
Cash and cash equivalents, end of period	$	4,370	$	(99)
Cash		4,370		1,064
Cheques issued in excess of cash on hand		—		(1,163)
Cash and cash equivalents, end of period	$	4,370	$	(99)

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

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

Six months ended December 31, 2017 and 2016

Unaudited

(In thousands of USD)	Common shares	Deferred share units	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balances, June 30, 2017	$ 203,263	$ 771	$ 9,632	$ (21,385)	$ (43,522)	$ 148,759
Issuance of Deferred Share Units	—	162	—	—	—	162
Redemption of Deferred Share Units for cash	82	(82)	—	—	—	—
Fair value adjustment of Deferred Share Units	—	(85)	—	—	—	(85)
Share incentive compensation	13	—	105	—	—	118
Net loss	—	—	—	—	(582)	(582)
Other comprehensive income						
Foreign currency translation adjustments	—	—	—	2,389	—	2,389
Balances, December 31, 2017	$ 203,358	$ 766	$ 9,737	$ (18,996)	$ (44,104)	$ 150,761
Balances, June 30, 2016	$ 199,606	$ 617	$ 9,432	$ (21,361)	$ (30,696)	$ 157,598
Issuance of Deferred Share Units	—	120	—	—	—	120
Fair value adjustment of Deferred Share Units	—	(20)	—	—	—	(20)
Repurchases under normal course issuer bid	(418)	—	—	—	134	(284)
Share incentive compensation	—	—	96	—	—	96
Exercise of warrants	5,425	—	—	—	—	5,425
Net loss	—	—	—	—	(1,509)	(1,509)
Other comprehensive income						
Foreign currency translation adjustments	—	—	—	(3,059)	—	(3,059)
Balances, December 31, 2016	$ 204,613	$ 717	$ 9,528	$ (24,420)	$ (32,071)	$ 158,367

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

(1) CORPORATE STATUS, REPORTING 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 in St. Louis Park, Minnesota, United States.

These interim condensed consolidated financial statements of Ceres as at and for the three-month and six-month periods ended December 31, 2017 and 2016 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 operates six grain storage, handling and merchandising facilities in the state of Minnesota and the provinces of Ontario and Saskatchewan, with a combined licensed capacity of 34.4 million bushels.

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 $1.4 million of revenue recognized for the six months ended December 31, 2017 and $446 thousand for the six months ended December 31, 2016, all of the Corporation's revenues are comprised of grain trading, handling and storage.

(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 International Accounting Standards ("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 of the Corporation (the "Board of Directors") on February 13, 2018.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in United States Dollars ("USD"), which is different from the Corporation's functional currency of Canadian Dollars ("CAD").

Basis of measurement

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

- Derivative financial instruments are measured at fair value;

- Assets held for sale are measured at fair value less costs to sell;
- Financial instruments at fair value through profit or loss are measured at fair value; and
- Inventories of agricultural commodities are measured at fair value less costs to sell.

(3) CORPORATE STATUS, REPORTING AND NATURE OF OPERATIONS

These interim condensed consolidated financial statements should be read in conjunction with Ceres' audited consolidated financial statements for the year ended June 30, 2017. The Corporation's significant accounting policies were presented in Note 3 of those audited financial statements.

(4) STANDARDS ISSUED BUT NOT EFFECTIVE

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

IFRS 9 – Financial Instruments

On July 24, 2014, the International Accounting Standards Board ("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.

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, although early adoption is permitted. The Corporation has determined this standard will not have a material impact on the consolidated financial statements.

IFRS 16 – Leases

On January 13, 2016, the IASB issued IFRS 16. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The new standard is effective for annual periods beginning on or after January 1, 2019. Ceres has not yet determined the impact of this standard on the Corporation's consolidated financial statements.

(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 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:

(in thousands of USD)	**December 31, 2017**	**June 30, 2017**
Margin deposits	$ 2,415	$ 2,815
Unrealized gains on futures contracts and options, at fair value	584	33
	2,999	2,848
Unrealized losses on futures contracts and options, at fair value	—	(1,020)
Due from brokers	$ 2,999	$ 1,828

(6) FINANCIAL INSTRUMENTS

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 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 months ended December 31, 2017.

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.

