Legumex Walker

We are stronger together.

Management's Discussion and Analysis

For the Period Ended March 31, 2012

Table of Contents

The following management's discussion and analysis ("MD&A") of financial condition and results of operation has been prepared by management to help readers interpret the consolidated financial results of Legumex Walker Inc. ("LWI" or the "Company") for the period ended March 31, 2012. This document should be read in conjunction with LWI's unaudited interim consolidated financial statements and related notes thereto for the period ended March 31, 2012 (the "Interim Financial Statements"). The aforementioned consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"); they are available, together with additional information relating to LWI, on SEDAR at www.sedar.com.

This MD&A has been prepared as of May 11th, 2012. All dollar amounts are in Canadian dollars unless otherwise indicated. All references to LWI include its subsidiaries as applicable.

Corporate Information

Legumex Walker Inc. ("LWI", or the "Company") was incorporated under the laws of Canada on April 20, 2011. LWI's shares became listed on the Toronto Stock Exchange on July 14, 2011. Its registered office is located at 1345 Kenaston Boulevard, Winnipeg, Manitoba, Canada.

LWI became a reporting issuer under the securities laws of a number of Canadian provinces and territories on June 30, 2011. The Company has a December 31st fiscal period end and prepares and presents its financial statements in accordance with International Financial Reporting Standards ("IFRS").

As LWI was not in existence prior to April 20, 2011, the unaudited condensed interim consolidated financial statements for the period ended March 31, 2012 do not include information for the comparative period ended March 31, 2011. See "Presentation and Analysis of Consolidated Results" section for a further explanation.

The Company did not conduct any commercial operations and had no employees during the period from its inception on April 20, 2011 to July 13, 2011.

1. HIGHLIGHTS

1.1 For the Three-Month Period Ended March 31, 2012

- Revenue of $65.8 million;
- EBITDA[1] of $2.2 million;
- Adjusted net loss[1] of $0.8 million, or $0.06 per share (excludes impact of certain charges related to the acquisition and transaction costs and non-cash foreign exchange);
- Net loss of $1.8 million or $0.13 per share
- Special Crops Division EBITDA[1] of $3.3 million
- Cash flow from operations[1] of $1.0 million;
- Completed a divisional amalgamation within the Canadian Special Crops Division forming Legumex Walker Canada Inc. ("LWC") to further integrate and streamline operations within the Company.
- Acquired Minnesota based St. Hilaire Seed Company ("SHS"), one of the largest dry bean processors in the United States.

- Formed Legumex Walker Sunflower ("LWS") and acquired sunflower seed processing assets in Mentor, Minnesota
- Expanded processing capabilities outside of North America with an investment in a bean processing facility in Tianjin, China, which has now commenced operations
- Secured new combined $124 million credit facilities
- Completed hiring senior management team for Oilseed Processing Division
- Pacific Coast Canola project remains on schedule and on budget

[1] EBITDA, EBIT, Adjusted Net Loss, Adjusted Net Earnings, Adjusted Net Earnings per Share, and Cash Flow from Operations are non-GAAP measures. See Section 14 "Non-GAAP Measures" for an explanation of these non-GAAP measures and a reconciliation of these non-GAAP measures to the most directly comparable measure calculated in accordance with IFRS and included in the Company's financial statements.

1.2 Subsequent to the end of Q1 2012

- Sold stake in Blue Hills Processors for $1,800,000 as part of ongoing initiative to optimize its wholly‐owned processing capacity
- Pacific Coast Canola commenced a canola seed purchasing program to meet requirements for commissioning and commercial operations.

2. BUSINESS OVERVIEW

LWI, through its subsidiaries, derives its revenue from sourcing, processing, marketing and distributing pulses (lentils, peas, beans and chickpeas), other special crops (such as canaryseed, flaxseed and sunflower seed) to a global client base.

LWI's business model is based on having direct relationships with producers (growers) and buyers. The Company's strategy is to build supply chain pipelines for products between producers of pulses, other specialty crops and canola and consumptive customers, adding value and capturing margin throughout the chain. Through operations at vital points along the pipeline, the Company hopes to generate competitive advantage and economies of scale.

The key drivers of LWI's financial performance are product mix, volumes, and margins per metric tonne. Volume is important because of the relatively high fixed-cost nature of the business.

LWI's goal is to grow profitability and cash flow per share by expanding its existing product lines, increasing its market share, diversifying into complementary products and new markets, diversifying globally the regions from which it sources crops, and strengthening its total supply chain.

On July 14, 2011, the Company acquired all of the issued and outstanding shares of the Roy Legumex Group of Companies ("RLI") and Walker Seeds Ltd. ("WSL"), completed its initial public offering (the "Offering") and combined their operations. As a result of the acquisition, LWI became one of the largest processors of pulses and other special crops in Canada with nine processing facilities having an aggregate processing capacity of approximately 340,000 metric tonnes (MT) per year throughout Saskatchewan and Manitoba and a sales and distribution network that extends to over 70 countries.

Concurrent with its acquisition of RLI and WSL on July 14, 2011, LWI expanded into canola processing by acquiring an 85% interest in Pacific Coast Canola, LLC, a company that is building and plans to operate an 1,100 metric tonne per day canola oilseed processing facility. Located in Warden, WA the facility will produce expeller-pressed canola oil and high-quality canola meal. The plant will be the first commercial-scale canola crushing operation west of the Rockies and is well-positioned to supply the expanding demand for canola products on the west coast of the United States and to serve the Asia-Pacific export markets. The facility is expected to be operational in early 2013.

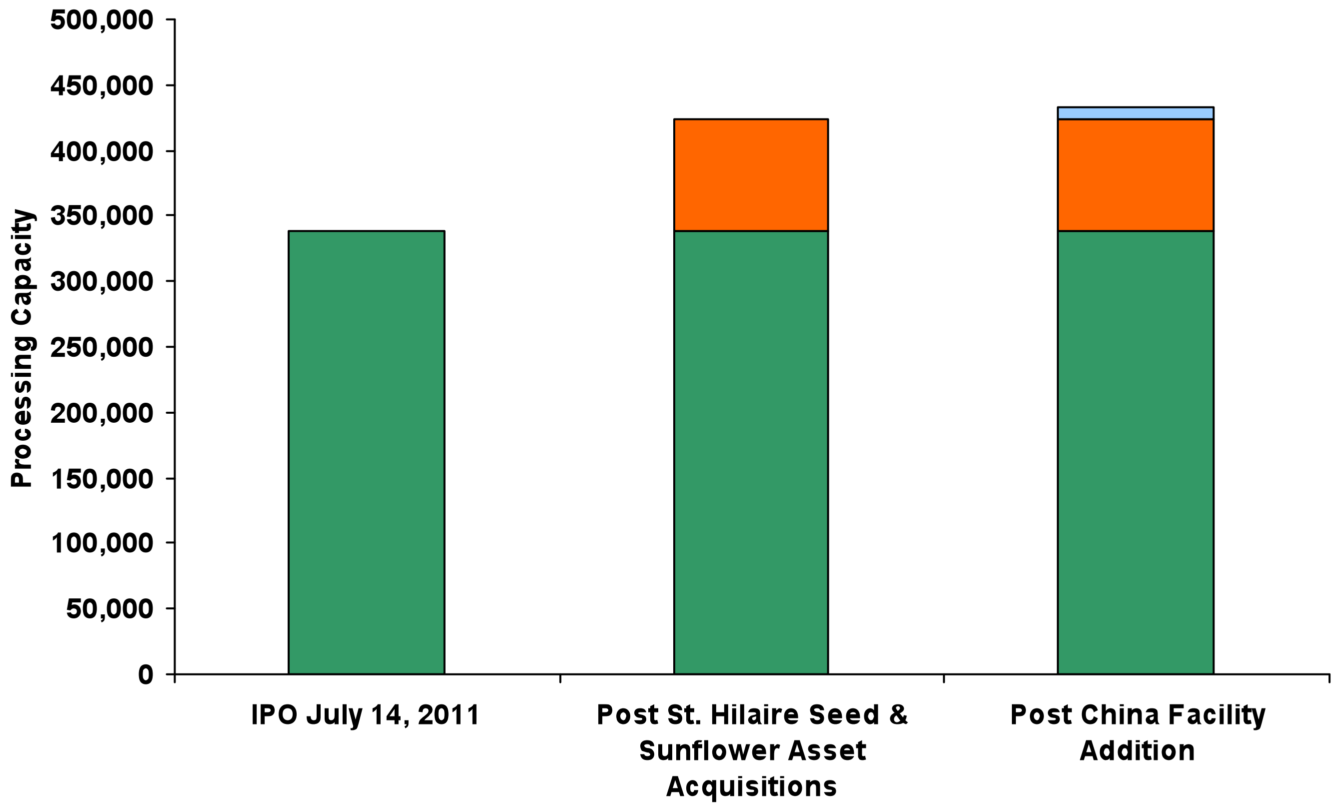
In February 2012, the Company acquired Minnesota-based St. Hilaire Seed Company, one of the largest dry bean processors in the United States. The acquisition of St. Hilaire materially increased the proportion of dry beans in the Company's product mix. In recent years, dry beans have generated higher margins than other pulses and specialty crops. The St. Hilaire processing plant added 45,000 MT per year of capacity, more than doubling the Company's dry bean capacity, and its six receiving facilities in North Dakota (5) and Minnesota (1) added 40,000 MT of storage capacity. It also diversified the Company's dry bean sourcing into the American Midwest, which is expected to mitigate the risk associated with inclement weather or other regionally specific disruptions to the dry bean business.

In a concurrent and related transaction, the Company also acquired sunflower seed processing assets previously owned by Anderson Seed Company ("ASC") consisting of a processing facility in Mentor, Minnesota and two receiving stations in North Dakota. The sunflower seed processing facility has production capacity of approximately 40,000 MT per year and the receiving stations have a combined storage capacity of 13,000 MT. The sunflower seed processing assets provide an attractive opportunity to expand the scope of the Company's sunflower seed business, adding de-hulling capabilities that allowed LWI to enter the sunflower kernel market. In addition, the acquisition diversifies geographically the Company's sourcing of sunflower seeds, which is expected to mitigate the risk associated with inclement weather or other regionally specific disruptions to the sunflower seed business.

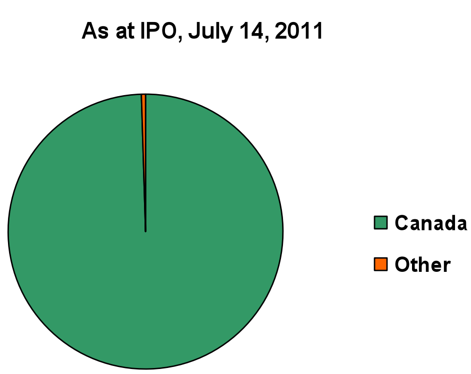
Also in February 2012, the Company announced that it had expanded its processing capabilities outside of North America with an investment in a bean processing facility in Tianjin, China, which has now commenced operations. The addition of the 10,000 MT per year capacity from this processing facility enhances the processing capabilities built upon the Company's previously established local sourcing, distribution, and logistical relationships in China to enable the Company to capture additional margin.

