Unaudited Interim Condensed Consolidated Financial Statements of

CERES GLOBAL

For the three month and nine-month periods ended March 31, 2019 and 2018

(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)	March 31, 2019	June 30, 2018
Assets		
Current assets:		
Cash	$ 2,424	$ 960
Due from brokers (Note 5)	2,266	1,923
Unrealized gains on open cash contracts (Note 6)	9,753	8,131
Accounts receivable	15,531	16,580
Accounts receivable due from associates (Note 15)	119	29
Inventories, grains	79,238	43,952
Prepaid expenses and sundry assets	858	1,946
Assets held for sale (Note 7)	—	—
Portfolio investments (Note 6)	752	2,694
Total current assets	110,941	76,215
Deferred tax asset	—	172
Investments in associates	6,971	7,289
Property, plant and equipment (Note 7)	101,217	104,025
Intangible assets (Note 16)	1,226	300
Other assets	455	—
Total assets	$ 220,810	$ 188,001
Liabilities and Shareholders’ Equity		
Current liabilities:		
Bank indebtedness (Note 8)	$ 46,675	$ 10,910
Current portion of term loan (Note 9)	4,896	5,000
Accounts payable and accrued liabilities	19,152	16,574
Accounts payable due to associates (Note 15)	20	36
Unrealized losses on open cash contracts (Note 6)	2,363	3,323
Contingent consideration - current (Note 16)	586	—
Total current liabilities	73,692	35,843
Term loan (Note 9)	14,687	4,661
Contingent consideration - non-current (Note 16)	847	—
Total liabilities	89,226	40,504
Shareholders’ equity:		
Common shares (Note 12)	203,358	203,358
Deferred share units (Note 13)	1,162	801
Contributed surplus	9,512	9,771
Accumulated other comprehensive income (loss)	(23,458)	(22,355)
Deficit	(58,990)	(44,078)
Total shareholders' equity	131,584	147,497
Legal (Note 18)	—	—
Total liabilities and shareholders’ equity	$ 220,810	$ 188,001

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

ON BEHALF OF THE BOARD

Signed "Gary Mize" Director

Signed "Doug Speers" Director

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

Three and nine months ended March 31, 2019 and 2018

Unaudited

(In thousands of USD except shares and loss per share)	Three months ended March 31, 2019	Three months ended March 31, 2018	Nine months ended March 31, 2019	Nine months ended March 31, 2018
Revenues	$ 90,594	$ 98,106	$ 303,656	$ 318,314
Cost of sales	(87,371)	(95,707)	(292,303)	(308,569)
Gross profit	3,223	2,399	11,353	9,745
General and administrative expenses	(2,746)	(3,332)	(9,923)	(8,994)
Income (loss) from operations	477	(933)	1,430	751
Finance income (loss) (Note 10)	(57)	(57)	(1,996)	(376)
Interest expense (Note 11)	(1,289)	(766)	(3,486)	(2,542)
Amortization of intangible assets (Note 16)	(929)	—	(3,041)	—
Legal settlement (Note 18)	—	—	(8,228)	—
Gain (loss) on property, plant and equipment (Note 7)	691	—	696	(63)
Income (loss) before income taxes and undernoted items	(1,107)	(1,756)	(14,625)	(2,230)
Income tax (expense) recovered	(1)	(2)	(5)	60
Share of net income (loss) of associates	(132)	(44)	(282)	(212)
Net income (loss)	(1,240)	(1,802)	(14,912)	(2,382)
Components of comprehensive income (loss):				
Gain (loss) on currency translation adjustment	1,405	(1,992)	(1,103)	397
Total comprehensive income (loss)	$ 165	$ (3,794)	$ (16,015)	$ (1,985)
Basic weighted-average number of shares for the period (Note 12)	27,934,991	27,934,991	27,934,991	27,920,760
Diluted weighted-average number of shares for the period (Note 12)	28,121,924	27,934,991	28,059,349	27,920,760
Loss per share:				
Basic	$ (0.04)	$ (0.06)	$ (0.53)	$ (0.09)
Diluted	(0.04)	(0.06)	(0.53)	(0.09)
Supplemental disclosure of selected information:				
Depreciation included in Cost of sales	$ (1,109)	$ (1,274)	$ (3,318)	$ (3,730)
Depreciation included in General and administrative expenses	(14)	(18)	(46)	(57)
Amortization of financing costs included in Interest expense	(155)	(98)	(597)	(352)
Personnel costs included in Cost of sales	(1,487)	(1,309)	(4,629)	(4,089)
Personnel costs included in General and administrative expenses	(1,844)	(1,604)	(5,102)	(4,869)