(in thousands of USD)	**December 31, 2017** Level 1	Level 2	Level 3	Total
Portfolio investments	$ —	$ —	$ 2,826	$ 2,826
Due from broker, unrealized gains on futures and options (Note 5)	584	—	—	584
Unrealized gains on open cash contracts (derivatives)	—	7,806	—	7,806
Unrealized losses on open cash contracts (derivatives)	—	(1,797)	—	(1,797)
Provision for future payments to Front Street Capital, included in Accounts Payable	—	(1)	—	(1)
	$ 584	$ 6,008	$ 2,826	$ 9,418

(in thousands of USD)	**June 30, 2017** Level 1	Level 2	Level 3	Total
Portfolio investments	$ —	$ —	$ 3,193	$ 3,193
Due from broker, unrealized gains on futures and options (Note 5)	33	—	—	33
Unrealized gains on open cash contracts (derivatives)	—	10,502	—	10,502
Due from broker, unrealized losses on futures and options (Note 5)	(1,020)	—	—	(1,020)
Unrealized losses on open cash contracts (derivatives)	—	(14,066)	—	(14,066)
Provision for future payments to Front Street Capital, included in Accounts Payable	—	(11)	—	(11)
	$ (987)	$ (3,575)	$ 3,193	$ (1,369)

Reconciliation of Level 3 fair values:

(in thousands of USD)	**Level 3**
Balance at June 30, 2017	$ 3,193
Revaluation of portfolio investments	(486)
Currency translation differences	119
Balance at December 31, 2017	$ 2,826

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 December 31, 2017, the Corporation's market risk pertaining to portfolio investments was potentially affected by changes in actual market prices. 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.

Management has determined the effect on the results of operations of the Corporation for the six months ended December 31, 2017 if the fair value of each of the portfolio investments as of that date had increased or decreased by 10%, using the fair market value of the portfolio investments as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

The potential effects on the result of operations for the six months ending December 31, 2017 would be as follows:

(in thousands of USD except loss per share)	**(Increase) decrease in net loss**	**(Increase) decrease in loss per share**
10% increase in fair value of portfolio investments	$ 283	$ 0.01
10% decrease in fair value of portfolio investments	$ (283)	$ (0.01)

Commodity risk

Management has determined the effect on the results of operations of the Corporation for the six months ended December 31, 2017 if the fair value of each of the open cash contracts as of that date had increased or decreased by 5%, using the open cash contracts as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

The potential effects on the result of operations for the six months ending December 31, 2017 would be as follows:

(in thousands of USD except loss per share)		**(Increase) decrease in net loss**		**(Increase) decrease in loss per share**
5% increase in bid/ask prices of commodities	$	(2,285)	$	(0.08)
5% decrease in bid/ask prices of commodities	$	2,285	$	0.08

<u>Interest rate risk</u>

As at December 31, 2017, Ceres had no long or short portfolio positions in any interest-bearing investment securities.

As at December 31, 2017, 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 financial assets. 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 December 31, 2017, 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 8 (Bank Indebtedness), as at December 31, 2017, the Corporation's Credit Facility (as defined herein) bears interest at an annual rate of 3.875% plus overnight LIBOR. As at December 31, 2017, management has determined the effect on the future results of operations of the Corporation if the variable interest rate component applicable on that date was to increase by 25 basis points ("25 bps"), using the balance of the revolving credit facility payable as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

Furthermore, as at December 31, 2017, the Corporation's term loan (Note 9) bears interest at an annual rate of 5.25% plus one month LIBOR. As at December 31, 2017, management has determined the effect on the future results of operations of the Corporation if the variable interest rate component applicable on that date on the term loan was to increase by 25 bps, using the balance of the term loan payable as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

On that basis, the potential effects on the result of operations for the six months ending December 31, 2017 would be as follows:

(in thousands of USD except loss per share)		**Increase in net loss**		**Increase in loss per share**
Revolving credit facility				
25 bps increase in annual interest rate	$	37	$	0.00
Term loan				
25 bps increase in annual interest rate	$	15	$	0.00

Credit risk

Credit risk is the risk a counterparty would be unable to pay for amounts due to the Corporation in accordance with the terms and conditions of the debt instruments. As at December 31, 2017, the Corporation is subject to credit risk concerning cash, amounts due from brokers, trade accounts receivable, and to the extent that open cash contracts for grain commodities have given rise to unrealized gains. The maximum exposure to credit risk on those assets is limited to the carrying value of those assets. The Corporation uses various grain contracts as part of its overall grain merchandising strategies. Performance on these contracts is dependent on delivery of the grain or a customer buy-out. There is counter-party risk associated with non-performance, which may have the potential of creating losses. Management has assessed the counter-party risk and believes that insignificant losses, if any, would result from non-performance.

