Legumex Walker Inc.

Consolidated Financial Statements

June 30, 2011

	June 30, 2011	April 20, 2011
Assets		
Current		
Cash	3	3
Shareholders' Equity		
Share capital *(Note 4)*	3	3
	3	3

Events after reporting period *(Note 5)*

Approved on behalf of the Board

/s/ Joel Horn
Director

/s/ Chris Schnarr
Director

The accompanying notes are an integral part of these financial statements

1. Corporate information

Legumex Walker Inc. (the "Company") was incorporated under the laws of Canada on April 20, 2011 with the expressed purpose of acquiring other entities and assets in order to become a growth oriented processor and merchandiser of pulses, other special crops and canola products. The Company's shares became listed on the Toronto Stock Exchange on July 14, 2011. The Company's registered office is located at 360 Main Street, 30th Floor, Winnipeg, Manitoba, Canada.

2. Basis of presentation

These interim consolidated financial statements include the results from operations and financial position of the Company and its wholly owned subsidiary, LWI US Inc.

Statement of compliance

The unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The unaudited interim consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors on August 11, 2011.

Basis of measurement

The financial statements are stated in Canadian dollars and were prepared under the historical cost convention.

Functional and presentation currency

The functional and presentation currency of the Company and its subsidiary is the Canadian dollar ("$").

Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates.

3. Significant accounting policies

Subsidiaries and business combinations

Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies. A controlling position is assumed to exist where the Company holds, directly or indirectly, a voting interest exceeding 50% and where no other group or shareholder exercise substantive participating rights which would enable it to veto or to block ordinary decisions taken by the Company. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries as follows:

- cost is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the closing date with acquisition costs being expensed;
- identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date;
- the excess of acquisition cost over the fair value of the identifiable net assets acquired is recorded as goodwill and is allocated to each of the cash-generating units expected to benefit from the combination's synergies; and
- if the acquisition cost is less than the fair value of the next assets acquired, the fair value of the net assets is re-assessed and any remaining differences is recognized directly in the income statement.

If the initial accounting for a business combination can only be determined provisionally, subsequent adjustments to the allocation may be recognized if they occur within 12 months of the acquisition date. After 12 months, adjustments are recognized through income. The adjustments made as a result of finalizing the provisional accounting are retrospectively recognized from the acquisition date. As a result, adjustments to depreciation and amortization are retrospectively recorded to reflect the final purchase accounting. Intercompany transactions between subsidiaries are eliminated in consolidation.

3. Significant accounting policies *(continued from previous page)*

Treasury shares

The Company's own equity instruments which are reacquired ('treasury shares") are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in capital reserves.

Cash

Cash and short-term deposits in the statement of financial position comprise cash in trust, at banks and on hand and short-term deposits with an original maturity of three months or less.

Financial instruments

Cash is classified as a financial asset at "fair value through profit or loss." Accordingly it is measured at fair value at each financial position date. Transaction costs directly attributable to the acquisition of financial assets at "fair value through profit or loss" are recognized immediately in profit or loss.

Accounting standards issued but not yet enacted

As of January 1, 2012, the Company will be required to adopt amendments issued by the IASB as described below, for which the Company is currently assessing the impact.

•**IAS 12, "Income Taxes"** removes subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012.

As of January 1, 2013, the Company will be required to adopt certain standards and amendments issued by the IASB as described below, for which the Company is currently assessing the impact.

• **IFRS 11, "Joint Arrangements"** is the result of the IASB's project to replace IAS 31, "Interest in Joint Ventures." The new standard redefines "joint operations" and "joint ventures" and requires joint operations to be proportionately consolidated and joint ventures to be equity accounted. Under IAS 31, joint ventures could be proportionately accounted.

• **IFRS 13, "Fair Value Measurement"** provides a common definition of fair value, establishes a framework for measuring fair value under IFRS and enhances the disclosures required for fair value measurements. The standard applies where fair value measurements are required and does not require new fair value measurements.