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

Nine months ended March 31, 2019 and 2018

(In thousands of USD)	**2019**	**2018**
Operating activities:		
Net loss	$ (14,912)	$ (2,382)
Adjustments for:		
Depreciation of property, plant and equipment	3,364	3,787
Amortization of intangible assets	3,041	—
Interest expense	3,486	2,542
Accretion of contingent consideration	103	—
Revaluation of portfolio investments	1,885	486
Gain on disposal of property, plant and equipment	—	63
Income tax expense	5	—
Share-based compensation	459	342
Share of net loss of associates	282	212
Revaluation for future payments to Front Street Capital	—	(10)
Revaluation of foreign denominated accounts	(14)	(97)
Changes in non-cash working capital accounts:		
Due from brokers	(343)	(209)
Net open cash contracts	(2,582)	(7,217)
Accounts receivable	1,683	6,360
Accounts receivable due from associates	(90)	—
Inventories, grains	(34,775)	36,920
Prepaid expenses and sundry assets	632	(49)
Accounts payable and accrued liabilities	3,872	(4,468)
Accounts payable due to associate(s)	(17)	—
Income tax paid	(154)	—
Interest paid	(3,316)	(2,202)
Net cash provided by (used in) operating activities	(37,391)	34,078
Investing activities:		
Disposition of assets held for sale	696	(63)
Acquisition of Nature's Organic Grist, LLC, net	(2,340)	—
Acquisition of property, plant and equipment	(4,677)	(2,767)
Net cash provided by (used in) investing activities	(6,321)	(2,830)
Financing activities:		
Net proceeds (repayment) of bank indebtedness	36,000	(26,595)
Net proceeds (repayment) of term debt	10,000	(3,000)
Financing costs paid	(826)	(181)
Net cash provided by (used in) financing activities	45,174	(29,776)
Effect of exchange rate changes on cash	2	9
Increase in cash	1,464	1,481
Cash, beginning of period	960	585
Cash, end of period	$ 2,424	$ 2,066

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

Nine months ended March 31, 2019 and 2018

(In thousands of USD)	Common shares	Deferred share units	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balances, June 30, 2018	$ 203,358	$ 801	$ 9,771	$ (22,355)	$ (44,078)	$ 147,497
Issuance of Deferred Share Units	—	237	—	—	—	237
Fair value adjustment of Deferred Share Units	—	124	—	—	—	124
Share incentive compensation net of vesting	—	—	(259)	—	—	(259)
Net income (loss)	—	—	—	—	(14,912)	(14,912)
Other comprehensive income (loss)						
Foreign currency translation adjustments	—	—	—	(1,103)	—	(1,103)
Balances, March 31, 2019	$ 203,358	$ 1,162	$ 9,512	$ (23,458)	$ (58,990)	$ 131,584
Balances, June 30, 2017	$ 203,263	$ 771	$ 9,632	$ (21,385)	$ (43,522)	$ 148,759
Issuance of Deferred Share Units	—	243	—	—	—	243
Redemption of Deferred Share Units	82	(82)	—	—	—	—
Fair value adjustment of Deferred Share Units	—	(76)	—	—	—	(76)
Share incentive compensation	13	—	162	—	—	175
Director remuneration	—	—	—	—	—	—
Exercise of warrants	—	—	—	—	—	—
Net income (loss)	—	—	—	—	(2,382)	(2,382)
Other comprehensive income						
Foreign currency translation adjustments	—	—	—	397	—	397
Balances, March 31, 2018	$ 203,358	$ 856	$ 9,794	$ (20,988)	$ (45,904)	$ 147,116

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 Golden Valley, Minnesota, United States.

These interim condensed consolidated financial statements of Ceres as at and for the three-month and nine-month periods ended March 31, 2019 and 2018 include the accounts of Ceres and its wholly owned subsidiaries, Ceres U.S. Holding Corp., Riverland Ag Corp. ("Riverland Ag"), Natures Organic Grist, LLC ("NOG"), and Ceres Global Ag Corp Mexico S.A. de C.V. ("Ceres Mexico"). All intercompany transactions and balances have been eliminated. 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 29.7 million bushels.

(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 the directors of the Corporation (the "Board of Directors") on May 8, 2019.

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 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 of agricultural commodities are measured at fair value less costs to sell.