The Corporation regularly evaluates its credit risk concerning its trade accounts receivable to the extent that such receivables may be concentrated with significant customers. The Corporation minimizes this risk by having a diverse customer base and established credit policies. The aging of the Corporation's trade accounts receivable is substantially current. Based on its review and assessment of its trade accounts receivable, management has determined that, as at December 31, 2017, no allowance for doubtful accounts is warranted.

The Corporation had two customers that each individually represented more than 10% of total revenue for the six months ended December 31, 2017, comprising 16% and 10% of total revenue. For the six months ended December 31, 2016, the Corporation had one customer that individually represented more than 10% of total revenue, comprising 10% of total revenue.

Custody and prime brokerage risk

There are risks involved with dealing with a custodian or broker who settle trades. In certain circumstances, the securities or other assets deposited with the custodian or broker may be exposed to credit risk with respect to those parties. In addition, there may be practical or timing problems associated with enforcing the Corporation's rights to its assets in the case of the insolvency of any such party. Notwithstanding the foregoing, management has evaluated the risk of loss related to the custodian or brokers and has determined this risk to be insignificant.

Liquidity risk

As at December 31, 2017 and June 30, 2017, the following are the contractual maturities of financial liabilities, excluding interest payments:

December 31, 2017

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 Year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 28,878	$ 29,013	$ 29,013	$ —	$ —	$ —
Accounts payable and accrued liabilities	27,578	27,578	27,578	—	—	—
Unrealized losses on open cash contracts	1,797	1,797	1,797	—	—	—
Long-term debt	11,555	12,000	5,000	7,000	—	—
Operating lease obligations	—	1,421	519	415	487	—

June 30, 2017

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 Year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 56,443	$ 56,595	$ 56,595	$ —	$ —	$ —
Accounts payable and accrued liabilities	22,560	22,560	22,560	—	—	—
Unrealized losses on open cash contracts	14,066	14,066	14,066	—	—	—
Long-term debt	14,454	15,000	3,000	5,000	7,000	—
Operating lease obligations	—	1,652	517	456	679	—

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.

Currency risk

In the normal course of business, Ceres may hold assets or have liabilities denominated in currencies other than USD. Therefore, Ceres is exposed to currency risk, as the value of any monetary assets or liabilities denominated in currencies other than USD will vary due to changes in foreign exchange rates.

As at December 31, 2017, the following is a summary, at fair value, of Ceres' exposure to currency risks on monetary assets and liabilities:

(in thousands of CAD)		**Net asset (liability) exposure**
Canadian dollars	$	(2,412)

The following is a summary of the effect on Ceres' profit or loss for the six months ended December 31, 2017 if the USD had become 5% stronger or weaker against the CAD as at December 31, 2017, with all other variables remaining constant, related to monetary assets and liabilities denominated in CAD:

(in thousands of USD except loss per share)		**Increase (decrease) in net loss**		**Increase (decrease) in loss per share**
CAD 5% Stronger	$	101	$	0.00
CAD 5% Weaker	$	(92)	$	0.00

Currency risk for Ceres relates to transactions denominated in a currency other than USD and the translation of its accounts from the functional currency CAD to the presentation currency USD for the purposes of the consolidated financial reporting of Ceres. Adjustments related to the translation of accounts from the functional currency to the presentation currency are included as other comprehensive income (loss) and have no effect on the determination of net income for the reporting period.