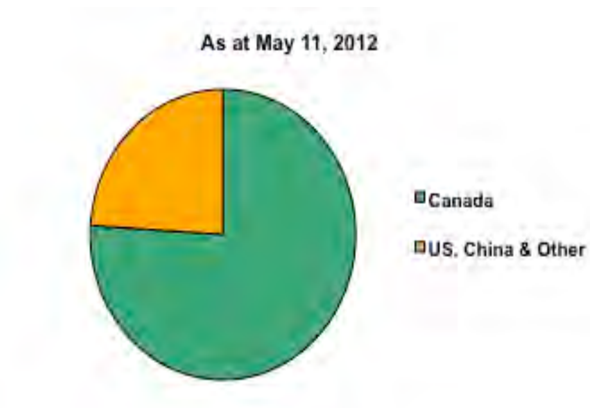
As a result of the acquisitions of St. Hilaire Seed Company and the sunflower seed processing assets previously owned by ASC in the U.S., as well as the addition of processing capabilities in China, approximately one-quarter of the volume processed at LWI's facilities is now sourced from outside of Canada.

LWI Processing Capacity



LWI Special Crops Sourcing by Geographic Region





3. UNDERSTANDING OUR BUSINESS

3.1 Special Crops Division

Industry Background

Special crops are a diverse group of crops that are not included in major grains and oilseeds or horticultural crops. Special crops are generally categorized as pulses (lentils, peas, beans and chickpeas) and other special crops (e.g. sunflower seed, mustard seed and canaryseed).

Special crops are the fifth-largest crop category produced in Canada after wheat, canola, corn and barley, and are primarily used as a protein and fiber source food for human and livestock consumption and, increasingly, in industrial applications. Pulses are a critical part of the diet in developing nations, which consume approximately 85% of the world's pulse production and where populations are growing at a faster pace than local agricultural production. Consumption of pulses is increasing in developed nations as a result of increased multiculturalism and health awareness of consumers who are increasing their consumption of vegetable proteins in their diets.

Primary processing of special crops involves the receiving, cleaning and sorting of seed. Secondary processing includes the splitting of dry peas, lentils and chickpeas; as well as canning, dry packaging, and the production of soup mixes, dehydrated products, precooked and individually quick-frozen products, soups, stews, and snack food. Pulses are also processed into components such as fiber, gluten-free flour, starch and protein concentrates. Non-oil sunflower seeds are used extensively as a snack food, such as roasted seeds, or de-hulled for use in baking. The birdseed industry uses canary seed, as well as sunflower seed and dry peas, in feed mixtures for pet and wild birds.

The special crops industry in North America has begun to consolidate over the past ten years, following the initial growth of the industry which occurred over the prior three decades. The special crops industry in Canada remains somewhat fragmented in terms of market share by product. The Company is one of the largest special crops processors in Canada, and other than one large scale competitor, the balance of the industry characterized primarily by family owned operations which generally lack significant global sales volumes, and may process product for larger participants such as the Company. Competition is based on product price (both to growers and to consumers), dependability, logistics and specialized processing capabilities, product line diversity and scale. Products are not exchange traded, requiring relationships and expertise in various global markets to determine regional pricing for products.

Operations

LWI is a growth-oriented processor and merchandiser of pulses (lentils, peas, beans and chickpeas), other special crops and canola products. The Company is one of the largest processors of pulses and other special crops in Canada, with 11 processing facilities strategically located in key growing regions in the Canadian Prairie Provinces and American Midwest, a global sales, logistics and distribution platform and access to multimodal transportation capabilities. In addition the Company has an 85 percent interest in Pacific Coast Canola, LLC, a company that is constructing a canola oilseed processing facility in Washington State. LWI sources product from a network of over 18,000 growers, primarily in Canada, the United States and China.

LWI derives its revenue from sourcing, processing, marketing and distributing special crops to a global client base that is comprised of importers, canners, packaging companies, wholesalers and distributors located in over 70 countries worldwide. LWI has a long history in the major consumptive markets of the Indian Sub-Continent, Asia, the Middle East, the Americas and Europe and benefits from long-term relationships with buyers in each market.

Seasonality

In the United States and Canada, the growing season for major agricultural commodities spans from May to October. Pulses and other special crops are typically seeded in May, harvested in mid- to late-August to early September and marketed throughout the year. The timing and volume of sales and shipments in a given year may be influenced by factors such as global supply and demand conditions, timing of harvest, crop size and quality, expectations of commodity prices in the near- and long-term, foreign exchange rates and the cost and availability of transportation equipment (railcars, trucks and ocean containers) required to get product to market.

Prospectively, LWI's strategy for its Special Crops Division is to continue to diversify its pulses and other special crops product mix, as well as the regions from which it sources supply, to reduce the impact of seasonality and other regionally specific disruptions.

Business Drivers

The key drivers in LWI's Special Crops Division are volumes and export demand. Volume is a key driver of profitability due to the relatively high fixed costs associated with the Company's storage, handling and distribution infrastructure combined with the fee-for-service nature of the business. Target fees or margins are typically adjusted annually by management once export targets, product supply and customer demands have been determined. Maximum margins are typically earned on those commodities that LWI receives into its processing facilities and distributes directly to buyers.

Factors that may influence the timing and volume of product shipments in a given year include producers' expectations of commodity prices in the near and longer term, the timing and quality of the crop harvested, export demand, foreign exchange rates, rail transport capabilities and the financial needs of producers and buyers.

Worldwide supply and demand and the quality and price of grains, oilseeds and other commodities influence export levels and are factors that can impact volumes and profitability.

Currency Impact

For Canadian pulse and special crop exporters, sales are predominantly denominated in U.S. dollars while costs are primarily in Canadian dollars. If the Canadian dollar is dropping in value relative to the U.S. dollar, Canadian exporters receive more Canadian dollars in exchange for the U.S. dollars they receive from export sales. In such situations, the prices growers ask for their crops tend to rise. When the Canadian dollar rises against the U.S. dollar, Canadian exporters receive less Canadian dollars for their exports and growers' asking prices tend to drop.

LWI's buyers around the world face similar problems when their local currency changes value relative to the U.S. dollar. When the local currency drops relative to the U.S. dollar, the buyer must use more of their local currency to pay for the beans, peas, lentils or canary seed they import.

The Company uses financial instruments, including forward currency exchange contracts and currency options to manage its foreign currency risk by attempting to lock in potential margins. Many of the Company's buyers do not, or cannot, hedge currency or buy the U.S. dollars needed to pay for imports due to the amounts being too small, buyers' lack of access to the required financial services, currency controls or international sanctions which make it impossible to hedge.

The time between when an importer places an order from Canada and the time it physically arrives at its destination could be between 60 and 120 days or more depending on the market. During this period, both the exporter and importer are exposed to changes in exchange rates. If the importer's local currency falls far enough during the sales execution cycle, it can lose money as it may be very difficult to pass along the added costs to its customers especially if its competitors or their customers have inventory from earlier purchases made at more favourable cost or exchange rates. In such a case, the importer could choose to repudiate the sale, resulting in the exporter having to re-sell the product. The Company did not experience any such material events during the periods reflected in this MD&A.

3.2 Oilseed Processing Division

Industry Background

Canola seed is grown primarily to produce canola oil for human consumption while the canola meal byproduct is used as high-protein animal feed. Both canola oil and meal are produced through a crushing and refining process which separates the oil from the meal.

Canola oil consumption has grown significantly in recent years as consumers have shifted towards healthier edible oils. The canola oil industry has been one of the leading beneficiaries of this trend as canola oil is the lowest among all edible oils in saturated fats and the highest among all edible oils in cholesterol-lowering mono-saturated fats. Canola oil is also high in omega 3 and 6 fatty acids.

Canola meal is valued as a high-quality, high-protein livestock feed and is widely used as a component in hog, poultry and cattle rations. However, its greatest demand is in the dairy market, where canola meal supplies almost 50% of dairy herds' protein needs.

Canola now holds a preferential position in the crop rotation on many farms in Canada and increasingly in the United States. The canola industry in North America is highly concentrated with four oilseed crushers controlling approximately 75% of the crushing capacity in North America. Such industry concentration has resulted in the industry historically operating at high capacity utilization even through the recent economic downturn. Given the lack of significant alternative uses for canola seed other than oil and meal, combined with the consolidation of the processors, there has been a high degree of correlation between seed and oil pricing as canola seed prices have effectively been passed through to purchasers of canola oil.

Scale and logistics are significant barriers to the development of new canola crush facilities. Successful canola crush facilities require strong canola seed sourcing capabilities to ensure reliable, cost-effective access to canola seed throughout the year from a large grower network as well as strong sales, shipping and logistics capabilities to manage the significant quantities of canola oil and canola meal sold to a diverse customer base. In addition, the capital required for the development, construction, working capital, and management of an efficient canola crush facility is high given the necessary scale of these facilities. As a result of these factors, only a few independent canola crush facilities have been built in recent years.

Seasonality

Canola producers in the Pacific Northwest have the option of growing the crop as either a spring or a winter type. Spring canola is generally seeded in April and harvested in September, whereas winter canola is generally seeded in September and harvested in July. Harvested canola is consolidated in large storage terminals and is stored until needed. PCC expects to draw on stored canola supplies to meet its daily crushing needs. Once operations commence in early 2013, the crushing facility is expected to operate on a fixed crushing schedule and is expected to produce product for sale on a daily basis. While PCC will be required to address the issue of seasonality for crop purchases, it is expected that product sales will remain stable throughout the year.

Business Drivers

Profitability in canola processing is driven by volume, due to relatively high fixed costs, and by crush margins. Crush margins are a function of the cost of canola seed, processing yields and the selling price of the oil and meal produced.

4. GROWTH STRATEGY AND STRATEGIC DIRECTION

Increased Utilization and Optimization of Facilities

Management sees a significant opportunity to increase the overall utilization of its system-wide processing capacity by improving how it distributes crops among its processing plants. The 11 LWI processing facilities provide the Company with significantly greater flexibility in this area than either predecessor company enjoyed and are expected to allow it to increase both the length and the number of production runs and to minimize down time caused by equipment changeovers. These improvements should allow the Company to increase utilization of its existing capacity and to reduce the need to employ third-party processing during peak operational periods. As a result, the Company expects to realize improved processing margins over time.

Diversification Into New Products & Markets

A broader product line allows the Company to better serve its customers, as well as to be more attractive to growers. The Company continuously pursues new product lines that leverage its unique capabilities, including its logistical capabilities and global sales and distribution network, and allow it to enter new markets. Recent examples include the introduction of organic products through a dedicated processing facility, the development of niche varieties of yellow and black beans and slow darkening pinto beans, and the addition of sunflower kernels. In addition, the Company will continue to seek new product offerings to facilitate two-way trade from various geographies in which it operates, enabling the Company to provide a broader product line from a single source to customers around the world. The addition of new products will better position the Company to serve a global client base, as well as its growers, leverage its supply chain, global sales network and risk management capabilities, while also expanding and further diversifying its revenues.