(3) SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements should be read in conjunction with Ceres' annual consolidated financial statements for the year ended June 30, 2018. The Corporation's significant accounting policies were presented in Note 3 of those consolidated financial statements.

IFRS 9 – Financial Instruments

Beginning on July 1, 2018, the Company adopted IFRS 9, Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement and provides detailed guidance on classification and measurement of financial assets and liabilities, impairment of financial assets, and hedge accounting. There was no material impact to the Company's consolidated financial statements with regards to the changes in IFRS 9 on the classification and measurement of financial assets and liabilities and hedge accounting.

We completed a detailed assessment of our financial assets and liabilities as at July 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9, including Fair Value Through Profit or Loss ("FVTPL") and Amortized cost:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Due from brokers	FVTPL	FVTPL
Unrealized gains/losses on open cash contracts	FVTPL	FVTPL
Accounts receivable	Amortized cost	Amortized cost
Accounts receivable due from associates	Amortized cost	Amortized cost
Portfolio investments	FVTPL	FVTPL
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Accounts payable due to associates	Amortized cost	Amortized cost
Share-based payment accruals	FVTPL	FVTPL
Bank indebtedness	Amortized cost	Amortized cost
Term debt	Amortized cost	Amortized cost
Contingent consideration	Amortized cost	Amortized cost
Repurchase obligations	Amortized cost	Amortized cost

IFRS 15 – Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and the related Interpretations on revenue recognition. IFRS 15 establishes a single comprehensive model for recognizing revenues from contracts with customers. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services.

The Corporation's grain revenue transactions consist of a single performance obligation to transfer promised goods. The Corporation recognizes revenue when it has fulfilled a performance obligation, which is typically when the grain is shipped from the Ceres facility. In accordance with IFRS 15, the Corporation follows a policy of recognizing sales revenue at the time of delivery of the product and when all the following have occurred: a sales agreement is in place, title and risk of loss have passed, pricing is fixed or determinable, and collection is reasonably assured. Grain storage, rental and other operating income are recorded as earned on an accrual basis. Freight costs and handling charges related to sales are presented gross in Revenues and Cost of sales.

The Company adopted IFRS 15, as of July 1, 2018, using the modified retrospective transition method, which involves not restating periods prior to the date of initial application. The application of IFRS 15 required no adjustment to the Company's interim financial statements for the three and nine months ended March 31, 2019, as the amount and timing of substantially all of its revenues is, and will continue to be, recognized at a point in time.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition-related costs are recognized in profit or loss as incurred, except if related to the issue of debt or equity securities. The excess of the consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Any goodwill that arises is tested at least annually for impairment.

(4) STANDARDS ISSUED BUT NOT EFFECTIVE

The standards 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 includes those that the Corporation reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

IFRS 16 – Leases

On January 13, 2016, the IASB issued IFRS 16 *Leases*. 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 and, as such, will be applicable to the Corporation's fiscal year beginning July 1, 2019. Although early adoption is permitted, the Corporation does not intend to early adopt this standard and is currently evaluating the impact adopting this standard will have on the consolidated financial statements. The Corporation expects to recognize right of use assets and related lease liabilities and expects increased depreciation and interest expenses and decreased operating expenses in cost of sales.

(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)	**March 31, 2019**	**June 30, 2018**
Margin deposits	$ 2,080	$ 2,216
Unrealized gains on futures contracts and options, at fair value	209	271
	2,289	2,487
Unrealized losses on futures contracts and options, at fair value	(23)	(564)
Due from brokers	$ 2,266	$ 1,923

(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 nine months ended March 31, 2019.

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.

	March 31, 2019			
(in thousands of USD)	**Level 1**	**Level 2**	**Level 3**	**Total**
Portfolio investments	$ —	$ —	$ 752	$ 752
Due from broker, margin deposits (Note 5)	2,080	—	—	2,080
Due from broker, unrealized gains on futures and options (Note 5)	209	—	—	209
Unrealized gains on open cash contracts (derivatives)	—	9,753	—	9,753
Due from broker, unrealized losses on futures and options (Note 5)	(23)	—	—	(23)
Unrealized losses on open cash contracts (derivatives)	—	(2,363)	—	(2,363)
	$ 2,266	$ 7,390	$ 752	$ 10,408

