Alliance GRAIN TRADERS Inc.

Condensed Consolidated Interim Financial Statements

Three and Nine Month Periods ended September 30, 2011 and September 30, 2010
(Unaudited)

Condensed Consolidated Statements of Financial Position
as at

(Stated in Canadian Dollars) (Unaudited)	Note		Sep 30, 2011		Dec 31, 2010
Assets					
Current					
Cash and cash equivalents		$	17,288,295	$	23,628,472
Accounts receivable			156,938,050		134,886,424
Inventory	5		175,968,043		110,782,630
Prepaid expenses and deposits			7,171,327		7,239,024
Income tax receivable			3,661,495		3,210,941
Total current assets			**361,027,210**		**279,747,491**
Property, plant and equipment			181,435,237		168,685,433
Intangible assets			8,809,014		8,845,168
Goodwill			58,720,117		65,235,436
Long term receivable			875,000		-
Investment			1,250,000		1,250,000
Deferred income taxes			3,439,483		3,503,983
Total non-current assets			**254,528,851**		**247,520,020**
Total assets		**$**	**615,556,061**	**$**	**527,267,511**
Liabilities					
Current					
Bank indebtedness		$	129,492,870	$	80,335,924
Short term financing			37,092,680		24,925,150
Accounts payable and accrued liabilities			84,581,026		68,157,031
Income taxes payable			356,894		1,690,907
Current portion of long-term debt and finance leases	6		7,765,182		13,163,084
Dividends payable			2,961,462		-
Total current liabilities			**262,250,114**		**188,272,096**
Long-term debt and finance leases	6		66,203,205		22,892,916
Deferred income taxes			11,091,056		13,012,526
Total liabilities			**339,544,375**		**224,177,538**
Shareholder's equity					
Share capital	7		267,965,884		267,499,165
Contributed surplus			287,786		383,357
Accumulated other comprehensive loss			(27,204,665)		(16,102,786)
Retained earnings			34,962,681		51,310,236
Total shareholder's equity			**276,011,686**		**303,089,972**
Total liabilities and shareholder's equity		**$**	**615,556,061**	**$**	**527,267,511**

Commitments and contingencies (Note 10)

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

Alliance GRAIN TRADERS Inc.

Condensed Consolidated Statements of Comprehensive Income
For the periods ended September 30

(Stated in Canadian Dollars)
(Unaudited)

	3 months		9 months	
	2011	**2010**	**2011**	**2010**
Revenues	$ 190,556,237	$ 137,559,400	$ 528,524,265	$ 473,137,366
Cost of sales	165,000,582	122,142,573	464,774,750	415,799,359
Gross profit	25,555,655	15,416,827	63,749,515	57,338,007
General administrative expenses	6,397,509	6,227,404	16,409,014	15,846,817
Marketing, sales and distribution expenses	5,817,183	6,186,820	16,548,991	15,889,817
Other expenses (income)	(3,517)	-	16,143	1,894
Earnings from operations	**13,344,480**	**3,002,603**	**30,775,367**	**25,599,479**
Unrealized foreign exchange loss (gain)	21,205,848	(5,467,028)	29,032,734	(295,677)
Finance expense	4,117,345	1,171,676	8,852,214	4,023,169
Earnings (loss) before income tax	**(11,978,713)**	**7,297,955**	**(7,109,581)**	**21,871,987**
Current income tax	804,781	1,106,814	2,742,305	5,627,317
Future income tax (recovery)	(1,709,421)	275,925	(2,085,030)	(3,027,123)
Net earnings (loss)	**(11,074,073)**	**5,915,216**	**(7,766,856)**	**19,271,793**
Other comprehensive loss (income)	(980,407)	961,214	(11,101,879)	(442,644)
Total comprehensive income (loss)	**$ (12,054,480)**	**$ 6,876,430**	**$ (18,868,735)**	**$ 18,829,149**
Basic net earnings (loss) per share	$ (0.56)	$ 0.30	$ (0.39)	$ 1.04
Diluted net earnings (loss) per share	$ (0.56)	$ 0.30	$ (0.39)	$ 1.02
Basic weighted average number of shares	19,737,865	19,695,209	19,718,939	18,584,038
Diluted weighted average number of shares	19,978,756	19,995,131	19,971,840	18,890,368