The acquisitions of St. Hilaire Seed Company and the sunflower seed processing assets previously owned by ASC diversified the Company's product mix through the addition of dry bean processing and entry into the sunflower kernel market. The acquisitions also expanded the Company's sourcing and processing into the American Midwest. The addition of the bean processing facility in China further diversified the Company's product mix through additional bean capacity.

LWI's investment in PCC provides a unique opportunity for the Company to enter the market for canola oil and meal, in order to further diversify its sales portfolio and develop strategic relationships with key industry players.

Geographic Diversification of Sourcing

LWI is also pursuing diversification of the regions from which it sources supply from growers. Greater geographical diversification of supply should allow the Company to be more competitive in regions where competing processors have access to low-cost supply. It also reduces the risk associated with poor crops due to inclement weather or market disruptions (such as political turmoil) in a particular growing region and provides the flexibility to shift supply to adjust to such conditions or to adjust to cost and selling price fluctuations as a result of exchange rate movements.

The acquisitions of St. Hilaire Seed Company and the sunflower seed processing assets previously owned by ASC in the U.S., as well as the addition of processing capabilities in China, significantly diversified the Company's sourcing by geographic region. Prior to the acquisitions and addition of capacity, substantially all of the volumes processed at LWI's facilities were sourced from within Canada. Following the acquisitions and addition of capacity, approximately 24% of the volumes processed in the Company's facilities are sourced outside Canada.

Strategic Acquisitions

The Company will evaluate strategic acquisitions that both increase revenues and generate higher margins through revenue and/or cost synergies. The Company's criteria for such acquisitions include factors such as fit with existing product lines and processing activities, increased scope of operations either through geography or product, operating history, strength of the target Company's management team and the likelihood of retaining that team.

Strategic Entry into the Canola Crushing Industry

The Company's investment in PCC is expected to be a key driver of its growth when the plant commences operations. This investment provides a unique opportunity for the Company to enter into canola crushing industry, historically a higher margin market than special crop processing and merchandising, in order to further diversify its sales portfolio, develop strategic relationships with key industry players, leverage and expand its grower relationships and increase cash flow. The PCC Plant will be the only commercial scale canola crushing facility west of the Rocky Mountains, providing a proximity advantage relative to PCC's competitors when shipping to food processors on the West Coast or to ports serving the growing Pacific Rim export markets. Construction of the PCC plant continues on schedule and on budget, with operations scheduled to commence in early 2013.

5. PRESENTATION AND ANALYSIS OF INTERIM CONSOLIDATED RESULTS

These 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 same accounting policies were followed in the preparation of these interim consolidated financial statements as those disclosed in the Company's consolidated financial statements for the period ended December 31, 2011. The Company's 2011 annual consolidated financial statements include incremental annual IFRS disclosures that may be helpful to readers of the interim consolidated results and therefore should be read in conjunction with these interim consolidated financial statements.

As LWI was not in existence during the three-month period ended March 31, 2011, the Company's financial results for the three-month period ended March 31, 2012 are presented without comparative results for the same period in the prior year.

The acquisition of SHS has been accounted for as a business combination under IFRS 3 by applying the acquisition method as described in Note 4 to the unaudited condensed interim financial statements for the period ended March 31, 2012. The operating results of SHS have been fully consolidated from the date control was fully transferred to LWI, which was February 15, 2012. Sales for SHS prior to February 15, 2012 are not included in LWI's sales for any period.

6. CONSOLIDATED QUARTERLY RESULTS

6.1 Selected Financial Information

Summary of Three-Month Results (in thousands of Cdn $ except as indicated – unaudited	
	Three-Months
Sales	65,793
Cost of sales	60,099
Gross margin	**5,694**
Add: Earnings from investment in associates	20
Less: Selling, general and administrative costs	4,302
Add: Non-recurring costs[1]	800
EBITDA[2]	**2,212**
Less: Depreciation and amortization	1,974
EBIT[2]	238
Less: Financing costs	763
Less: Provision for income taxes	309
Adjusted net earnings (loss)[2]	**(834)**
Less: Non cash foreign exchange	249
Add: Finance income	73
Less: Non-recurring costs[1]	800

Net earnings (loss) per financial statements	**(1,810)**
Attributable to:	
Non-controlling interests	(21)
Shareholders of the Company	(1,789)
Total net earnings (loss)	(1,810)

Basic weighted average number of shares (000s)	**13,297**
Net earnings (loss) per share	**(0.13)**
Adjusted net earnings (loss) per share[2]	**(0.06)**

Total assets	**$259,732**
Non-current portion of long-term debt and obligations under finance leases	**$20,880**

[1] One time costs deemed to be non-recurring my management relating to acquisitions, financing and other.
[2] EBITDA, EBIT, Adjusted Net Earnings and Adjusted Net Earnings per Share are non-GAAP measures. See Section 14 "Non-GAAP Measures".

Sales

Total consolidated sales for the three months ended March 31, 2012 was $65.8 million. Revenue was generated entirely from sales from the Special Crops Division through the sale of pulse and other special crops. (See Section 6.3 for a discussion of Special Crops Division sales.)

Cost of sales and gross margin

Cost of sales, which includes the cost of special crops, internal processing costs, third-party processing costs and freight, for the three-month period ended March 31, 2012 was $60.1 million, resulting in a gross margin of $5.7 million (8.7 % of sales). SHS and LWS (the U.S. Special Crops operations) generated $4.3 million of sales for the first quarter of 2012, but did not provide a positive contribution to the Company's overall gross margin. The measurement standards prescribed by IFRS 3 required the Company to revalue inventories acquired as part of the business combination at fair value upon acquisition. This value was higher than the historical cost and accordingly resulted in increased cost of sales for accounting purposes relative to the amount that would have been recorded had the inventory not been revalued. This increase in cost of sales together with approximately $0.5 million in fixed plant overhead and other costs included in cost of sales during the period resulted in the U.S. Special Crops operation's negative impact on gross margin. Excluding the U.S. Special Crops sales and fixed plant overhead costs, gross margin generated by the Canadian Special Crops operations was $6.2 million (10.1% of sales). Gross margin percentage will vary from quarter to quarter and year to year based on the strength of demand, product mix, as well as the timing and location of purchases by LWI of pulses and other special crops.

Selling, general, and administrative expenses

Selling, general, and administrative expenses for the three-month period ended March 31, 2012 were $4.3 million (6.5% of sales). Category expenses reflect the relatively fixed nature of the Company's indirect costs, which consist primarily of personnel salaries and benefits, professional fees, insurance, property and business taxes and utilities. The Company has deemed $0.8 million of its selling, general and administrative costs during the quarter to be non-recurring costs attributable to events and factors related to the commencement of business as a going concern, integration activities and the acquisition of SHS and assets of LWS.

Earnings Before Interest, Taxes, Depreciation and Amortization[1]

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the three-month period ended March 31, 2012 was $2.2 million.

Depreciation and Amortization

Depreciation and amortization of property, plant and equipment and intangibles during the three-month period ended March 31, 2012 was $2.0 million.

Financing Costs

Financing costs for the three-month period ended March 31, 2012 were $.8 million. Financing costs are comprised of interest on operating lines of credit, interest on senior debt and other bank and finance costs.

Income Taxes

Provision for income tax for the three-month period ended March 31, 2012 was $0.3 million.

Non-Cash Foreign Exchange

The Company enters into sales transactions denominated in United States currency for which the related accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As the majority of the Company's sales are denominated in U.S. dollars, and it has committed future sales contracts denominated in U.S. dollars, the Company has entered into foreign exchange contracts and options to manage risk. These foreign exchange contracts and options have not been designated as hedges under the Company's accounting policies. Therefore, these contracts are marked to market at each financial statement date and changes in the fair value over the prior period have been included in current period earnings.

The Company reported a non-cash foreign exchange gain of $0.2 million for the three-month period ended March 31, 2012, which was primarily the result of the mark to market of forward foreign exchange contracts and options and foreign denominated working capital consisting of primarily U.S.- denominated receivables and payable.

Net Loss and Loss Per Share

Net loss for the three-month period ended March 31, 2012 was $1.8 million, or $0.13 per share. Excluding the impact of certain charges related to the acquisition and transaction costs and non-cash foreign exchange, adjusted net loss was $0.8 million, or $0.06 per share.

EBITDA, EBIT, Adjusted Net Earnings, Adjusted Net Earnings per Share, and Cash Flow from Operations are non-GAAP measures. See Section 14 "Non-GAAP Measures".

6.2 Quarterly Segment Results

The Company's three reportable business segments are the Special Crops Division, the Oilseed Processing Division and Corporate. Segmented financial information for the three-month period ended March 31, 2012 is set out below.

Selected Financial Results[1,2]
Three Months Ended March 31, 2012
(in thousands of Cdn $ except as indicated – unaudited)

	Special Crops	Oilseed Processing	Corporate	Total
Sales	65,793	-	-	65,793
Cost of sales	60,099	-	-	60,099
Gross margin	**5,694**	**-**	**-**	**5,694**
Add: Earnings from investment in associates	20	-	-	20
Less: Selling, general and administrative costs	2,464	140	1,698	4,302
Add: Non-recurring costs[1]	-	-	800	800
EBITDA[2]	**3,250**	**(140)**	**(898)**	**2,212**
Less: Depreciation and Amortization	1,961	-	13	1,974
EBIT[2]	**1,289**	**(140)**	**(911)**	**238**

[1] One time costs deemed to be non-recurring my management relating to acquisitions, financing and other.

[2] EBITDA, EBIT, Adjusted Net Earnings and Adjusted Net Earnings per Share are non-GAAP measures. See Section 14 "Non-GAAP Measures".

6.3 Special Crops Division

Sales for the Special Crops Division for the three-month period ended March 31, 2012 were $65.8 million. As is further discussed in Section 7.1, market factors, including the European financial crisis, currency fluctuations and political instability in some of the Company's traditional markets contributed to the reluctance of buyers to purchase additional product, negatively impacted sales. The Company is also seeing increased competition from emerging pulse producing countries that have pricing advantages due to lower transportation costs as a result of their closer proximity to some buyers and relatively low currencies values. Management believes many of these factors to be temporary in nature. Moreover, it is a fundamental part of the Company's growth strategy to diversify its sourcing into new geographic regions to reduce risk, increase flexibility and strengthen its competitive position versus companies in emerging pulse producing nations.