	June 30, 2018			
(in thousands of USD)	**Level 1**	**Level 2**	**Level 3**	**Total**
Portfolio investments	$ —	$ —	$ 2,694	$ 2,694
Due from broker, margin deposits (Note 5)	2,216	—	—	2,216
Due from broker, unrealized gains on futures and options (Note 5)	271	—	—	271
Unrealized gains on open cash contracts (derivatives)	—	8,131	—	8,131
Due from broker, unrealized losses on futures and options (Note 5)	(564)	—	—	(564)
Unrealized losses on open cash contracts (derivatives)	—	(3,323)	—	(3,323)
	$ 1,923	$ 4,808	$ 2,694	$ 9,425

Reconciliation of Level 3 fair values:

(in thousands of USD)		**Level 3**
Balance at June 30, 2018	$	2,694
Revaluation of portfolio investments		(1,885)
Currency translation differences		(57)
Balance at March 31, 2019	$	752

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 March 31, 2019, the Corporation's market risk pertaining to portfolio investments was potentially affected by changes in actual market prices. As at March 31, 2019, 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 nine months ended March 31, 2019 if the fair value of each of the portfolio investments as at March 31, 2019 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 nine months ending March 31, 2019 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	$	75	$	0.00
10% decrease in fair value of portfolio investments	$	(75)	$	0.00

Commodity risk

Management has determined the effect on the results of operations of the Corporation for the nine months ended March 31, 2019 if the fair value of each of the open cash contracts as at March 31, 2019 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 nine months ending March 31, 2019 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	$	5,377	$	0.19
5% decrease in bid/ask prices of commodities	$	(5,377)	$	(0.19)

Interest rate risk

As at March 31, 2019, Ceres had no long or short portfolio positions in any interest-bearing investment securities.

As at March 31, 2019, 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 March 31, 2019, 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 March 31, 2019, the Corporation's Credit Facility (as defined herein) bears interest at an annual rate of 3.375% plus overnight LIBOR. As at March 31, 2019, 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 March 31, 2019, the Corporation's term loan (Note 9) bears interest at an annual rate of 5.25% plus one month LIBOR. As at March 31, 2019, 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 nine months ending March 31, 2019 would be as follows:

(in thousands of USD except loss per share)		Increase net loss		Increase loss per share
Revolving credit facility				
25 bps increase in annual interest rate	$	89	$	0.00
Term loan				
25 bps increase in annual interest rate	$	28	$	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 March 31, 2019, 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. As at March 31, 2019, the allowance for doubtful accounts was $43 thousand.

The Corporation had one customer that individually represented more than 10% of total revenue for the nine months ended March 31, 2019, comprising 13.1% of total revenue. For the nine months ended March 31, 2018, the Corporation had one customer that individually represented more than 10% of total revenue, comprising 20% 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 March 31, 2019 and June 30, 2018, the following are the contractual maturities of financial liabilities, excluding interest payments:

March 31, 2019 *(in thousands of USD)*	Carrying Amount	Contractual Cash Flows	1 Year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 46,675	$ 46,675	$ 46,675	$ -	$ -	$ -
Accounts payable and accrued liabilities	19,152	19,152	19,152	-	-	-
Accounts payable due to associates	20	20	20	-	-	-
Unrealized losses on open cash contracts	2,363	2,363	2,363	-	-	-
Term loan (Note 9)	19,583	20,000	5,000	5,000	10,000	-
Contingent consideration	1,433	1,600	600	500	500	-
Operating lease obligations	-	3,184	754	672	1,008	750
Capital lease obligations	29	33	8	8	17	-

June 30, 2018 *(in thousands of USD)*	Carrying Amount	Contractual Cash Flows	1 Year	2 years	3 to 5 years	More than 5 years
Bank indebtedness	$ 10,910	$ 11,000	$ 11,000	$ -	$ -	$ -
Accounts payable and accrued liabilities	16,574	16,574	16,574	-	-	-
Accounts payable due to associates	36	36	36			
Unrealized losses on open cash contracts	3,323	3,323	3,323	-	-	-
Term loan (Note 9)	9,661	10,000	5,000	5,000		-
Operating lease obligations	-	1,213	475	388	350	-
Capital lease obligation(s)	45	52	11	10	31	-

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, and the active management of trade accounts receivable. 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 March 31, 2019, 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	$	6,210

The following is a summary of the effect on Ceres' profit or loss for the nine months ended March 31, 2019 if the USD had become 5% stronger or weaker against the CAD as at March 31, 2019, 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	$	241	$	0.01
CAD 5% Weaker	$	(245)	$	(0.01)

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 profit or loss for the reporting period.