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

Alliance GRAIN TRADERS Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)
(Unaudited)

		Share capital		Contributed surplus		Accumulated other comprehensive loss		Retained earnings		Total
Balance at December 31, 2010	**$**	**267,499,165**	**$**	**383,357**	**$**	**(16,102,786)**	**$**	**51,310,236**	**$**	**303,089,972**
Net loss		-		-		-		(7,766,856)		**(7,766,856)**
Other comprehensive loss		-		-		(11,101,879)		-		**(11,101,879)**
Adjustment to contributed surplus		-		(133,728)		-		-		**(133,728)**
Stock based compensation		-		38,157		-		-		**38,157**
Options exercised		466,719		-		-		-		**466,719**
Dividends to shareholders		-		-		-		(8,580,699)		**(8,580,699)**
Balance at September 30, 2011	**$**	**267,965,884**	**$**	**287,786**	**$**	**(27,204,665)**	**$**	**34,962,681**	**$**	**276,011,686**
Balance at January 1, 2010	**$**	**187,151,311**	**$**	**866,662**	**$**	**-**	**$**	**42,629,917**	**$**	**230,647,890**
Net earnings		-		-		-		19,271,793		**19,271,793**
Other comprehensive loss		-		-		(442,644)		-		**(442,644)**
Increase in share capital		77,204,690		-		-		-		**77,204,690**
Stock based compensation		-		577,249		-		-		**577,249**
Dividends to shareholders		-		-		-		(7,625,755)		**(7,625,755)**
Balance at September 30, 2010	**$**	**264,356,001**	**$**	**1,443,911**	**$**	**(442,644)**	**$**	**54,275,955**	**$**	**319,633,223**

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

Condensed Consolidated Statements of Cash Flow
For the nine month periods ended September 30

(Stated in Canadian Dollars)
(Unaudited)

	Note		2011		2010
Cash from (used for) the following:					
Operating activities					
Net earnings (loss)		$	(7,766,856)	$	19,271,793
Items not involving cash:					
- Depreciation			3,057,764		1,727,862
- Depreciation in costs of sales			4,917,476		3,072,069
- Unrealized foreign exchange loss			29,032,733		(295,677)
- Provision for future income tax recovery			(2,085,030)		(3,027,124)
- Loss of disposal of property, plant and equipment			16,143		-
Interest paid			(7,283,833)		(2,854,654)
Income taxes paid			(6,107,751)		(7,887,552)
Non-cash working capital	8		(92,207,161)		31,368,226
			(78,426,515)		41,374,943
Financing activities					
Increase in (repayment of) bank indebtedness			53,598,891		(56,037,275)
Short term financing			13,334,443		-
Net proceeds from the issuance of shares			-		77,204,690
Increase in long term debt			44,716,488		2,293,875
Repayment of long term debt			(5,285,477)		(18,089,662)
Dividends paid			(5,619,237)		(7,274,374)
			100,745,108		(1,902,746)
Investing activities					
Increase in long term receivables			(875,000.00)		-
Purchase of property, plant and equipment			(20,179,803)		(24,091,494)
Acquisition	4		(6,137,040)		-
			(27,191,843)		(24,091,494)
Effect of exchange rate changes on cash and cash equivalents			(1,466,927)		(1,361)
Increase (decrease) in cash and cash equivalents		**$**	**(6,340,177)**	**$**	**15,379,342**
Cash and cash equivalents, beginning of the period		**$**	**23,628,472**	**$**	**10,115,784**
Cash and cash equivalents end of the period		**$**	**17,288,295**	**$**	**25,495,126**

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

1. Reporting entity

Alliance Grain Traders Inc. ("AGT") is located in Regina, Canada. The address of AGT's registered office is 1 Mile South of Hwy #1 East, Regina, Saskatchewan S4N 7K9. The consolidated financial statements of AGT are comprised of AGT and its subsidiaries. AGT and its subsidiaries in Canada, USA, China, Europe, Australia and Turkey are engaged in the business of sourcing and processing (cleaning, splitting, sorting and bagging) a full range of specialty crops, including lentils, peas, chickpeas, beans and canary seed, primarily for export markets along with wheat, bulgar, rice and pasta. The results included in the condensed consolidated interim financial statements should not be taken as indicative of the performance to be expected for the full year due to the seasonal nature of AGT's business.