Cost of sales, which includes the cost of special crops, internal processing costs, third-party processing costs and freight, for the three-month period ended March 31, 2012 was $60.1 million, resulting in a gross margin of $5.7 million (8.7 % of sales). SHS and LWS (the U.S. Special Crops operations) generated $4.3 million of sales for the first quarter of 2012, but did not provide a positive contribution to the Company's overall gross margin. The measurement standards prescribed by IFRS 3 required the Company to revalue inventories acquired as part of the business combination at fair value upon acquisition. This value was higher than the historical cost and accordingly resulted in increased cost of sales for accounting purposes relative to the amount that would have been recorded had the inventory not been revalued. This increase in cost of sales together with approximately $0.5 million in fixed plant overhead and other costs included in cost of sales during the period resulted in the U.S. Special Crops operation's negative impact on gross margin. Excluding the U.S. Special Crops sales and fixed plant overhead costs, gross margin generated by the Canadian Special Crops operations was $6.2 million (10.1% of sales). Gross margin percentage will vary from quarter to quarter and year to year based on the strength of demand, product mix, as well as the timing and location of purchases by LWI of pulses and other special crops

EBITDA generated by the Special Crops Division for the three-month period ended March 31, 2012 was $3.3 million.

6.4 Oilseed Processing Division

Construction on the PCC Plant, which is scheduled for completion in early 2013, is progressing on schedule and on budget. Above-ground construction is well underway. Operating expenses for the three-month period ended March 31, 2012 were approximately $140,000. The majority of costs incurred by the Oilseed Processing Division are capitalized as plant costs.

PCC Plant expenditures capitalized in aggregate to March 31, 2012 were USD $27.8 million, which amount is not in excess of the amount contemplated by the construction contract.

During the quarter PCC completed hiring of the senior management team with the addition of the VP of Sales and Marketing, VP of Seed Procurement and Plant Manager.

6.5 Corporate Expenses

Corporate expenses for the three-month period were $1.7 million. These are cost related to activities such as the listing and compliance costs of the TSX, governance, executive compensation and other corporate development costs and integration activities. Approximately $0.8 million of corporate expenses related to non-recurring costs associated with corporate development, restructuring, integration and business combination of SHS.

7. OUTLOOK

7.1 Special Crops Division

Consumption of pulses and special crops remains strong in most regions globally. Pulses are a critical part of the diet in developing nations where populations are growing at a faster pace than local agricultural production. While developing nations consume approximately 85% of the world's pulse production, they only produce approximately 55% of their domestic requirements. Top consumers, including India, Bangladesh, Sri Lanka and Pakistan, where pulses have historically been a key staple food, face pressure from growing populations and limited domestic production. Consumption of pulses is also increasing in developed nations as a result of increased multiculturalism and health conscious consumers who are increasing their consumption of vegetable proteins in their diets through the inclusion of pulses and other vegetable sources.

Volatility in currency markets, tight credit conditions, currency fluctuations and political uncertainty continues to disrupt trade with many of the Company's buying regions. Such conditions will likely cause producers and buyers to postpone their selling and buying activities until there is better visibility and lower risk in the market or until internal pressures – reduced inventories for buyers and revenue constraints for producers – overcome the unsettled conditions of the market. The Company is confident in its ability to monitor changes in the marketplace and to act effectively in such conditions. The relatively high value of the Canadian dollar has made selling into certain regions of the world more challenging.

Canadian and U.S. pulse and special crops processors and exporters are also facing greater competition from some companies in other countries, where pulse production is increasing. The Company expects to offset some of the impact by diversifying its sourcing outside of North America. To this end, the Company recently added processing capabilities in China, which sources supply domestically.

LWI is focused on market segments that are demonstrating the highest growth in demand and output. Over the long term, the Company is committed to expanding its sourcing region for pulse crops outside of Canada to maintain its existing customer requirements and to create new opportunities that complement the existing business model. The Company pursues new product lines that are good fits with its existing businesses and operations. In addition, the Company will continue to seek new product offerings to facilitate two-way trade from various geographies in which it operates. The addition of new products will better position the Company to service a global client base as well as its growers, leverage its supply chain, global sales network and risk management capabilities.

Although Canada is expected to experience an overall decrease in pulse production volumes in 2012, this reduction should have a larger impact on conventional bulk shipping programs, which do not constitute a meaningful proportion of LWI's business. The Company sources its product from a broad base of Canadian Prairie and Midwest U.S. producers and enjoys longstanding relationships and preferred status with many of those that helps the Company's buyers secure adequate supplies to meet demand. This diversity of suppliers is also reflected in the Company's diverse product offerings, which allows the Company to better respond to disruptions in any specific products. The Company had access in the current period, and believes it will be able to continue to have access to, reasonable volume and quality of product to supply the demand from buyers as it arises.

7.2 Oilseed Processing Division

Various state governments and municipalities in the United States, such as New York City, Philadelphia and the State of California, have recently banned trans-fatty acids or are in the process of enacting such legislation. This regulatory environment has contributed to a shift away from primarily hydrogenated soy oil, which has historically represented the bulk of edible oil consumed in the United States, to canola oil. As a result of this trend, many food processors have also begun shifting to healthier oils such as canola.

The Pacific Northwest is home to a multi-billion dollar food processing industry. There is growing demand from secondary food processing participants in the Pacific Northwest as well as a number of distribution opportunities both along the West Coast and the Pacific Rim. PCC, the only commercial-scale canola crusher west of the Rocky Mountains, should have significant cost and service advantages in addressing this growing market following the completion of the PCC Plant. The PCC Plant will be located directly adjacent to or near many of the largest potato processors and users of canola oil in the United States. Canola meal is valued as a high-quality, high-protein livestock feed and is widely used as a component in hog, poultry and cattle rations.

The canola industry in North America is highly concentrated, with four producers controlling approximately 75% of the crushing capacity in North America. Such industry concentration has resulted in the industry historically operating at high capacity utilization even through the recent economic downturn. Crush facilities have generally enjoyed positive margins (crush margins represent canola oil and meal revenues less the canola seed input cost) over time.

North American canola acres and production have increased substantially in the past six years, and that trend is expected to continue. Moreover, management expects canola acreage in both the US and Canada to increase to record levels in 2012 due to the high seed prices. Stats Canada survey results indicate that Canadian farmers may seed a record 20.4 million acres of canola in 2012, up 8.0% from the previous record of 18.9 million acres set in 2011. The USDA Prospective Plantings Report shows a total of 80,500 acres in Washington, Oregon, Idaho, and Montana, which represents a 22% increase in canola plantings in the western states for 2012.

8. LIQUIDITY AND CAPITAL RESOURCES

8.1 Cash Flow Information

	Three-Months (unaudited)
EBITDA[2]	2,212
Less: Non-recurring operating costs	336
Add: Stock-based compensation	102
Less: Earnings from investment in associates	20
Add: Finance income (loss)	73
Less: Income taxes paid	680
Less: Maintenance capital expenditure	280
Cash Flow from operations[1]	1,071

[1]Cash Flow from Operations was entirely generated by the Special Crops Division
[2]Cash Flow from Operations and EBITDA are non-GAAP measures. See Section 14 "Non-GAAP Measures", which includes a reconciliation of EBITDA to net earnings.

8.2 Investing Activities

On July 14, 2011, the Company acquired all of the issued and outstanding shares of 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 $26.6 million, of which $5.0 million was paid in cash and $21.6 million was paid by the issuance of 2,395,942 Common Shares of LWI at a price of $9.00 per Common Share.

The RLI share purchase agreement included post-closing adjustment provisions for an increase of the purchase price or post closing dividend to shareholders of RLI on a "dollar for dollar" basis to the extent the "working capital" (as defined in the RLI share purchase agreement) of RLI at closing of the RLI acquisition is greater than $11 million or the "funded debt" (as defined in the RLI share purchase agreement) of RLI is less than $10.5 million based on a balance sheet to be delivered within 90 days of the closing date. This post-closing price payment is estimated at $3.2 million and is reflected as Notes payable to related parties on the consolidated balance sheet.

On July 14, 2011, the Company acquired all of the issued and outstanding shares of 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 $22.6 million, of which $5.0 million was paid in cash and $17.6 million was paid by the issuance of 1,960,942 Common Shares of LWI at a price of $9.00 per Common Share.

The WSL share purchase agreement included post-closing purchase price adjustment provisions for an increase of the purchase price or post closing dividend to shareholders of WSL on a "dollar for dollar" basis to the extent the "working capital" (as defined in the WSL share purchase agreement) of WSL at closing of the WSL acquisition is greater than $8.0

million or the "funded debt" (as defined in the WSL share purchase agreement) of WSL is less than $14.9 million based on a balance sheet to be delivered within 90 days of the closing date.

On July 14, 2011, the Company completed a series of transactions pursuant to an asset purchase agreement entered into with Home Grown Oil, LLC ("HGO") and PCC 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 received 415,362 Common Shares of LWI, which were delivered to an escrow agent eight months following the closing date of the asset purchase transaction, to be released from escrow on the first anniversary of the closing date of the asset purchase transaction. In addition, LWI through a wholly owned subsidiary invested US$42.1 million in PCC for an 85% interest in PCC concurrently with Glencore Grain Investment LLC ("Glencore"), which invested US$8.5 million for a 15% interest in PCC.

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 also 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 LWI at a price of $9.00 per Common Share. Silverock is an inactive British Columbia corporation whose sole assets and liabilities consisted 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. Under the terms of the share purchase agreement, LWI also agreed to assume Silverock's transaction expenses in an amount of approximately $151,000 and certain disbursements incurred in connection with the transactions related to the development and financing of the PCC Plant.

On February 15, 2012, the Company acquired all of the issued and outstanding shares of SHS, a dry bean processor. SHS derives its revenue from sourcing, processing, marketing and distributing special crops. The aggregate purchase price was $12,345,500 of which $4,995,500 was paid in cash and $7,350,000 was settled by the issuance of 1,000,000 Common Shares of the Company at the trading price on February 15, 2012 of $7.35 per Common Share. The purchase price of SHS is subject to adjustments related to certain working capital and funded debt levels, which, once finalized will be reflected in the total value of the consideration paid and to the fair value of the assets and liabilities assumed upon acquisition.

On February 15, 2012, the Company through its wholly owned subsidiary LWS acquired the sunflower seed processing assets previously owned by ASC, consisting of a processing facility in Mentor, MN and two receiving stations in North Dakota, for USD $4.8 million.

LWI's property, plant and equipment expenditures for the three-month period ended March 31, 2012 were $16.0 million. Capital expenditures reflect a number of improvements and upgrades undertaken in the ordinary course of business in the Special Crops segment ($1.3 million for the period), the acquisition of sunflower seed processing assets ($4.3 million for the period) and the construction of the oil seed crushing facility in Warden, Washington ($10.4 million for the period).

Other non-current assets of $4.3 million includes $1.5 million in advances to the Port of Warden for site improvements related to the PCC construction project and $2.8 million in loan commitment fees paid by PCC in respect of its senior credit facility.

8.3 Non-Cash Working Capital

The table below sets out the Company's changes to non-cash working capital during the three month period and period ended March 31, 2012.