(7) PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment comprised the following at March 31, 2019 and June 30, 2018:

(in thousands of USD)	Land	Buildings Silos & Elevators	Machinery & equipment	Office equipment & other assets	Construction in progress	Totals
Cost						
June 30, 2018	$ 20,833	$ 70,682	$ 24,197	$ 3,563	$ 347	$ 119,622
Additions	—	—	—	—	1,664	1,664
Placed in service	—	895	189	62	(1,146)	—
Disposals	—	—	—	(17)	—	(17)
Currency translation	(269)	(576)	(349)	(32)	—	(1,226)
March 31, 2019	20,564	71,001	24,037	3,576	865	120,043
Accumulated depreciation						
June 30, 2018	—	(9,799)	(4,040)	(1,758)	—	(15,597)
Depreciation	—	(1,971)	(1,188)	(205)	—	(3,364)
Disposals	—	—	—	8	—	8
Currency translation	—	55	61	11	—	127
March 31, 2019	—	(11,715)	(5,167)	(1,944)	—	(18,826)
Carrying amount						
March 31, 2019	$ 20,564	$ 59,286	$ 18,870	$ 1,632	$ 865	$ 101,217
June 30, 2018	$ 20,833	$ 60,883	$ 20,157	$ 1,805	$ 347	$ 104,025

Costs related to property, plant and equipment accrued but not yet paid totaled nil as at March 31, 2019 and $3.0 million as at June 30, 2018.

On January 10, 2019, Ceres closed on the sale of its Calumet facility in Minneapolis, MN. The Corporation recognized a gain of $0.7 million and as of the beginning of the period, the facility was classified as an asset held for sale with a carrying value of nil.

(8) BANK INDEBTEDNESS

On February 14, 2019, the Corporation entered into a fourth amended and restated credit agreement led by Macquarie Bank Limited, as administrative agent on behalf of a syndicate group of lenders which includes Bank of Montreal and Cooperatieve Rabo Bank U.A. (the "New Credit Agreement"). The New Credit Agreement increases the amount of the revolving facility available to Ceres from $67.5 million to $80 million, with the potential to access an accordion feature that would provide an additional $20 million. The revolving facility matures on February 13, 2020. The interest rate under the New Credit Agreement reflects a reduction of 50 basis points from Ceres' prior revolving facility and borrowings bear an annual interest rate of 3.375% plus overnight LIBOR, 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 New Credit Facility has certain covenants pertaining to the accounts of the Corporation, as at March 31, 2019, the Corporation was in compliance with all covenants.

As at March 31, 2019 and June 30, 2018, the Corporation had $18.0 million and $26.2 million in availability, respectively, on its revolving line of credit.

As at March 31, 2019 and June 30, 2018, the carrying amount of bank indebtedness is summarized as follows:

(in thousands of USD except loss per share)		**March 31, 2019**		**June 30, 2018**
Revolving line of credit	$	47,000	$	11,000
Unamortized financing costs		(325)		(90)
Bank indebtedness	$	46,675	$	10,910

(9) TERM LOAN

On December 30, 2014, Ceres entered into a senior secured term loan facility agreement with Macquarie Bank Limited ("Macquarie Term Loan") for $25.0 million with a term of 5 years. As at June 30, 2018, the outstanding principal balance on the Macquarie Term Loan was $10.0 million with a balance of unamortized financing costs of $0.3 million.

On November 15, 2018, the Corporation entered into a $20.0 million term loan agreement with Bixby Bridge Fund IV, LLC ("Bixby Loan"). A portion of the proceeds of the Bixby Loan were used to repay all amounts outstanding under the Macquarie Term Loan. The loan is secured primarily by mortgages on Ceres' elevator facilities, including; one in Northgate, SK, one in Duluth, MN and two in Minneapolis, MN. This loan is for a term of 4 years with annual principal payments of $5.0 million due November 15, 2019; November 15, 2020; November 15, 2021; and November 15, 2022. Pursuant to the agreed upon conditions of the Bixby Loan, Ceres may, at its discretion, repay the balance of the loan at any time subject to typical notice requirements. This loan has an annual interest rate of 5.25% plus one-month LIBOR.