2. Basis of presentation

(a) Statement of compliance

The condensed consolidated interim financial statements and the notes thereto have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. This is AGT's first year preparing financial statements using International Financial Reporting Standards (IFRS) and IFRS 1 – *First-time Adoption of International Financial Reporting Standards* has been applied. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. An explanation of how the transition to IFRS has affected the financial position, financial performance and cash flows of AGT is provided in note 12. All financial statements are expressed in Canadian dollars, AGT's functional currency, unless otherwise stated.

The interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on November 13, 2011.

(b) Basis of measurement

The unaudited 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 net earnings are measured at fair value

(c) Use of estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. Basis of presentation – continued

(c) Use of estimates and judgements

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Depreciation is based on the estimated useful lives of property, plant and equipment. The fair value of net assets acquired in business combinations are determined based on available market information and analysis that is subjective in nature. Estimates are used when accounting for items such as collectability of receivables, net realizable value of inventory, estimated useful lives and impairment of long-lived assets, valuation of goodwill, valuation of intangible assets, allocation of acquisition purchase prices, stock-based compensation, income taxes, fair value of financial assets and liabilities and amounts and likelihood of contingencies.

3. Significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in AGT's March 31, 2011 consolidated interim financial statements. The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements and have been consistently applied by AGT's subsidiaries.

(Stated in Canadian dollars)

4. Business combinations

On July 29, 2011, AGT completed the acquisition of Canz Commodities, a chickpea and pulse processor in Narrabri, New South Wales Australia, located approximately 500 km from Sydney. The assets acquired include real property, storage and related handling equipment and a processing plant for pulses and grains, specializing in desi and kabuli chickpeas, faba beans, mung beans and albus lupins. The purchase price for the Canz Commodities was $6.375 million AUD ($6.137 million CAD). The Narrabri facility is currently operational with capital expansions and improvements planned to commence immediately. The new company will be owned and operated by AGT’s wholly owned subsidiary, Australia Milling Group PTY Ltd. Included in these condensed consolidated interim financial statements AGT has recognized additional revenues from its Australian operations of approximately $3.5 million and additional earnings of approximately $0.1 million. If these facilities had been part of AGT’s integrated operations for the entire nine month period ending September 30, 2011, revenue would have increased by approximately $16.0 million, and net earnings would have increased by approximately $0.45 million.

The acquisition was accounted for using the purchase method, whereby the purchase consideration is allocated to the estimated fair values of the assets acquired and the liabilities assumed at the effective date of the purchase. The table below summarizes the preliminary fair value of assets acquired and liabilities assumed. AGT is in the process of gathering and analyzing the information required to complete the purchase price equation and will finalize the allocation amounts in a subsequent period.

The preliminary purchase equation for business combinations is as follows:

Purchase of Canz Commodities:

Total purchase price	$	6,137,040
Allocation of purchase price:		
Land		866,405
Office Building		48,133
Production Equipment		5,222,502
Total	$	6,137,040

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the three and nine months ended September 30, 2011 and 2010
(Stated in Canadian dollars)

4. Business Combinations (Continued)

i) Finalization of 2010 Purchase Equation

On November 1, 2010, AGT acquired the shares of A. Poortman (London) Ltd. Group (the "Poortmans Group"), an international importer, distributor and stockist of pulses, with offices in London, UK, the Netherlands and Tianjin, China. The business acquired included a processing plant for dry edible beans and pulses, located in Tianjin, China, and trading and sales offices in Europe. The purchase price for the Poortmans Group acquisition was £8.9 million GBP ($14,375 million CAD), which was paid in cash. Goodwill acquired is not deductible for tax purposes.