• **IFRS 9, "Financial Instruments"** is the result of the first phase of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement." The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

• **IFRS 10, "Consolidated Financial Statements"** is the result of the IASB's project to replace Standing Interpretations Committee 12, "Consolidation – Special Purpose Entities" and the consolidation requirements of IAS 27, "Consolidated and Separate Financial Statements." The new standard eliminates the current risk and rewards approach and establishes control as the single basis for determining the consolidation of an entity.

• **IFRS 12, "Disclosure of Interests in Other Entities"** outlines the required disclosures for interests in subsidiaries and joint arrangements. The new standard requires disclosure of information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity's interests in subsidiaries and joint arrangements.

4. Share capital

	June 30, 2011	April 20, 2011
Authorized		
Common shares		
Unlimited		
Preferred shares		
Unlimited		
Issued and outstanding		
Common shares		
3 Voting shares	3	3
	3	3

5. Events after Reporting Period

On July 14, 2011, the Company completed an initial public offering of 7,225,000 common shares and a concurrent private placement of 555,556 common shares at a price of $9.00 per share for gross proceeds of $70,025,004 (the "Offering"). The net proceeds received by the Company were approximately $63 million after deducting underwriters' fees and other fees and expenses associated with the Offering.

In connection with the Offering, the Company granted its syndicate of underwriters (the "Underwriters"):

i. an option ("Over-Allotment Option") exercisable in whole or in part and for a period of 30 days after the completion of the Offering to purchase up to an additional 1,083,750 common shares at a price of $9.00 per share; and
ii. options (the "Compensation Options") to acquire such aggregate number of common shares as is equal to 6% of the total number of common shares sold under the Offering (including any common shares sold upon exercise of the Over-Allotment Option) at a price per common share of $9.00 exercisable for a period of eighteen months from the date of closing of the Offering.

On August 8, 2011, the underwriters exercised their over-allotment option to purchase on August 11, 2011 an additional 166,050 common shares at the Offering price of $9.00 per common share. Net proceeds to be received by the Company will be approximately $1,380,000 after deducting underwriters' fees and other fees and expenses.

Taking into consideration the shares acquired under the over-allotment option on August 11, 2011, the aggregate number of common shares that could be acquired by the Underwriters upon exercise of all of their Compensation Options would be 443,463 common shares. Of this total, Compensation Options to acquire 433,500 common shares have an expiry date of January 14, 2013 and Compensation Options to acquire 9,963 common shares have an expiry date of February 11, 2013.

In addition to the above noted options, the Company granted options to directors, officers, senior management and key employees of LWI to acquire 280,000 common shares at a price of $9.00 per share under its stock incentive plan. These options were granted effective July 14, 2011 and vest on each anniversary of the grant date in equal increments over a three year period and expire on July 13, 2016 (5 years from the date of grant).

On July 14, 2011, the Company acquired all of the issued and outstanding shares of the Roy Legumex Group of Companies ("RLI") a diversified special crop processor and merchandiser headquartered in St. Jean Baptiste, Manitoba. RLI derives its revenue from sourcing, processing, marketing and distributing special crops to a global client base in over 45 countries. The aggregate purchase price was $26,563,478 of which $5,000,000 was paid in cash and $21,563,478 was paid by the issuance of 2,395,942 Common Shares of the Company at a price of $9.00 per Common Share.

5. Events after Reporting Period *(continued from previous page)*

On July 14, 2011, the Company acquired all of the issued and outstanding shares of Walker Seeds Ltd. ("WSL") a diversified special crop processor and merchandiser headquartered in Saskatoon, Saskatchewan. Like RLI, WSL sources, processes, markets and distributes special crops throughout North America and globally with sales to more than 70 countries. The aggregate purchase price was $22,648,478 of which $5,000,000 was paid in cash and $17,648,478 was paid by the issuance of 1,960,942 Common Shares of the Company at a price of $9.00 per Common Share.

The Company used $5 million of proceeds from the Offering to pay down amounts due by WSL to Farm Credit Canada.

The Company has determined that both the RLI and WSL acquisitions are business combinations under IFRS 3 and will be accounted for by applying the acquisition method, as described in Note 3. Certain disclosures required under IFRS 3 related to the acquisitions of RLI and WSL are not made in these interim consolidated financial statements because gathering the information is impractical given the short period between the completion of the acquisition transaction and the date the financial statements are approved. Disclosures related to the fair value of assets and liabilities acquired, as determined through the purchase price allocation have not been made in these interim consolidated financial statements. The purchase price allocation between assets and liabilities acquired, including goodwill and deferred taxes, will be finalized in a subsequent period.