	Three months (unaudited)
Account receivable	(4,724,267)
Inventory	4,029,526
Income taxes receivable	164,695
Prepaid expenses	2,859,762
Accounts payable and accrued liabilities	(25,415,081)
Income taxes payable	(278,778)
Net change to non-cash working capital	**(23,364,143)**

Accounts receivable at March 31, 2012 was $47.0 million. Of this amount, $5.3 million was greater than 90 days due. Trade accounts receivable in aggregate collected to the date of this MD&A were $18.3 million. The Company's allowance for doubtful accounts for the period ended March 31, 2012 was $1.3 million.

8.4 Financing Activities

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 $70.0 million (the "Offering"). The net proceeds received by the Company were approximately $63.0 million after deducting underwriters' fees and other fees and expenses associated with the Offering.

The Offering completed on July 14, 2011 resulted in the receipt by LWI of net proceeds of $64.0 million, including the proceeds from the issue and sale of common shares upon exercise of the Over-allotment Option. The following table sets out the use of proceeds described in LWI's Prospectus dated June 30, 2011 and the actual use of proceeds (other than working capital).

	Per June 30, 2011 Prospectus	Incurred to March 31, 2012	To be Spent
LWI's equity investment in PCC	$ 40,400[1]	$ 40,400[1]	$ -
Cash Portion of Purchase Price to shareholders of RECO	5,000	5,000	-
Cash Portion of Purchase Price to shareholders of WSL	5,000	5,000	-
Partial Repayment of amounts due by WSL to Farm Credit Canada	5,000	5,000	-
Total[2]	$ 55,400	$ 55,400	-

[1]US42.1 million converted a US$1.04=$1.00. See Section 6.4 for a description of capital expenditures of PCC to March 31, 2012.
[2]Excluding working capital.

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 received by the Company were approximately $1.4 million 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 is 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, 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, commencing on July 14, 2011, and then, following completion of construction, converting into a term loan (US$47.8 million) and a revolving loan (US$12.0 million). 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. Quarterly principal and interest payments are required to be made on amounts drawn down on the construction loan beginning six months following completion of the PCC Plant. Repayment of the loan will be made over eight years in 32 equal quarterly payments.

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 the amounts of dividends that can be declared in the first two years of operations. The financial covenants are in effect as long as any balance remains outstanding on the loan and begin on the last day of the first full year 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$2.0 million replenishing debt-service reserve fund to be pledged as security for the Senior Credit Facility. This debt-service reserve fund is only required to be maintained for 9 months providing PCC is in compliance with its debt covenants.

As a requirement of the Senior Credit Facility, Industrial Construction Group, Inc. ("ICG") obtained a US$10.0 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.

There are no borrowings on the Senior Credit Facility as of May 11, 2012. PCC is in compliance with all current loan requirements.

On July 29, 2011, the Company used $5.0 million of proceeds from the Offering to pay down amounts due by WSL to Farm Credit Canada.

On January 3, 2012, LWC entered into a $25 million credit facility (the "FCC Credit Facility") with Farm Credit Canada ("FCC"). $20,444,725 of the FCC Credit Facility was drawn down to repay previous loans of certain subsidiaries of the Company prior to the amalgamation of those subsidiaries into LWC and to pay for current and future capital expenditures of LWC. The borrowed funds were issued by FCC as multiple loans. Two of the loans amounting to $20 million in aggregate, each have a term of 5 years, accrue an interest at FCC's Variable Mortgage Rate, with blended payments required to be paid on a monthly basis. A remaining loan of $444,725 has a term of 5 years and interest at FCC's variable mortgage rate plus 0.25%.

The FCC Credit Facility is guaranteed by the Company and is secured by a general security agreement in favour of FCC and a first charge mortgage on several owned and leased properties of LWC. The FCC Credit Facility requires LWC to maintain a specified current ratio, debt to service coverage ratio, debt to equity ratio and Funded Debt/EBITDA ratio (as defined in the FCC Credit Facility). As at March 31, 2012, LWC was in compliance with these covenants.

The interest rates and terms applicable to the FCC Credit Facility are disclosed in Note 10 of the interim consolidated financial statements for the period.

On February 13, 2012, LWC entered into a $99 million credit facility (the "HSBC Credit Facility") with HSBC Bank Canada ("HSBC") to finance various aspects of its operations.

The HSBC Credit Facility consists of a US $17 million acquisition loan facility on which $12.2 million was drawn down to assist LWC in the financing of the acquisition of SHS and assets of ASC. All amounts outstanding under the acquisition loan are to be repaid on demand by HSBC. Interest only is to be paid for the first six months of the loan, followed by equal monthly installments of principal and interest amortized over 15 years.

The HSBC Credit Facility also consists of an operating loan of up to $42 million, available in multiple advances to refinance amounts owing under a previous operating facility and to assist in financing day-to-day operating requirements. In addition to the operating loan, LWC obtained a $10 million temporary increase to its operating loan to assist in the initial day-to-day operating requirements of SHS and LWS following their acquisitions. As at March 31, 2012, $45.8 million has been advanced.

Under the terms of the HSBC Credit Facility, a foreign exchange loan of up to $26 million is available to LWC in order to hedge against currency fluctuations in connection with export sales; a capital lease line of $2 million to assist in financing the acquisition of capital assets; a $10.1 million bridge loan; a $5 million import loan; and a $12 million demand revolving line to issue letter of guarantees in support of LWC's security requirements with the Canadian Grain Commission.

The $10.1 million bridge loan was repaid in full on February 29, 2012 from the proceeds of the FCC Credit Facility.

The HSBC Credit Facility requires LWI to maintain a specified debt to tangible net worth ratio; a specified current ratio, a specified ratio of cash flow to debt service and certain cross default provisions. As at March 31, 2012, LWI was in compliance with these covenants.

The HSBC Credit Facility is guaranteed by LWI and is secured by a general security agreement in favour of HSBC. The interest rates and terms applicable to the HSBC Credit Facility are disclosed in Note 10 of the interim consolidated financial statements for the period.

Legumex Walker China Ltd. had a US$2.25 million credit facility and US$1 million foreign exchange facility with The Hongkong and Shanghai Banking Corporation Limited. LWC guaranteed the obligations of Legumex Walker China Limited due to The Hongkong and Shanghai Banking Corporation Limited of up to US$2.5 million.

Subsequent to period end Legumex Walker China Ltd. entered into agreements for new credit facility, which replaced its existing bank facility. Under the new agreement, Legumex Walker China Ltd. has US$4.75 million credit facility with The Hongkong and Shanghai Banking Corporation Limited. LWC guaranteed the obligations of Legumex Walker China Limited due to The Hongkong and Shanghai Banking Corporation Limited of up to US$5 million.

8.5 Contractual Obligations

The RLI share purchase agreement included post-closing purchase price adjustment provisions for an increase of the purchase price on a "dollar for dollar" basis to the extent the "working capital" (as defined in the RLI share purchase agreement) of RLI at closing of the RLI acquisition is greater than $11 million or the "funded debt" (as defined in the RLI share purchase agreement) of RLI is less than $10.5 million based on a balance sheet to be delivered within 90 days of the closing date. This post-closing price adjustment was estimated at $3.2 million and is reflected as Notes payable to related parties on the consolidated balance sheet.

PCC entered into a guaranteed maximum price construction contract (the "PCC Construction Contract") dated May 27, 2011 with Industrial Construction Group, Inc. (ICG). 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.

Total project cost of the PCC Plant is estimated at approximately US$109,600,000 plus working capital of US$10,000,000, and includes site development, plant construction, staffing, interest costs and fees along with inventory reserves and contingency costs.

PCC gave ICG notice to proceed on construction of the PCC Plant on July 14, 2011. The PCC Construction Contract provides that the PCC Plant will be substantially completed in early 2013.

The following table details the Company's contractual obligations in addition to those related to PCC described above, as of March 31, 2012:

	Total	Less than 12 months	13 to 24 months	2 to 4 years	After 4 years
Bank indebtedness	$ 52,923,423	$ 52,923,423	$ -	$ -	$ -
Accounts payable and accrued liabilities	33,239,945	33,234,945	-	-	-
Income taxes payable	1,082,681	1,082,681	-	-	-
Notes payable to related parties	3,168,037	3,168,037	-	-	-
Demand loan, long term debt and obligations under finance leases	35,419,077	14,539,355	2,195,394	2,275,693	16,408,635
Operating leases	8,472,061	1,074,032	1,492,233	2,542,280	3,363,516
Total	$ 134,305,224	$ 106,027,472	$ 3,687,627	$ 4,817,973	$ 19,772,151

8.6 Capital Resources

As at March 31, 2012, there were no commitments for capital expenditures other than those disclosed in Section 8.2 "Investing Activities" and Section 8.5 "Contractual Obligations" above. The financing resources available to LWI were those listed in Section 8.4 "Financing Activities" above.

Management believes that the cash generated by the existing business will be sufficient in the short to medium term for existing general corporate expenditures and working capital purposes in its existing business.

As at March 31, 2012, the Company had available operating lines of credit from various lenders to a maximum of $56 million against which $45.8 million has been advanced as at March 31, 2012.

8.7 Off-Balance Sheet Arrangements

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 by early 2013.

9. SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last three quarters is as follows:

	1st Quarter 2012	4th Quarter 2011	3rd Quarter 2011[3]	2nd Quarter 2011[2]
Revenue	$65,793	$62,389	$41,399	-
EBITDA[1]	2,212	2,747	1,852	-
Adj net earnings (loss)	(834)	(798)	877	-
Adj net earnings (loss) per share	(.06)	(.06)	0.08	-
Adj net earnings (loss) per share (diluted)	(.06)	(.06)	0.08	-
Net earnings (loss)	(1,789)	2,029	(2,382)	-
Net earnings (loss) per share	(.13)	0.16	(0.22)	-
Net earnings (loss) per share diluted	(.13)	0.16	(0.22)	-

[1]EBITDA, EBIT, Adjusted Net Earnings and Adjusted Net Earnings per Share are non-GAAP measures. See Section 14 "Non-GAAP Measures".
[2]The 2nd quarter 2011 reflects the period from April 20, 2011 to June 30, 2011, which was limited to corporate activity prior to the acquisitions all of the issued and outstanding shares of RLI and WSL and the combination of their operations on July 14, 2011.
[3]The Company did not conduct any commercial operations and had no employees during the period from its inception on April 20, 2011 to July 13, 2011. Therefore, the results for the third quarter of 2011 reflect only 79 days of operations.

10. OUTSTANDING SHARE DATA

The Company has an authorized share capital of an unlimited number of common shares, of which 13,802,184 common shares were outstanding as of May 11, 2012, and an unlimited number of preferred shares, issuable in series, none of which were outstanding as of May 11, 2012.

During the three months ended March 31, 2012, a total of 1,415,362 common shares were issued, as follows:

(a) 415,362 shares were issued to Home Grown Oil, LLC as consideration for assets related to the canola oilseed crushing plant pursuant to the Asset Purchase Agreement dated June 2, 2011 as approved by the TSX; and
(b) 1,000,000 were issued as partial consideration for St. Hilaire Seed Company, Inc.