The acquisition was accounted for using the purchase method, whereby the purchase consideration is allocated to the estimated fair values of the assets acquired and the liabilities assumed at the effective date of the purchase. The table below summarizes the preliminary fair value of assets acquired and liabilities assumed, the adjustments to the initial purchase equation calculation, and the final purchase price equation:

2010

Purchase price comprised of:	Poortmans	Adjustment in Finalizing Purchase Equation	Final Poortmans Purchase Equation
Total purchase price	$ 14,375,610	$ -	$ 14,375,610
Allocation of purchase price:			
Cash and cash equivalents	790,613	-	790,613
Accounts receivable	8,777,076	-	8,777,076
Inventory	7,539,283	-	7,539,283
Property, plant and equipment	384,478	-	384,478
Identifiable tangible assets	17,491,450	-	17,491,450
Accounts payable and accrued liabilities	(8,566,268)	-	(8,566,268)
Deferred income tax liability	(525,230)	-	(525,230)
Intangible assets	1,875,822	1,008,447	2,884,269
Goodwill	4,099,836	(1,008,447)	3,091,389
	$ 14,375,610	$ -	$ 14,375,610

(Stated in Canadian dollars)

5. Inventory

	Sep 30, 2011	Dec 31, 2010
Raw materials	$ 78,861,200	$ 32,213,675
Processed product	38,508,395	47,975,303
Split production	17,587,404	5,037,187
Packaged product	26,063,692	23,601,093
Other	14,947,352	1,955,372
	$ 175,968,043	$ 110,782,630
Depreciation in ending inventory	$ 220,539	$ 350,309

	Sep 30, 2011	Sep 30, 2010
Inventory expensed in cost of goods sold	$ 352,341,572	$ 274,043,104

(Stated in Canadian dollars)

6. Long term debt

		Sep 30, 2011		Dec 31, 2010
Term Debt				
Loan payable, USD $10,000,000, bearing an interest rate of 8.7%, with interest only payments, with maturity dates ranging from October 2011 to November 2011, secured by inventory and accounts receivable.	$	5,184,832	$	10,023,792
Loan payable, bearing an interest rate of Canadian prime plus 1.1%, with monthly payments of interest only, due November 2015, secured by certain property, plant and equipment.		49,998,471		15,270,036
Loan payable, bearing an interest rate of Canadian prime plus 1.1%, with monthly payments of interest only until November 2012, and monthly payments of $313,231 until November 2016, secured by certain property, plant and equipment.		10,000,000		-
Loans payable, bearing interest rates varying from 4% to 8%, with monthly payments of USD $89,069, due dates ranging from April 2012 to July 2022, secured by property, plant and equipment.		4,979,149		5,222,256
Loan payable, bearing an interest rate of Canadian Bankers Acceptance rate plus 3.75%, monthly principal payments of $6,900, due October 2012, secured by certain property, plant and equipment.		505,700		567,800
Vehicle debt payable, bearing an interest rate of 0.9%, monthly payments of $858, due June 2011, secured by vehicle.		-		5,265
Finance Leases				
Leases payable bearing interest rates ranging from 3.2% to 6.5%, with monthly payments of EUR 274,833, secured by equipment, due dates ranging from December 2011 to August 2014.		3,233,975		4,817,476
Leases payable, bearing variable interest rates from 9.1% to 10.25%, with monthly payments of $4,027 CAD, secured by equipment, due on dates varying from January 2012 to February 2013.		41,075		114,732
Lease, bearing interest rates varying from 8% to 9% with monthly payments of $1,463 USD currency, secured by equipment, due dates between July 2012 and November 2015.		25,185		34,643
	$	73,968,387	$	36,056,000
Total current portion		(7,765,182)		(13,163,084)
	$	66,203,205	$	22,892,916

As of Septemebr 30, 2011, AGT was not in violation of any covenants associated with its debt.

(Stated in Canadian dollars)

6. Long term debt (continued)

The estimated principal repayments for term loans and future minimum payments for finance leases in each of the next five years are as follows:

	Term loans	Finance leases	Total
2011-12	$ 6,044,224	$ 1,720,958	$ 7,765,182
2012-13	1,221,943	1,498,146	2,720,089
2013-14	862,248	75,807	938,055
2014-15	544,047	3,463	547,510
2015-16	60,383,943	1,861	60,385,804
thereafter	1,611,747	-	1,611,747
	$ 70,668,152	$ 3,300,235	$ 73,968,387

The fair value of the capital lease obligations are estimated as $3,300,235 (2010 - $4,966,851). The carrying value of the variable and fixed interest rate debt approximates fair value.