On July 14, 2011, the Company invested US$42.1 million in Pacific Coast Canola, LLC ("PCC") for an 85% interest in PCC together with Glencore Grain Investment LLC ("Glencore") who invested US$8.5 million for a 15% interest in PCC. Concurrently, the Company completed a series of transactions pursuant to an asset purchase agreement entered into with Home Grown Oil, LLC ("HGO") that resulted in HGO agreeing to convey specified assets that it owned to PCC. As consideration for these assets, PCC assumed certain liabilities of HGO and HGO will receive 415,362 Common Shares of the Company, which are to be delivered to an escrow agent eight months following the closing date of the asset purchase transaction. PCC is a company which will construct and is expected to operate a 1,100 metric tonne per day canola oilseed processing facility in Washington State (the "PCC Plant"). The PCC Plant is expected to produce edible canola oil products for sale to food processors and food service customers and canola meal for sale to livestock and animal feed producers in both domestic and international markets.

PCC entered into a guaranteed maximum price construction contract dated May 27, 2011 with Industrial Construction Group, Inc. ("ICG") (the "PCC Construction Contract"). The PCC Construction Contract is a design-build agreement pursuant to which ICG will provide both the design and construction of the PCC Plant for a guaranteed maximum price of US$80,875,481, subject to additions and deductions. The PCC Construction Contract is unconditionally and irrevocably guaranteed by McKinstry Co. LLC ("McKinstry"), an established full service design-build firm, which is affiliated with ICG. As part of the Offering, McKinstry invested $5,000,004 in the Company by way of a private placement. The PCC Construction Contract provides that the PCC Plant will be substantially completed in early 2013.

On July 14, 2011, PCC obtained a senior secured credit facility (the "Senior Credit Facility") in the amount of $59.8 million from a syndicate of lenders. The Senior Credit Facility consists of a construction loan available in multiple advances over an eighteen month period, and then, following completion of construction, converting into a term loan and a revolving loan. Monthly interest payments are required to be made on amounts drawn down on the construction loan. Interest payable on amounts advanced under the Senior Credit Facility will be calculated based on alternative formulas ranging from a variable rate of LIBOR plus 6% for the construction loan and revolving loan to a variable rate of LIBOR (or other base rate) plus 5.5% for the term loan.

The Senior Credit Facility is subject to a number of financial and business covenants, including: (i) PCC maintaining minimum working capital requirements and debt to equity levels and (ii) PCC complying with fixed charge coverage ratios and limitations on capital expenditures and amounts of dividends that can be declared in the first two years of operations.

The Senior Credit Facility is secured by a first security interest in the PCC Plant and assets, including the equipment and buildings, lease-hold mortgage on the land, all non-seed inventories and receivables, and an assignment of all contracts and permits. PCC is required to fund, no later than three months before commencement of production, a US$2 million replenishing debt service reserve fund to be pledged as security for the Senior Credit Facility.

As a requirement of the Senior Credit Facility, ICG obtained a US$10 million payment and performance bond from an approved lender, such facility to be available to be drawn down to fund construction costs, contingencies and certain financial obligations, if necessary.

5. Events after Reporting Period *(continued from previous page)*

On July 14, 2011, the Company acquired all of the issued and outstanding shares of Silverock Holdings Inc. ("Silverock") from the sole shareholder of Silverock who is a Director of the Company. The aggregate purchase price was $1,000,000 of which $250,000 was paid in cash and $750,000 was paid by the issuance of 83,333 Common Shares of the Company at a price of $9.00 per Common Share. Silverock is an inactive British Columbia corporation whose sole assets and liabilities consist of market data and analysis and rights and obligations with financial, economic and legal advisors relating to capital markets transactions to be undertaken by RLI and WSL. A valuation allowance of $1 million was taken against the Silverock Holdings Ltd. investment subsequent to June 30, 2011.