(7) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprised the following at December 31, 2017 and June 30, 2017:

(in thousands of USD)	Land	Buildings Silos & Elevators	Machinery & equipment	Office equipment & other assets	Construction in progress	Totals
Cost						
June 30, 2017	$ 21,936	$ 82,179	$ 24,424	$ 3,633	$ 357	$ 132,529
Additions	—	—	—	—	836	836
Placed in service	—	634	409	—	(1,043)	—
Disposals	—	—	—	—	(18)	(18)
Currency translation	597	1,240	753	72	—	2,662
December 31, 2017	22,533	84,053	25,586	3,705	132	136,009
Accumulated depreciation						
June 30, 2017	—	(11,009)	(2,729)	(1,517)	—	(15,255)
Depreciation	—	(1,509)	(830)	(156)	—	(2,495)
Currency translation	—	(60)	(64)	(13)	—	(137)
December 31, 2017	—	(12,578)	(3,623)	(1,686)	—	(17,887)
Carrying amount						
December 31, 2017	$ 22,533	$ 71,475	$ 21,963	$ 2,019	$ 132	$ 118,122
June 30, 2017	$ 21,936	$ 71,170	$ 21,695	$ 2,116	$ 357	$ 117,274

Costs related to property, plant and equipment accrued but not yet paid totaled $3.1 million as at December 31, 2017 and $3.9 million as at June 30, 2017.

During the six months ended December 31, 2017, the Corporation closed on the sale of the Buffalo and Duluth Lakeport storage facilities. The realized gain on the sale of its Buffalo storage facility of $103 thousand and a loss of $166 thousand on the sale of Duluth Lakeport, which are within profit and loss for the six months ended December 31, 2017. As at June 30, 2017, both facilities were classified as “Property, plant and equipment” on the Consolidated Balance Sheet, valued at nil, being the lesser of their carrying amount and fair value less costs to sell.

(8) BANK INDEBTEDNESS

On December 28, 2017, the Corporation amended its uncommitted credit facility (the "Credit Facility"), which now expires on December 27, 2018. The maximum borrowings under the revolving facility are $67.5 million. Borrowings bear an interest rate of overnight LIBOR plus 3.875% per annum, and interest is 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 December 31, 2017, the Corporation was in compliance with all covenants.

As at December 31, 2017 and June 30, 2017, the Corporation had $20.9 million and $10.7 million in availability, respectively, on its revolving line of credit.

As at December 31, 2017 and June 30, 2017, the carrying amount of bank indebtedness is summarized as follows:

(in thousands of USD)		**December 31, 2017**		**June 30, 2017**
Revolving line of credit	$	29,013	$	56,595
Unamortized financing costs		(135)		(152)
Bank indebtedness	$	28,878	$	56,443

(9) TERM LOAN

In accordance with the Corporation's senior secured term loan facility agreement with Macquarie Bank entered into on December 30, 2014 and subsequently amended, a principal payment of $3.0 million was paid on December 29, 2017. The next principal payment is payable on December 28, 2018 in the amount of $5.0 million and the final principal payment is due on December 27, 2019 in the amount of $7.0 million. The term loan has an interest rate of one month LIBOR plus 5.25%.

Prior to that, the Corporation reduced the principal of its term loan to $15.0 million by making the following payments. On December 29, 2016, the Corporation paid down the principal on its term loan facility agreement by the amount of $1.6 million in accordance with the principal payment schedule included in the agreement and made an additional principal payment of $7.0 million. On November 17, 2015, $1.4 million was repaid of its outstanding term debt..

In connection with the origination of the term loan, the Corporation paid transaction costs relating to the loan closure in the amount of $1.0 million, which included legal fees and other related borrowing costs. Transaction costs directly attributable to the issuance of the term loan are recognized as a reduction in the balance of the loan, and are amortized over the term of the loan using the effective interest rate method.

(in thousands of USD)		December 31, 2017		June 30, 2017
Total term debt	$	12,000	$	15,000
Less current portion of long-term debt		(5,000)		(3,000)
		7,000		12,000
Unamortized financing costs		(445)		(546)
Total long-term debt	$	6,555	$	11,454

The term loan is secured by the following: (i) a security interest in substantially all of the personal property of Ceres; (ii) a charge and mortgage over substantially all of the real property and elevator assets held by Riverland Ag; and (iii) a pledge of substantially all of the equity interests and investment property held by the Corporation.