In connection with the origination of the Bixby Loan, the Corporation paid transaction costs relating to the loan closure in the amount of $0.4 million, which included legal fees and other related borrowing costs. Transaction costs directly attributable to the issuance of the 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)		**March 31, 2019**		**June 30, 2018**
Current portion of term loan	$	5,000	$	5,000
Less current portion of unamortized financing costs		(104)		—
Current portion of term loan	$	4,896	$	5,000
Long-term portion of term loan	$	15,000	$	5,000
Less long-term portion of unamortized financing costs		(313)		(339)
Term loan	$	14,687	$	4,661

(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 nine months ended March 31, 2019 and 2018:

	3 Months				**9 Months**			
(in thousands of USD)		**2019**		**2018**		**2019**		**2018**
Realized and unrealized gains on foreign exchange	$	(24)	$	(9)	$	(8)	$	83
Realized and unrealized gains on currency hedging transactions		—		(48)		—		27
Revaluation of portfolio investments		—		—		(1,885)		(486)
Accretion of contingent consideration		(33)		—		(103)		—
Finance income (loss)	$	(57)	$	(57)	$	(1,996)	$	(376)

(11) INTEREST EXPENSE

The following table presents interest expense for the three and nine months ended March 31, 2019 and 2018:

	3 Months		9 Months	
(in thousands of USD)	**2019**	**2018**	**2019**	**2018**
Interest on revolving line of credit	$ (727)	$ (461)	$ (1,855)	$ (1,452)
Interest on repurchase obligation	(14)	-	(152)	(37)
Interest on long-term debt	(388)	(205)	(865)	(699)
Amortization of financing costs paid	(156)	(2)	(597)	(2)
Miscellaneous interest expense	(4)	(98)	(17)	(352)
Interest expense	$ (1,289)	$ (766)	$ (3,486)	$ (2,542)

(12) COMMON SHARES

The following is a summary of the changes in the Common shares for the nine-month period ended March 31, 2019 and twelve-month period ended June 30, 2018:

	Common shares	
	Number of Shares	**Amount** *(thousands of USD)*
Balances, June 30, 2017	27,909,596	$ 203,263
Redemption of deferred share units	22,326	82
Directors' remuneration	3,069	13
Balances, June 30, 2018	27,934,991	203,358
Balances, March 31, 2019	27,934,991	$ 203,358

As at March 31, 2019 and June 30, 2018, directors and officers of the Corporation, through a controlled entity, beneficially own, directly or indirectly, or exercise control or direction over 43.9% and 43.7%, 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"):

	Number of DSUs		Amount *(thousands of USD)*
DSUs as at June 30, 2017	183,585	$	771
Units issued	91,244		323
Units redeemed	(22,326)		(82)
Fair value adjustment	-		(211)
DSUs as at June 30, 2018	252,503		801
Units issued	78,589		237
Fair value adjustment	-		124
DSUs as at March 31, 2019	331,092	$	1,162

(14) STOCK OPTION PLAN

During the nine months ended March 31, 2019, 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 fair market value of the common shares. As at March 31, 2019, the outstanding Options are as follows:

	Number of Options		Weighted-average exercise price (CAD)	Weighted-average remaining contractual term (years)
Outstanding as at June 30, 2017	1,091,879	$	6.00	3.91
Granted	340,500		5.84	4.23
Exercised	-		-	-
Expired/forfeited	(59,042)		6.01	-
Outstanding as at June 30, 2018	1,373,337		5.96	3.17
Granted	750,000		3.68	4.51
Exercised	(1,250)		4.45	-
Expired/forfeited	(162,200)		4.77	-
Outstanding as at March 31, 2019	1,959,887	$	5.18	3.08

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 2.39%; expected volatility of 20.7%; dividend yield of nil; an average expected option life of 3.25 years; and an average exercise price of CAD $3.68. The weighted average grant date fair value of the Options granted during the nine months ended March 31, 2019, is CAD $0.67 and CAD $0.45 for the nine months ended March 31, 2018. As at March 31, 2019 and June 30, 2018, outstanding Options had exercise prices ranging from CAD $3.68 to CAD $6.75.

The total Option compensation cost included in general and administrative expenses for the nine months ended March 31, 2019 amounted to an expense of $0.1 million and expense of $0.2 million for the nine months ended March 31, 2018.