(Stated in Canadian dollars)

7. Share capital

a) Authorized – Unlimited number of voting common shares without par value

b) Issued – 19,743,077 common shares

	# of Common Shares	Amount
Issued and outstanding at January 1, 2010	17,103,246	$ 187,151,311
Issuance of common shares (i)	2,500,000	80,000,000
Share issuance costs, net of tax	-	(577,634)
Issuance of shares pursuant to stock option plan	102,832	925,488
Balance, December 31, 2010	19,706,078	$ 267,499,165
Issuance of shares pursuant to stock option plan	36,999	466,719
Balance, September 30, 2011	19,743,077	$ 267,965,884

i) Issuance of common shares

On April 26, 2010, 2,500,000 shares were issued at a deemed price of $32.00 per share. The net proceeds of the offering were used to finance AGT's growth strategy, working capital requirements and for general corporate purposes.

(Stated in Canadian dollars)

8. Non-cash working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	September 30			
		2011		2010
(Increase) decrease in current assets:				
Accounts receivable	$	(32,959,280)	$	(6,618,865)
Inventory		(71,007,663)		6,598,739
Prepaid expenses and deposits		186,642		(1,540,168)
		(103,780,301)		(1,560,294)
Increase (decrease) in current liabilities:				
Accounts payable and accrued liabilities		13,535,942		32,994,002
Income taxes payable		(1,962,802)		(65,482)
		11,573,140		32,928,520
	$	(92,207,161)	$	31,368,226

9. Related party transactions

Key management personnel

AGT has defined key management personnel as senior executive officers, as well as the Board of Directors, as they have the collective authority and responsibility for planning, directing and controlling the activities of AGT. The following table outlines the total compensation expense for key management personnel for the nine months ended September 30, 2011 and 2010.

		Sep 30, 2011		Sep 30, 2010
Salaries and other benefits	$	2,073,723	$	2,601,581

10. Commitments and contingencies

AGT enters into contracts with producers. The contracts provide for delivery of specific quantities and include specific prices based on the grade that is delivered. The terms of the production contracts are not longer than one year.

At September 30, 2011, AGT had a letter of credit in favour of the Canadian Grain Commission in the amount of $10,000,000, (December 31, 2010 - $35,000,000). The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires December 31, 2012. This change is the result of AGT being re-classified from a grain dealer to primary elevator.

In the normal course of operations AGT may become involved in various legal matters, both claims by and against AGT. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Based on the information provided by legal counsel, there does not appear to be significant litigation risk for AGT at September 30, 2011.

(Stated in Canadian dollars)

11. Subsequent events

On October 11, 2011, Alliance Grain Traders Inc. ("AGT") acquired 82% controlling interest in South Africa based Advance Seed, and its subsidiary Pouyoukas Foods (collectively "Advance Seed") from Euro-Africa Trading, a European based holding company. AGT has also entered into a binding option agreement to acquire the remaining 18% of Advance Seed from the Brian Lever Family Trust. The assets acquired include real property, storage and related handling equipment and a processing plant for pulses, popcorn and grains and grass seeds, as well as three warehouse and small packaging plants operated by Advance Seed in Johannesburg, Cape Town and Durban, supplying the wholesale and retail markets with a range of pulses, grains and popcorn. The total investment, including the cash acquisition price and a budget for improvements and working capital is estimated at CDN $7 million. The Johannesburg processing facility as well as the warehouse and small packaging plants are currently operational. Advance Seed will continue to be run with the existing management team and business in place. As the purchase occurred subsequent to the end of the current period, the impact of the purchase is not reflected in these condensed consolidated interim financial statements. Additionally, terms of the purchase agreement prevent public disclosure of estimated revenue and earnings amounts. A preliminary purchase equation is provided below. AGT estimates that the amounts allocated to the accounts receivables purchased approximates the gross amounts owed and the receivables fair value. AGT expects that all amounts owing are collectable, and no allowances for uncollectable amounts are expected to be recorded. AGT is in the process of gathering and analyzing the information required to complete the purchase price equation and will finalize the allocation amounts in a subsequent period.