(10) FINANCE INCOME (LOSS)

The following table presents realized and unrealized gains (losses) on foreign exchange, currency-hedging transactions and the revaluation of portfolio investments for the three and six months ended December 31, 2017 and 2016:

		3 months				6 months		
(in thousands of USD)		2017		2016		2017		2016
Realized and unrealized gains on foreign exchange	$	(38)	$	68	$	92	$	230
Realized and unrealized gains on currency hedging transactions		(36)		(12)		75		(4)
Revaluation of portfolio investments		—		—		(486)		—
Finance income (loss)	$	(74)	$	56	$	(319)	$	226

(11) INTEREST EXPENSE

The following table presents interest expense for the three and six months ended December 31, 2017 and 2016:

		3 months				6 months		
(in thousands of USD)		2017		2016		2017		2016
Interest on revolving line of credit	$	(470)	$	(448)	$	(991)	$	(875)
Interest on repurchase obligation		—		—		(37)		—
Interest on long-term debt		(248)		(345)		(494)		(700)
Amortization of financing costs paid		(127)		(172)		(253)		(344)
Interest expense	$	(845)	$	(965)	$	(1,775)	$	(1,919)

(12) COMMON SHARES

The following is a summary of the changes in the Common shares for the six-month period ended December 31, 2017 and twelve-month period ended June 30, 2017:

	Common shares		
	Number of Shares		**Amount** *(thousands of USD)*
Balances, June 30, 2016	26,889,055	$	199,606
Redemption of deferred share units	17,333		70
Repurchase under normal course issuer bid	(257,582)		(1,882)
Exercise of warrants	1,250,000		5,425
Directors' remuneration	10,790		44
Balances, June 30, 2017	27,909,596		203,263
Redemption of deferred share units	22,326		82
Directors' remuneration	3,069		13
Balances, December 31, 2017	27,934,991	$	203,358

As at December 31, 2017 and June 30, 2017, directors and officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over 43.6% and 43.6%, respectively, of the outstanding Common shares of the Corporation.

(13) DEFERRED SHARE UNITS

The following table summarizes the information related to deferred share units ("DSUs") outstanding:

	Number of DSUs
Outstanding as at June 30, 2016	142,717
Issued	58,201
Redeemed	(17,333)
Outstanding as at June 30, 2017	183,585
Issued	43,074
Redeemed	(22,326)
Outstanding as at December 31, 2017	204,333

(14) STOCK OPTION PLAN

During the six months ended December 31, 2017, Ceres granted stock options ("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 the fair market value of the common shares. As at December 31, 2017, the outstanding Options are as follows:

	Number of Options		Weighted-average excersie price (CAD)	Weighted-average remaining contractual term (years)
Outstanding as at June 30, 2016	278,331	$	6.71	4.53
Granted	892,826		5.84	4.11
Exercised	—		—	
Expired/forfeited	(79,278)		6.75	
Outstanding as at June 30, 2017	1,091,879		6.00	3.91
Granted	335,500		5.84	4.72
Exercised	—		—	
Expired/forfeited	(30,042)		6.17	
Outstanding as at December 31, 2017	1,397,337	$	5.95	3.62

At the grant date, the fair value of the Options was estimated using the Black-Scholes pricing model with the following weighted-average assumptions: an average risk free interest rate of 1.68%; expected volatility of 20.6%; dividend yield of nil; an average expected option life of 5.0 years; and an average exercise price of CAD 5.84. The weighted average grant date fair value of the Options granted during the quarter ended June 30, 2017, is CAD 0.45 and CAD 0.72 for the six months ended December 31, 2016. As at December 31, 2017 and June 30, 2017, outstanding Options had exercise prices ranging from CAD 5.84 to CAD 6.75.

The total Option compensation cost included in general and administrative expenses for the six months ended December 31, 2017 amounted to $105 thousand and $96 thousand for the six months ended December 31, 2016, with the non-cash expense being accrued and classified within contributed surplus in the Interim Condensed Consolidated Balance Sheet.

(15) 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:

	3 months		6 months	
(in thousands of USD)	**2017**	**2016**	**2017**	**2016**
Salary and short-term employee/director benefits	$ 228	$ 280	$ 519	$ 536
Share-based compensation	123	124	140	171
	$ 351	$ 404	$ 659	$ 707

(16) CONTINGENT LIABILITIES

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 December 31, 2017 and June 30, 2017, the Corporation has no provision for any of these legal claims.

During the year ended March 31, 2014, Ceres terminated its arrangements and ongoing discussions with The Scoular Company (“Scoular”) as a potential development partner with respect to the development and construction of a grain facility at Northgate Logistics Centre (“NLC”). Since the termination of discussions, Scoular filed a breach of contract claim for injunctive relief and unspecified damages. The Corporation intends to vigorously defend the lawsuit. A trial by jury has yet to be scheduled.

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 a 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.