As per Section 8.4 "Financing Activities" above, there were also outstanding stock options to acquire up to 280,000 common shares at a price of $9.00 per share under LWI's stock incentive plan and outstanding Compensation Options to acquire 443,463 common shares at a price of $9.00 per share. Accordingly, the total number of common shares on a fully diluted bases as of May 11, 2012 is 14,525,647 common shares.

11. OTHER MATTERS

11.1 Accounting Policy Changes

Standards issued, but not yet effective up to the date of issuance of the Company's financial statements, are listed below. This listing is of standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective:

Income taxes ["IAS 12"]

IAS 12 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.

Joint Arrangements ["IFRS 11"]

IFRS 11 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.

Fair Value Measurement ["IFRS 13"]

IFRS 13 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.

Financial Instruments ["IFRS 9"]

IFRS 9 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. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Consolidated Financial Statements ["IFRS 10"]

IFRS 10 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. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This principle applies to all investees, including structured entities.

Disclosure of Interests in Other Entities ["IFRS 12"]

IFRS 12 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. One of the most significant changes introduced by IFRS 12 is that an entity is now required to disclose the judgments made to determine whether it controls another entity.

Amendments to IAS 1, Presentation of Financial Statements

The amendments to IAS 1, Presentation of Financial Statements, issued by the IASB in June 2011, requires companies preparing financial statements to group together items within other comprehensive income ("OCI") on the basis of whether they may be reclassified to the profit or loss section of the statement of comprehensive income. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

11.2 Critical Accounting Estimates

Note 3 to LWI's unaudited condensed interim financial statements from the period ended March 31, 2012 describes LWI's significant accounting policies. The preparation of LWI's interim consolidated financial statements in accordance with IFRS may require 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.

The following is an analysis of the critical accounting estimates that depend most heavily on such management estimates, assumptions and judgments, any changes, which may have a material impact on the Company's financial condition or results of operations. Each such estimate relates to only the Special Crops Division for the period ended March 31, 2012.

Allowance for Doubtful Accounts

Due to the nature of LWI's business and the credit terms it provides to its customers, estimates and judgments are inherent in the on-going assessment of the recoverability of some accounts receivable. LWI maintains an allowance for doubtful accounts to reflect expected credit losses. Judgment is required to assess the ultimate realization of accounts receivable and these judgments must be continuously evaluated and updated. LWI is not able to predict changes in the financial conditions of its customers and the Company's judgment related to the recoverability of accounts receivable may be materially impacted if the financial condition of the Company's customers deteriorates.

Valuation of Inventory

Assessments and judgments are inherent in the determination of the net realizable value of inventories. The cost of inventories may not be fully recoverable if they are damaged or if the selling price of the inventory is less than its cost. LWI regularly reviews its inventory quantities and reduces the cost attributed to inventory no longer deemed to be fully recoverable. Judgment related to the determination of net realizable value may be impacted by a number of factors including market conditions.

There have been no changes to the critical accounting estimates during the periods referred to in this MD&A.

12. RELATED PARTY TRANSACTIONS

Relationship between parent and subsidiaries

The main transactions between LWI and its subsidiaries is the provision of cash funding to its subsidiary entities. Further, the parent company is providing management services to the Company entities. Between the subsidiaries included in the Special Crops Division, there are limited intercompany sales of inventories. Because all subsidiaries in the Special Crops Division are currently 100% owned by LWI, these inter-company transactions are 100% eliminated on consolidation.

Other relationships

In addition to the business acquisition transactions undertaken as part of the offering on July 14, 2011, the Company purchased specified assets and assumed certain liabilities of Home Grown Oil, LLC, a company controlled by the CEO of LWI in exchange for 415,362 Common Shares of the Company which were reserved for issue from July 14, 2011 and subsequent to period end the shares were issued.

Business combination

As part of business combinations undertaken during 2011, certain directors, officers and shareholders of the Company had amounts receivable of $7,040,782 at the end of 2011. During the three-months ended March 31, 2012 total payments of $3,872,745 were made towards settling this obligation. At the period end $3,168,037 is outstanding and classified as a current liability.

13. RISKS AND UNCERTAINTIES

LWI is a processor and merchandiser of pulses, other special crops and canola products, and is exposed to a number of risks and uncertainties that are common to other companies engaged in the same or similar businesses. The following is a summary of the material risks specific to LWI's business and its industry.

Risk factors relating to the Agricultural Industry

Risk Related to Size of the Harvest – Weather conditions, which can vary substantially from year to year, have a significant impact on the size and quality of the harvest of the crops processed and sold by the Company. Significant increases or decreases in the total harvest will impact the Company's sales and the gross profits realized on sales of its products and, consequently, the results of its operations. A good harvest usually results in lower prices for products (due to high supply relative to demand), but higher volume of sales. A poor harvest usually results in higher prices for products (due to low supply relative to demand) but lower volume of sales. The use of splitting and colour sorting equipment assists the Company in its efforts to extract the maximum highest priced product from the available crop in poor harvest years where the crop is amenable to the use of such equipment (e.g. lentils). Nonetheless, there can be no assurance that such factors would fully offset a significant decrease in volume and quality caused by a poor harvest, or the decrease in price caused by an issue in production. Such decreases in volume or price could have a material adverse effect on the business, financial condition and results of operations of the Company.

Product Quality and Contamination – The Company is subject to risks which include, but are not limited to, spoilage, product quality or contamination; tampering or other adulteration of products, product recalls, shifting consumer preferences; federal, state and local food processing regulations; socially unacceptable farming practices; environmental, health and safety regulations; and customer product liability claims. Certain of the Company's merchandised commodities and finished products will be used as ingredients in livestock and poultry feed. The Company is subject to risks associated with the outbreak of disease in livestock and poultry, including, but not limited to, mad-cow disease and avian influenza. The outbreak of disease could adversely affect demand for the Company's products used as ingredients in livestock and poultry feed. A decrease in demand for these products could adversely affect the Company's revenues and operating results.

Product Liability – As a producer of food products, the Company is subject to potential product liabilities connected with its operations and the marketing and distribution of its special crop products, and upon completion of the PCC Plant, canola oil products, including liabilities and expenses associated with contaminated or unsafe product. There can be no assurance that the insurance against all such potential liabilities maintained by the Company will be adequate in all cases. In addition, even if a product liability claim was not successful or was not fully pursued, the negative publicity surrounding any such assertion could harm the Company's reputation with its customers. The consequences of any of the foregoing events may have a material adverse effect on the Company's financial condition and results of operations.

Environmental Risks – The current and future operations of the Company will be subject to laws and regulations governing pesticides, airborne emissions, pollution, occupational health, waste disposal, protection and remediation of the environment, toxic substances and other similar matters. The production of the Company's products will require the use of materials which can create emissions of certain regulated substances including greenhouse gas emissions. Failure to comply with these regulations can have serious consequences, including civil and administrative penalties as well as a negative impact on the Company's reputation, business, cash flows, and results of operations. In addition, any change in or increase to environmental protection regulations and requirements may require the Company to modify existing processing facilities and/or processes or modify the design of the PCC Plant, which could significantly increase operating costs and negatively impact operating results. Such changes could have a material effect on the capital expenditures, earnings and competitive position of the Company.

Wholesale Price Volatility – The pulse, grain, canola and special crops processing industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale prices of crops caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation and global demand), taxes, government programs and policies for the farming and transportation industries (including price controls), and other market conditions, all of which are factors beyond the Company's control. The Company will export the majority of the products it processes and will be subject to the inconsistencies of the global marketplace. The world market for pulses, special crops, canola oil and canola meal is subject to numerous risks and uncertainties, including risks related to international trade and global political conditions. In the event of a sudden and sharp increase in the wholesale price of pulses, grains, canola and special crops, in order to stay competitive, the Company may not be able to pass this price increase through to its customers, which could have a material adverse effect on the business, financial condition and results of operations of the Company, including causing it to suffer lower profits. A portion of the Company's crop purchases will be made through production contracts, which fix a price at which the Company may purchase pulse crops from a producer over the course of the selling season. In addition, a portion of the Company's crop purchases is made directly from local farmers and crops are delivered at the time of purchase to be held in inventory. Should events occur after the price is fixed or after the date of purchase that increase the cost of production or the ability of the Company to sell the processed products at expected levels, the margins realized by the Company on such products could be lower than expected. If, after the Company purchases crops, their sale price falls below the price at which the Company purchased them, the Company could realize a lower than expected margin on sales, or even have unprofitable sales.

As a result of fluctuations in wholesale prices of crops, sale prices of processed special crops and processing costs, the Company's Special Crop Division may experience margins on sales which are significantly lower than margins realized historically. In addition, as a result of fluctuations in the wholesale price of canola seed and sale price of canola oil and canola meal, and production and transportation costs, the Company's Oil Seed Processing Division may experience margins on sales of canola oil and canola meal which are significantly lower than historical industry margins.

Risk Factors Relating to the Company's Business

Agricultural Commodities and Markets – The availability and prices of agricultural commodities such as peas, lentils, chickpeas, beans, canaryseed, flax, other pulses, special crops and canola are subject to wide fluctuations due to factors beyond the Company's control including but not limited to changes in weather conditions, crop failures, reduced harvests, disease, farmer planting decisions, government programs and policies, competition, changes in the biofuels industry, changes in global demand resulting from population growth and changes in standards of living, changes in eating patterns and global production of similar and competitive crops. These factors have historically caused volatility in agricultural commodity prices and markets and it is expected they will continue to do so. Reduced supply of agricultural commodities due to weather-related factors or other reasons could adversely affect the Company's profitability by increasing the cost of raw materials and/or limit the Company's ability to procure, transport, store, process, and merchandise agricultural commodities in an efficient manner.

Weather Related Risks – The Company is subject to risks inherent in the agricultural business, such as weather and similar risks. Poor weather conditions or climate change may adversely affect the Company's operational results. The success of grain operations is highly dependent on favourable weather conditions during the growing season. In particular, a lack of adequate rainfall or incidents of frost may adversely affect crop yield and therefore revenue and operational results. There can be no assurance that these natural elements will not have a material adverse effect on the Company.

Operating Requirements – The Company has receiving stations and processing facilities in Saskatchewan, Manitoba, Minnesota, North Dakota and China. The operation of these facilities and the PCC Plant will involve certain risks, including the failure or substandard performance of equipment, natural disasters, workplace accidents, labour problems, spoilage, as well as other hazards incidental to the production, use, handling, processing, storage and transportation of pulses and special crops. Also, as an industrial operation, the Company is exposed to workplace health and safety and workers' compensation claims. There can be no assurance as to the actual amount of these liabilities or the timing of them. The occurrence of material operational problems, including but not limited to the above events, may have a material adverse effect on the business, financial condition and results of operations of the Company.