(15) RELATED PARTY TRANSACTIONS

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

	3 Months		9 Months	
(in thousands of USD)	**2019**	**2018**	**2019**	**2018**
Salary and short-term employee/director benefits	$ 480	$ 228	$ 1,245	$ 747
Share-based compensation	166	120	444	260
	$ **646**	$ 348	$ **1,689**	$ 1,007

Savage Riverport, LLC

Ceres routinely transacts business directly with Savage Riverport, LLC. Such transactions are in the ordinary course of business and include storage and elevation fees for grain storage, as well as management fees. Related party revenue of $60 thousand is included in total revenue in the Consolidated Statements of Net and Comprehensive Income (Loss) for the third quarter of fiscal year 2019. Related party expenses recorded in cost of sales are $1.0 million for the third quarter of fiscal year 2019. As at March 31, 2019, the accounts receivable, due from Savage Riverport, LLC totaled $0.1 million and accounts payable, due to Savage Riverport, LLC totaled $20 thousand. Savage Riverport, LLC was formed on April 30, 2018 and, as such, there were no revenues or cost of sales for the period ended March 31, 2018.

Bixby Term Loan

An affiliate of Bixby Bridge Fund IV, LLC (“the Lender”), separate and distinct from the Lender, holds an indirect, minority investment in Ceres and, therefore, the Lender, and/or this affiliate, may be a related party of the Corporation. The Bixby Loan was negotiated on arm’s length terms after consideration of other financing alternatives under the supervision of members of the Corporation’s Board of Directors who are independent of the Lender.

(16) BUSINESS COMBINATION

On July 11, 2018, the Company acquired 100% of the equity of Natures' Organic Grist, LLC ("NOG"), a supplier of organic grains and ancient grains (including emmer and einkorn), milled flours, and feed products, for consideration as follows:

• Cash consideration $2.8 million paid at closing, with an additional payment of $0.5 million paid one month following the close for working capital acquired; and

• A performance based earn-out of up to $3.2 million based on total NOG performance over a three-year period following closing which was fair valued at $1.3 million using a probability factor of 50% for each of the three years of the contingent payments and a 10% discount rate. The present value of the performance based earn-out has been revalued each period. The total accretion of contingent consideration recorded in finance income is $0.1 million for the nine months ended March 31, 2019, bringing the total contingent consideration to $1.4 million.

(in thousands of USD)		**July 11, 2018**
Cash consideration	$	2,800
Working capital		475
Fair value of contingent consideration		1,330
Total consideration	$	4,605

The acquisition of NOG was accounted for as a business combination. The purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values as follows:

(In thousands of USD))	**Amounts Recognized as of the Acquisition Date**	**Measurement Period Adjustments (a)**	**Amounts Recognized as of March 31, 2019**
Cash	$ 936	$ —	$ 936
Accounts receivable	274	—	274
Inventory	511	—	511
Intangible assets	3,968	(3,968)	—
Open grain contracts		731	731
Organic supply contracts	—	3,237	3,237
Total assets acquired	5,689	—	5,689
Accounts payable and accrued liabilities	1,084	—	1,084
Total liabilities assumed	1,084	—	1,084
Net assets acquired	$ 4,605	$ —	$ 4,605

(a) During the measurement period, the Corporation recorded certain adjustments to the purchase price allocation including the identification of open grain contracts and organic supply contracts.

With the identification of the intangible assets, the Corporation has made retrospective adjustments to account for the revised accounting for the identified contracts. The grain contracts are amortized as bushels are delivered on those contracts. The organic supply contract is amortized on a straight-line basis over the life of the contract, which ends in June 2019. The amortization expense of the intangible assets, including the retrospective adjustments to the quarter ended September 30, 2018, is as follows:

(in thousands of USD)	**Amount**
Intangible assets at July 11, 2018	$ 3,968
Amortization grain contracts	(633)
Amortization supply contract	(2,408)
Net intangible assets at March 31, 2019	$ 927

(17) SEGMENT REPORTING

As at March 31, 2019, the Company had three reportable segments: Grain, Supply Chain Services, and Corporate. As at March 31, 2019, the Company had two operating segments: Grain and Supply Chain Services. The Corporation's Grain segment is engaged in grain procurement and merchandising of specialty grains and oilseeds such as oats, barley, rye, hard red spring wheat, durum wheat, canola, and pulses. The Supply Chain Services segment utilizes the Corporation's facilities to provide logistics services, storage, and transloading for commodities and industrial products.

During the previous fiscal year, the Corporation had one reportable segment and two operating segments. Therefore, the information below provides the financial information for nine months ended March 31, 2018 in the three new reporting segments. Management reporting comprises analysis of revenue and gross profit within two distinct operating divisions. Corporate oversees and administers the operating divisions. The chief operating decision maker focuses on revenues and costs by operating segment, but manages assets and liabilities on a global basis.