Preliminary purchase price equation comprised of:	**Advance Seed**
Total purchase price	$ 2,724,200
Allocation of purchase price:	
Cash and cash equivalents	488,721
Accounts receivable	6,779,705
Inventory	4,205,992
Property, plant and equipment	3,638,900
Identifiable tangible assets	15,113,318
Accounts payable and accrued liabilities	(11,430,487)
Deferred income tax liability	(212,451)
Intangible assets	-
Less non controlling interest	(746,180)
	$ 2,724,200

12. Explanation of transition to IFRS

As discussed in note 2(a), these are AGT's third unaudited interim condensed consolidated financial statements and notes thereto, for the three months and nine months ended September 30, 2011, that AGT is required to prepare in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the quarter ended September 30, 2011, and the comparative information presented in these financial statements for the year ended December 31, 2010.

In preparing its opening IFRS statement of financial position, AGT has adjusted amounts reported previously in financial statements prepared in accordance with previous Canadian GAAP. An explanation of how the transition from previous Canadian GAAP to IFRS has affected AGT's financial position, financial performance and cash flows is set out in the following tables, in the notes that accompany the tables and in note 22 of AGT's interim financial statements for the three months ended March 31, 2011.

Alliance GRAIN TRADERS Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the three and nine months ended September 30, 2011 and 2010
(Stated in Canadian dollars)

Reconciliation of Consolidated Statement of Financial Position as at September 30, 2010

	Note	Previous Canadian GAAP	Effect of transition to IFRS September 30, 2010	IFRS
Assets				
Current				
Cash and equivalents		$ 25,495,126	$ -	$ 25,495,126
Accounts receivable		96,257,125	-	96,257,125
Inventory		99,799,441	-	99,799,441
Prepaid expenses and deposits		3,811,537	-	3,811,537
Total current assets		**225,363,229**	**-**	**225,363,229**
Property, plant and equipment	*c,e,f*	155,531,480	(1,058,332)	154,473,148
Intangible assets		3,744,004	-	3,744,004
Goodwill		68,444,562	-	68,444,562
Investment		1,000,000	-	1,000,000
Total non-current assets		**228,720,046**	**(1,058,332)**	**227,661,714**
Total assets		**$ 454,083,275**	**$ (1,058,332)**	**$ 453,024,943**
Liabilities				
Current				
Accounts payable and accruals		$ 96,148,716	$ -	$ 96,148,716
Income taxes payable		1,318,429	-	1,318,429
Current portion of long term debt and finance leases		4,155,456	-	4,155,456
Dividend payable		2,660,321	-	2,660,321
Total current liabilities		**104,282,922**	**-**	**104,282,922**
Long term debt and finance leases		18,027,100	-	18,027,100
Deferred income taxes	*g*	11,350,183	(268,485)	11,081,698
Total non-current liabilities		**29,377,283**	**(268,485)**	**29,108,798**
Total liabilities		**$ 133,660,205**	**$ (268,485)**	**$ 133,391,720**
Shareholder's equity				
Common shares		264,356,001	-	264,356,001
Contributed surplus		1,443,911	-	1,443,911
Accumulated comprehensive income	*b*	490,737	(933,381)	(442,644)
Retained earnings	*h*	54,132,421	143,534	54,275,955
Total shareholder's equity		**320,423,070**	**(789,847)**	**319,633,223**
Total liabilities and shareholder's equity		**$ 454,083,275**	**$ (1,058,332)**	**$ 453,024,943**

Alliance GRAIN TRADERS Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the three and nine months ended September 30, 2011 and 2010
(Stated in Canadian dollars)

Reconciliation of Consolidated Statement of Financial Position as at December 31, 2010