Transportation and Product Shipments – The Company is highly dependent on local and international third party transportation providers for the transportation of its products. The Company's products are transported by rail, ocean going containers or trucks either from source or via trans-load facilities. As the majority of the Company's products will be exported, the Company will also rely on these transportation companies for space and availability. All exported products also pass through third party transloading facilities to facilitate their final containerization for export. Strikes, work stoppages, labour disputes, failure or substandard performance of equipment, or other interruptions to the rail or road networks, haulage companies, transloading facilities or transportation companies to be used by the Company, and limited container availability, may have a material adverse effect on the business, financial condition and results of operations of the Company. The Company negotiates prices for the provision of these transportation services in circumstances where it may not have viable alternatives to using specific providers. Any increase in the cost of shipping the Company's products may have a material adverse effect on the Company's operations and financial condition. Contractual disputes, demurrage charges, rail and port capacity issues, availability of vessels and rail cars, weather problems or other factors can have a material adverse effect on the Company's ability to transport its products according to schedules and contractual commitments.

Supply Contracts – The Company will purchase pulses and special crops from growers throughout the year but may not enter into written long-term agreements with its clients, distributors or suppliers. As a result, such parties may, without notice or penalty, terminate their relationship with the Company at any time. In addition, even if such parties should decide to continue their relationship with the Company, there can be no guarantee that the consideration or other terms of such contracts will continue on the same basis. If one or more of the Company's key distributors or suppliers terminates or otherwise alters the terms of its relationship with the Company and/or if a number of smaller distributors or suppliers concurrently were to terminate or otherwise alter the terms of their relationship with the Company, that could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Company will rely primarily on CHS to supply canola to the PCC Plant. In the event of termination of the PCC Supply Agreement or non-performance by CHS of such agreement, the Company would be required to source its canola supply from a number of other growers or through brokers at then current negotiated or market prices which may be affected by factors beyond the control of PCC or the Company. This, in turn, may affect the Company's ability to continue to have readily available access to low-cost canola seed. In addition, the Company would need to contract with a number of other suppliers to source the volume of canola seed that CHS has contracted to supply, resulting in increased logistical and employee costs being diverted to sourcing canola seed, which could have a material adverse effect on the Company's canola margin.

Distribution and Customer Contracts – Pursuant to the PCC Supply Agreement, CHS has agreed to market and sell on PCC's behalf all of the canola meal produced at the PCC Plant. If CHS were to default on its obligations, there is no guarantee that the Company will be able to find other buyers for the canola meal it produces, which could have a material adverse effect on the business, financial condition and results of operations of the Company.
Sales by the Special Crops Division are generally not made pursuant to long-term contracts, but rather are made through purchase order for one time delivery. Accordingly, the Company's Special Crops Division does not have the benefit of long-term purchase orders.

Customer Concentration **–** The Company's Special Crops Division sells its products to a significant number of customers. For the period ended March 31, 2012, other than one customer that accounted for approximately 7% of sales, no other customers exceeded 5% of the Company's sales. There is no certainty that in future periods sales may be more consolidated, and accordingly, the loss of a significant customer may negatively impact revenue.

Seasonality – The Company's operations are subject to the seasonality of its customers' product markets, and as a result the Company's operating results vary from quarter to quarter. Customers in the agriculture markets are typically busiest through the second and third quarters of the calendar year, which coincides with key produce growing seasons in Canada. The Company typically experiences its lowest revenue in the first quarter of each fiscal year when demand for special crops and canola declines before the start of the growing season. Results of one quarter will not be indicative of results that may be achieved in other quarters or for the full year. While certain variable costs can be managed to match seasonal patterns, a significant portion of costs cannot be adjusted for seasonality, which could have a material adverse effect on the Company. In addition, no assurance can be given that the Company's credit facilities will be sufficient to offset the seasonal variations in the Company's cash flow.

The Company currently purchases the vast majority of its pulses and other special crops from a broad network of approximately 18,000 growers, a significant number of which are in Saskatchewan and Manitoba, which are subject to short growing seasons. As a consequence, the Company's processing, marketing and distribution operations are concentrated during the growing season of its Canadian growers.

Construction of the PCC Plant – PCC has entered into a guaranteed maximum price construction contract with ICG, an affiliate of McKinstry, to build the PCC Plant within approximately 18 months. Construction of the PCC Plant commenced in the third quarter of 2011 and is expected to be completed in early 2013 with the total project cost estimated at US$109.6 million (including US$40.8 million incurred to March 31, 2012**),** as well as working capital of US$10 million. Once completed, the PCC Plant is expected to produce approximately 142,500 MT of canola oil and approximately 227,000 MT of canola meal per year. The Company has no control over the third parties' management, labour force, supply chain and supply of construction materials and equipment and there can be no assurance that the PCC Plant will be completed on time, on budget or according to specifications. There can be no assurance that the required construction supplies will be readily available and delivered on time to the construction site. Such supplies may be sourced from additional third parties, which may be affected by factors beyond the control of PCC or the Company. There can be no assurance that all building permits to complete construction of the PCC Plant will be obtained in a timely manner, or that when the PCC Plant becomes operational all permits, licenses and other authorizations will be in place. Additionally, changes to government regulations, contractual and/or union disputes, labour stoppages, workplace accidents, availability of supplies, materials, tools and equipment, delay in shipment of materials and unseasonable weather patterns and conditions may hinder the construction timeline and progress. It is possible that issues with the design, specifications and/or physical location of the PCC Plant may arise during construction due to unforeseen engineering, physical, geological and/or economic circumstances. Government and building code regulations may change requiring substantial revision to the design plan and specifications. The resolution of these issues may require the additional assistance and cost of experts, additional financing, a change to the construction plan, design, specifications, layouts and/or locations. Any such changes will delay the overall construction of the PCC Plant and will increase (possibly significantly) the costs associated therewith. Since the PCC Plant will not earn income during construction, longer construction times translate directly into higher costs of construction. Further, the delay, cost and alterations required may potentially adversely affect the timeline and plan for feeding the PCC Plant and its expected output. The lead time required to build the PCC Plant can make it difficult to time capacity additions with market demand for processed oilseed products such as canola oil and meal. When additional processing capacity becomes operational, a temporary imbalance between the supply and demand for oilseed meal and canola oil might exist, which, until the supply/demand balance is restored, may negatively impact oilseed processing and operating results.

Dependence on the Operation of the PCC Plant – While the Company may invest in additional canola crushing facilities in the future, the PCC Plant is likely to be the Company's only canola crushing facility in the near term, thereby providing all of the Company's operating revenue and cash flows with respect to its canola oil business. Consequently, a delay or difficulty encountered in the operations of the PCC Plant could materially and adversely affect the Company's financial condition and financial sustainability.

Competitive Environment and Customer Retention – The Company will face significant competition in each of its businesses and will have numerous competitors. Pricing of the Company's products is partly dependent upon industry processing capacity, which is impacted by competitor actions to bring on-line idled capacity or build new production capacity. Many of the products bought and sold by the Company are global commodities or are derived from global commodities. The markets for global commodities are highly price competitive and in many cases the commodities are subject to substitution. Competition could increase the Company's costs to purchase raw materials, lower selling prices of its products, or reduce the Company's market share, which may result in lower and more inefficient operating rates. Certain competitors may have greater financial and capital resources than the Company. The Company could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus, or increase their existing focus, on the Company's primary markets and product lines. If the Company is unable to compete effectively in these areas, it may lose existing customers or fail to acquire new customers, which could have a material adverse effect on its business, financial condition and results of operations.

Energy Price Fluctuation – The Company's operating costs, shipping costs and the selling prices of certain finished products will be sensitive to changes in energy prices. The Company's processing plants are powered principally by electricity, natural gas and coal. The Company's transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of these items, including any consequences of regulation or taxation of greenhouse gases, could adversely affect the Company's production costs and operating results.

Employees – The success of the Company's business depends on a large number of both hourly and salaried employees. Changes in the general conditions of the employment market could affect the ability of the Company to hire or retain staff at competitive wage levels, which could have an adverse effect on the Company's business, financial condition and results of operations. There is no assurance that some or all of the employees of the Company will not unionize in the future. If successful, such an occurrence could increase labour costs and thereby have an adverse affect on the Company's business, financial condition and results of operations.

Reliance on Key Personnel – The Company's operations are dependent on the abilities, experience and efforts of its management team. Should any of these persons be unable or unwilling to continue providing services to the Company, the business prospects and operating results of the Company could be materially adversely affected. The future success of the Company will depend on, among other things, its ability to keep the services of its executives and to hire other highly qualified employees at all levels. The Company will compete with other potential employers for employees, and it may not be successful in hiring and keeping the services of executives and other employees that it needs. The loss of the services of, or the Company's inability to hire, executives or key employees could have a material adverse effect on the Company's growth, business, financial condition and results of operations.

Uninsured and Underinsured Losses – The Company uses its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on its assets and operations at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss relating to product liability and food safety matters, would not be sufficient to pay the full current market value or current replacement cost of its assets or cover the cost of a particular claim, which could have a material adverse effect on the business, financial condition and results of operations of the Company. It is also difficult to insure against every possible loss or liability. The assets and operations of the Company could be subject to extensive property damage and business disruption from various events which include, but are not limited to, acts of terrorism or war, natural disasters and severe weather conditions, accidents, explosions, and fires. The potential effects of these conditions could impact the Company's revenues and operating results.

Economic Condition and Capital Markets – The Company is subject to global and regional economic downturns and risks relating to turmoil in global financial markets. As a result of the weakened global economic situation, the demand for the Company's products may decline and the Company may experience restricted access to capital and increased borrowing costs as the lending capacity of all financial institutions has diminished. The Company's working capital requirements are directly affected by the price of agricultural commodities, which may fluctuate significantly and change quickly. The Company's ability to generate sufficient cash flows or raise adequate external financing to invest in its business, make acquisitions or otherwise pursue its growth strategy is dependent on, among other factors, the overall state of the capital markets and investor demand for investments in the commodities industry. Weak global economic conditions and turmoil in global financial markets, including constraints on the availability of credit, have in the past adversely affected, and may in the future continue to adversely affect, the financial condition and creditworthiness of some of the Company's customers, suppliers and other counterparties, which in turn may negatively impact the Company's financial condition and results of operations. Worsening economic conditions could have a direct material adverse effect on the business, financial condition and results of operations of the Company, and may have an adverse effect on the Company's business indirectly, through pressure on the liquidity of its business partners and the intermediaries necessary to bring product to market.

Foreign Exchange Risk – While most of the Company's costs are incurred in Canadian dollars, most of its revenues are earned in U.S. dollars. As a result, the Company is exposed to currency exchange rate risks. A change in the currency exchange rate may increase or decrease the Canadian dollar amounts received by the Company. The Company may enter into certain foreign exchange contracts to manage risks associated with entering into new sales contracts denominated in U.S. dollars but there can be no assurance that currency fluctuations will not have a material adverse effect on the Company. In addition, should the Company enter into foreign exchange contracts, the Company could be exposed to risk of default by the counterparties to those contracts, which could have a material effect on the Company's business.