The accounting policies of the segments are the same as described in note 3 of the June 30, 2018 annual consolidated financial statements. Ceres' management evaluates performance based on profit or loss from operations before other items ("Income (loss) from operations").

The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the nine months ended March 31, 2019:

(In thousands of USD))	Grain	Supply-Chain Services	Corporate	Total
Revenues	$ 297,493	$ 6,163	$ —	$ 303,656
Cost of sales	(288,390)	(3,913)	—	(292,303)
Gross profit	9,103	2,250	—	11,353
General and administrative expenses	(4,314)	(355)	(5,254)	(9,923)
Income (loss) from operations	4,789	1,895	(5,254)	1,430
Finance income (loss)	(103)	—	(1,893)	(1,996)
Amortization of intangible asset	(3,041)	—	—	(3,041)
Interest expense	(2,228)	—	(1,258)	(3,486)
Legal settlement	—	—	(8,228)	(8,228)
Gain (loss) on property, plant and equipment	—	—	696	696
Income (loss) before income taxes	(583)	1,895	(15,937)	(14,625)
Income tax (expense) recovered	—	—	(6)	(6)
Share of net income (loss) of associates	—	—	(282)	(282)
Net income (loss)	$ (583)	$ 1,895	$ (16,225)	$ (14,913)

The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the nine months ended March 31, 2018:

(In thousands of USD))	Grain	Supply-Chain Services	Corporate	Total
Revenues	$ 309,599	$ 8,715	$ —	$ 318,314
Cost of sales	(304,669)	(3,900)	—	(308,569)
Gross profit	4,930	4,815	—	9,745
General and administrative expenses	(5,024)	(1,269)	(2,701)	(8,994)
Income (loss) from operations	(94)	3,546	(2,701)	751
Finance income (loss)	—	—	(376)	(376)
Interest expense	(1,841)	—	(701)	(2,542)
Gain (loss) on property, plant and equipment	—	—	(63)	(63)
Income (loss) before income taxes	(1,935)	3,546	(3,841)	(2,230)
Income tax (expense) recovered	—	—	60	60
Share of net income (loss) of associates	—	—	(212)	(212)
Net income (loss)	$ (1,935)	$ 3,546	$ (3,993)	$ (2,382)

The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the three months ended March 31, 2019:

(In thousands of USD))	Grain	Supply-Chain Services	Corporate	Total
Revenues	$ 88,823	$ 1,771	$ —	$ 90,594
Cost of sales	(86,009)	(1,362)	—	(87,371)
Gross profit	2,814	409	—	3,223
General and administrative expenses	(1,618)	(199)	(929)	(2,746)
Income (loss) from operations	1,196	210	(929)	477
Finance income (loss)	(34)	—	(23)	(57)
Amortization of intangible asset	(929)	—	—	(929)
Interest expense	(871)	—	(418)	(1,289)
Gain (loss) on property, plant and equipment	—	—	691	691
Income (loss) before income taxes	(638)	210	(679)	(1,107)
Income tax (expense) recovered	—	—	(1)	(1)
Share of net income (loss) of associates	—	—	(132)	(132)
Net income (loss)	$ (638)	$ 210	$ (812)	$ (1,240)

The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the 3 months ended March 31, 2018:

(In thousands of USD))	**Grain**	**Supply-Chain Services**	**Corporate**	**Total**
Revenues	$ 95,581	$ 2,525	$ —	$ 98,106
Cost of sales	(94,484)	(1,223)	—	(95,707)
Gross profit	1,097	1,302	—	2,399
General and administrative expenses	(2,121)	(443)	(768)	(3,332)
Income (loss) from operations	(1,024)	859	(768)	(933)
Finance income (loss)	—	—	(57)	(57)
Interest expense	(559)	—	(207)	(766)
Income (loss) before income taxes	(1,583)	859	(1,032)	(1,756)
Income tax (expense) recovered	—	—	(2)	(2)
Share of net income (loss) of associates	—	—	(44)	(44)
Net income (loss)	$ (1,583)	$ 859	$ (1,078)	$ (1,802)

(18) 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.

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). Scoular filed a breach of contract claim for injunctive relief and unspecified damages. On October 5, 2018, the Corporation settled the lawsuit for $11.3 million, of which $3.1 million was previously accrued, resulting in the recognition of an $8.2 million expense recorded on the Interim Condensed Consolidated Statement of Comprehensive Income (Loss) for the nine months ended March 31, 2019. As at March 31, 2019, the $11.3 million Scoular settlement has been paid in full.