	Note	Previous Canadian GAAP	Effect of transition to IFRS December 31, 2010	IFRS
Assets				
Current				
Cash and equivalents		$ 23,628,472	$ -	$ 23,628,472
Restricted cash		-	-	-
Accounts receivable		134,886,424	-	134,886,424
Inventory		110,782,630	-	110,782,630
Prepaid expenses and deposits		7,239,024	-	7,239,024
Income taxes receivable		3,210,941		3,210,941
Deferred taxes	*g*	287,539	(287,539)	-
Total current assets		**280,035,030**	**(287,539)**	**279,747,491**
Property, plant and equipment	*a,c,e,f*	169,347,573	(662,140)	168,685,433
Intangible assets		8,845,168	-	8,845,168
Goodwill	*a*	65,469,317	(233,881)	65,235,436
Investment	*d*	1,000,000	250,000	1,250,000
Deferred income taxes	*g*	3,216,444	287,539	3,503,983
Total non-current assets		**247,878,502**	**(358,482)**	**247,520,020**
Total assets		**$ 527,913,532**	**$ (646,021)**	**$ 527,267,511**
Liabilities				
Current				
Bank indebtedness		$ 80,335,924	$ -	$ 80,335,924
Short-term financing		24,925,150	-	24,925,150
Accounts payable and accruals		68,157,031	-	68,157,031
Income taxes payable		1,690,907	-	1,690,907
Current portion of long term debt and finance leases		13,163,084	-	13,163,084
Dividend payable		-	-	-
Total current liabilities		**188,272,096**	**-**	**188,272,096**
Long term debt and finance leases		22,892,916	-	22,892,916
Derivative liabilities		-		-
Deferrred income taxes	*g*	13,211,918	(199,392)	13,012,526
Total non-current liabilities		**36,104,834**	**(199,392)**	**35,905,442**
Total liabilities		**$ 224,376,930**	**$ (199,392)**	**$ 224,177,538**
Shareholders equity				
Common shares		267,499,165	-	267,499,165
Contributed surplus		383,357	-	383,357
Accumulated comprehensive income	*b,d*	(15,419,405)	(683,381)	(16,102,786)
Retained earnings	*h*	51,073,485	236,751	51,310,236
Total shareholders equity		**303,536,602**	**(446,630)**	**303,089,972**
Total liabilities and shareholders equity		**$ 527,913,532**	**$ (646,021)**	**$ 527,267,511**

Alliance GRAIN TRADERS Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the three and nine months ended September 30, 2011 and 2010
(Stated in Canadian dollars)

Reconciliation of Consolidated Statement of Comprehensive Income for the three months and nine months ended September 30, 2010

		September 2010					
		3 Months Ended			9 Months Ended		
	Note	Previous Canadian GAAP	Effect of transition to IFRS	IFRS	Previous Canadian GAAP	Effect of transition to IFRS	IFRS
Revenues		$ 137,559,400	$ -	$ 137,559,400	$ 473,137,366	$ -	$ 473,137,366
Cost of sales		123,396,068	(1,253,495)	122,142,573	421,335,236	(5,535,877)	415,799,359
Gross profit		**14,163,332**	**1,253,495**	**15,416,827**	**51,802,130**	**5,535,877**	**57,338,007**
Depreciation		428,677	(428,677)	-	1,727,862	(1,727,862)	-
Foreign exchange loss (gain)		(5,467,028)	5,467,028	-	(295,677)	295,677	-
Interest and bank charges		1,063,110	(1,063,110)	-	3,126,145	(3,126,145)	-
Interest on long-term debt		75,750	(75,750)	-	373,869	(373,869)	-
Amortization of fair value of stock options		165,029	(165,029)	-	577,249	(577,249)	-
General and administration		10,220,178	(3,992,774)	6,227,404	25,054,701	(9,207,884)	15,846,817
Marketing, sales and distribution expenses		-	6,186,820	6,186,820	-	15,889,817	15,889,817
Other expenses		-	-	-	1,894	-	1,894
Earnings (losss) from operating activities		**7,677,616**	**(4,675,013)**	**3,002,603**	**21,236,087**	**4,363,392**	**25,599,479**
Unrealized foreign exchange loss (gain)		-	(5,467,028)	(5,467,028)	-	(295,677)	(295,677)
Finance expenses	*c,f*	-	1,171,676	1,171,676	-	4,023,169	4,023,169
Earnings (loss) from operations before income tax		**7,677,616**	**(379,661)**	**7,297,955**	**21,236,087**	**635,900**	**21,871,987**
Current income tax (recovery)		1,106,814	-	1,106,814	5,627,317	-	5,627,317
Deferred income tax (recovery)	*g*	372,481	(96,555)	275,926	(3,190,668)	163,546	(3,027,122)
Net earnings (loss)		**6,198,321**	**(283,106)**	**5,915,215**	**18,799,438**	**472,354**	**19,271,792**
Other comprehensive income (loss)		961,214	-	961,214	(442,644)	-	(442,644)
Comprehensive income (loss)		**$ 7,159,535**	**$ (283,106)**	**$ 6,876,429**	**$ 18,356,794**	**$ 472,354**	**$ 18,829,148**

(Stated in Canadian dollars)

Explanation of material adjustments to the cash flow statement for 2010

As a result of IFRS adjustments to property, plant and equipment with respect to directly attributable costs and componentization of assets the following adjustments have been made to the statement of cash flows.

	September 30, 2010	
	3 Months	9 Months
IAS 16 - Property, plant and Equipment		
Increase to additions	$142,190	$237,355
(Increase) decrease to amortization	$380,286	$634,538

Under IFRS 3 (Business combinations) transaction costs previously capitalized under Canadian GAAP are now required to be expensed. As a result the following adjustment has been made to the statement of cash flows.

	September 30, 2010
Decrease to purchase price	NIL

There are no other material differences between the statement of cash flows presented under IFRS and the statement of cash flows presented under previous Canadian GAAP.

Notes to the reconciliations

(a) AGT has elected, under IFRS 1, not to apply IFRS 3 retrospectively apply to business combinations that occurred prior to the transition date, January 1, 2010.

Business combinations after January 1, 2010, that required acquisition-related costs totalled $667,303 which is included in a Retained earnings adjustment, these same amounts were offset in those business combinations and lowered property, plant and equipment assets ($433,422) and goodwill ($233,881) are lowered by the corresponding amounts.

(b) AGT has elected under IFRS 1, to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition. The impact arising from the change is a decrease in the translation reserve of $933,831 as at December 31, 2010, and an increase to retained earnings of $933,381 at that same date.

(c) Under previous Canadian GAAP, AGT expensed borrowing costs as they were incurred. At the transition date, AGT elected to capitalize borrowing costs directly attributable to the acquisition, construction and production of qualifying assets for which the commencement date for capitalization was on or after the date of transition.

(d) Under previous Canadian GAAP, AGT measured investment at amortized cost. Under IFRS AGT is required to measure the investment at fair value. As a result the impact of the change of $250,000 is reflected in the Investment and Comprehensive Income sections of AGT's December 31, 2010 IFRS Statement of Financial Position and the opening IFRS Statement of Comprehensive Income.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the three and nine months ended September 30, 2011 and 2010
(Stated in Canadian dollars)

Explanation of material adjustments to the cash flow statement for 2010 - continued

(e) Under IFRS, more specific guidance is given as to the types of costs that are considered directly attributable to bringing property, plant and equipment to its working condition for its intended use, and therefore requiring capitalization. Under previous Canadian GAAP, AGT expensed certain labour costs that would meet the criteria for capitalization as provided under IFRS. In addition, AGT capitalized certain legal costs under previous Canadian GAAP, which would not meet the criteria for capitalization under IFRS.

(f) Under IFRS, the requirements to separately account for and provide amortization for components of property, plant and equipment are more broadly and rigorously applied. Under previous Canadian GAAP, these requirements were less specific, and AGT applied a minimal amount of componentization in accounting for its property, plant and equipment.

(g) The effect decrease (increase) in the future tax liability are as follows:

	Note	September 30, 2010	December 31, 2010
Borrowing costs	*c*	$ (9,797)	$ (12,240)
Intercompany profit		-	30,201
Labour and legal costs	*e*	(189,740)	(78,325)
Componentization	*f*	468,020	259,756
		268,483	199,392

The effect on the statement of comprehensive income for the nine months ended September 30, 2011 was to decrease the previously reported deferred income tax liability for the period by $163,544 (three months ended September 30 - increase to deferred income tax liability of $96,556) .

Under IFRS, all deferred taxes are classified as non-current, irrespective of the classification of the underlying assets of liabilities to which they relate, or the expected reversal of the temporary difference. There was no reclassification impact as of September 30, 2010. For December 31, 2010, the effect is to reclassify $287,539 from deferred tax asset (current) to deferred tax asset (non-current).

(h) The effect increase (decrease) in retained earnings (each net of related tax) are as follows:

	Note	September 30, 2010	December 31, 2010
Translation reserve	*b*	$ 933,381	$ 933,381
Goodwill and intangibles	*a*	-	(233,881)
Intercompany profit		-	30,201
Labour and legal costs	*e*	544,536	450,129
Componentization of property, plant and equipment	*a, c, f*	(1,367,353)	(943,079)
		110,564	236,751