Counterparty and Export Risk – Trade receivables comprise a significant amount of the Company's outstanding accounts receivable. As a result, the business is exposed to the credit risk associated with certain of its customers. The Company will manage its exposure to potential credit risk in respect of trade receivable contracts through analysis of outstanding positions, payment and loss history and ongoing credit reviews of all significant contracts. Negative credit experience with the Company's counterparties or customers could have a material adverse effect on the Company's financial results, business prospects and financial condition. There is also the risk that goods may be lost in transit before a foreign buyer can take delivery and before they are paid for in full, or that a foreign buyer may refuse delivery of the product after it has been shipped but before it has been paid for in full, which could lead to residual costs to the Company affecting its profitability. The Company's exposure to counterparty credit risk could have a material adverse effect on its business, financial condition and results of operations.

Dependence on Credit Facilities – The Company is subject to fluctuations in its working capital on a month-to-month basis. Consistent with its past practice, the Company may draw down on revolving credit facilities available under its credit facilities. There can be no assurance that the Company will continue to have access to appropriate credit facilities on reasonable terms and conditions, if at all. An inability to draw down upon credit facilities could have a material adverse effect on the Company's business, financial condition and results of operations.

Terms of the Credit Facilities – The PCC Senior Credit Facility, the FCC Credit Facility and the HSBC Credit Facility (the "Credit Facilities") subject the Company to a number of restrictive covenants that will limit the discretion of management with respect to certain business matters and maintain certain financial ratios. The covenants limit the Company's ability to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. Any failure of the Company to maintain the financial ratios provided for by the Credit Facilities or otherwise fulfill its obligations under the Credit Facilities could result in the acceleration of the indebtedness. If the indebtedness under any of the Credit Facilities is accelerated there can be no assurance that the assets of the Company or PCC, as the case may be, would be sufficient to repay in full that indebtedness. Any failure of the Company to comply with the covenants of the Credit Facilities could have a material adverse effect on the Company.

Geographic and Political Exposure – The Company's customers are located all around the world, many in jurisdictions which may not adopt comparable business and legal practices that are customary in Canada. Exposure to differing laws, administration, enforcement and diverse political entities may increase the risk of doing business in these countries, including having a material adverse effect on the business, financial condition and results of operations of the Company. Additionally, the Company utilizes third party custom processing facilities in China, a country which carries certain risks associated with a different political, business, social and economic environment than that of Canada. The Company also sells and distributes its products to over 70 countries in the Indian Subcontinent, Asia, the Middle East, the Americas and Europe. The ability to carry on business in these regions could be affected by political or economic instability in those countries due to changes or shifts in their political attitude. Unfavourable legal or tax treatment could have a material adverse effect on the business, financial condition and results of operations of the Company.
The Company may face restricted access to the markets it services, as a result of ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import of certain commodities. Although there are currently no significant trade barriers existing or impending of which the Company is aware that do, or could, materially affect its access to certain markets, there can be no assurance that its access to these markets will not be restricted in the future.

Government Regulations – Agricultural production and trade flows are subject to government policies and regulations. Government policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives, and import and export restrictions on agricultural commodities and commodity products, including policies related to genetically modified organisms, renewable fuel, and low carbon fuel mandates, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, the availability and competitiveness of feedstocks as raw materials, the viability and volume of production of certain of the Company's products, and industry profitability. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply of, demand for, and prices of the Company's products, restrict the Company's ability to do business in its existing and target markets, and could negatively impact the Company's revenues and operating results.

Control Risk – As of March 31, 2012, the Company's directors and executive officers, as a group, beneficially own or exercise control or direction over 3,426,358 Common Shares, representing 24.8% of the then issued and outstanding Common Shares (including Common Shares owned or controlled by associates of members of the Company's senior management and their affiliates). As a result, members of management could exercise their voting rights in the Common Shares to make significant changes to the Company and its business. Such changes could include, among other things, the composition of the Board or management, approving or disapproving of certain future transactions and other material decisions, each of which may conflict with, or have an adverse effect upon, the interests of the other shareholders of the Company

Strategic Acquisitions and Investments – The Company intends to consider strategic acquisitions or investments as a means of pursuing its corporate strategy. It is possible that the Company may not identify suitable opportunities, or if it does identify suitable opportunities, that it may not complete those transactions on terms commercially acceptable to the Company or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions could materially and adversely affect the Company's competitiveness and growth prospects. In the event the Company successfully completes an acquisition or investment, it could face difficulties managing the investment or integrating the acquisition into its operations. There can be no assurance that the Company will be able to achieve the strategic purpose of such an acquisition or investment. These difficulties could disrupt the Company's ongoing business, distract its management and employees, and increase its expenses, any of which could materially and adversely affect the Company's business and results of operations.

Information Technology Risk – The Company places significant reliance on information technology for information and processing that support financial, regulatory, administrative, and commercial operations. In addition, the Company relies upon telecommunication services to interface its global operations, customers and business partners. The failure of any such systems for a significant time period could have a material adverse effect on the Company's financial results, business prospects and financial condition.

Dependence on Key Relationships – The Company is highly dependent on its relationships with ICG (an affiliate of McKinstry), CIW and CHS for the timely construction of the PCC Plant in accordance to specifications, the sourcing of canola seed and sale of canola meal, as the case may be. ICG, CIW and CHS possess highly specialized skills, technical capabilities, a history of success and, in the case of CHS, the large scale capability to source canola seed. Such skills and capabilities are not easily replaceable and there is no guarantee that if such services and capabilities could be replaced, that they could be replaced in a timely manner or on commercially reasonable terms. As a consequence, any failure of ICG, CIW or CHS to meet its obligations under their respective contracts with the Company could adversely affect the Company's ability to construct the PCC Plant on time and in accordance to specifications, or once the PCC Plant is in operation, obtain a quantity and quality of canola seed at competitive markets prices to optimize the Company's margins and utilization of the PCC Plant, or sell 100% of the canola meal it produces.

14. NON-GAAP MEASURES

This MD&A contains references to "EBIT", "EBITDA," "Cash Flow from Operations", "Non-recurring costs" and "Adjusted Net Earnings."

EBIT is defined for the purposes of this MD&A as earnings from operations before interest, taxes and non-recurring costs.

EBITDA is defined for the purposes of this MD&A as earnings from operations before other income (expenses, amortization, financing costs, non-recurring costs and income taxes.

Cash Flow from Operations is defined for the purposes of this MD&A as the cash from (or used in) operating activities excluding non cash working capital changes. Management believes excluding the seasonal swings of non cash working capital assists in evaluation of long term liquidity.

Non-recurring costs is defined as one time costs deemed to be non-recurring my management relating to acquisitions, financing and other.

Adjusted Net Earnings is defined for the purposes of this MD&A as EBIT less financing costs and income taxes.

Management believes that EBIT, EBITDA, Cash Flow from Operations and Adjusted Net Earnings are useful supplemental measures of cash flow prior to debt service, capital expenditures, income taxes and other non-cash items included in earnings. Management uses Cash Flow from Operations as a financial measure of liquidity.

EBIT, EBITDA, Cash Flow from Operations and Adjusted Net Earnings are not recognized earnings measures under Canadian Generally Accepted Accounting Principles or IFRS (collectively referred to herein as "Canadian GAAP") and do not have standardized meanings prescribed by Canadian GAAP. Therefore, EBIT, EBITDA, Cash Flow from Operations and Adjusted Net Earnings may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBIT, EBITDA, Cash Flow from Operations and Adjusted Net Earnings should not be construed as an alternative to net income or loss (which are determined in accordance with Canadian GAAP) as an indicator of the performance of the Company or as a measure of liquidity and cash flows.

LWI believes that EBIT, EBITDA and cash flow from operations are useful supplemental measures of cash flow prior to debt service, investing and financing activities and income taxes. LWI also believes that Adjusted Net earnings is a useful supplemental measure of net earnings prior to giving effect to certain items, including foreign exchange gain, write down of an investment, loss on disposal of property and finance costs.

The Company's method of calculating EBIT, EBITDA, Cash Flow from Operations and Adjusted Net Earnings may differ materially from the methods used by other public companies and, accordingly, may not be comparable to similarly titled measures used by other public companies.

Reconciliation of each of these terms to IFRS measures is provided in the table below:

Non-IFRS Terms, Reconciliations and Calculations	
	Three Months (unaudited)
Sales	65,793
Cost of sales	60,099
Gross margin	5,694
Add: Earnings from investment in associates	20
Less: Selling, general and administrative costs	4,302
Add: Non-recurring costs	800
EBITDA	**2,212**
Less: Depreciation and amortization	1,974
EBIT	**238**
Less: Financing costs	763
Less: Provision for (recovery of) income taxes	309
Adjusted net earnings (loss)	**(834)**
Less: Non cash foreign exchange	249
Less: Write down of investment	-
Less: (Gain) loss on disposal of property, plant, equipment	-
Add: Finance income	73
Less: Non-recurring costs	800
Net earnings (loss) per financial statements	**(1,810)**
EBITDA	2,212
Less: Non-recurring costs	336
Add: Stock based compensation	102
Less: Earnings from investment in associates	20
Add: Finance income (loss)	73
Less: Income taxes paid	680
Less: Maintenance capital expenditure	280
Cash Flow from operations	**1,071**

Less: Financing costs	763
Less: Foreign exchange	249
Add: Income taxes (non cash paid / recovered)	115
Add: Financing activities	7,123
Less: Non-cash loss on derivative financial instruments	397
Less: Investing activities & acquisition costs (net of maintenance capital expenditure)	21,300
Cash flow prior to working capital changes	**(14,401)**
Increase (decrease) in cash resources per financial statements	(37,765)
Add: Net changes in working capital accounts	(23,364)
Cash flow prior to working capital changes per financial statements	**(14,401)**

15. EVALUATION OF DISCLOSURE AND PROCEDURES

Management, including the President & Chief Executive Officer and Chief Financial Officer, has evaluated the design of LWI's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") (as defined in National Policy Instrument 52-109 of the Canadian Securities Administrators) as of March 31, 2012. Management has concluded that, as of March 31, 2012, LWI's disclosure controls and procedures and internal controls over financial reporting are designed effectively to provide reasonable assurance that material information relating to LWI and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which this report was being prepared, except as noted below in the scope limitation that exists as a result of the purchase of SHS, RLI, WSL and PCC.

In accordance with National Instrument 52-109 3.3(1)(b), LWI has limited its design of DC&P or ICFR to exclude controls, policies and procedures of SHS, RLI, WSL and PCC, each of which were acquired within 365 days before the end of the recent reporting period.

16. FORWARD-LOOKING INFORMATION

This MD&A of LWI contains certain forward-looking statements. Forward-looking statements include, but are not limited to, those with respect to the estimated size and quality of future harvests of pulses and other crops, the cost of production, currency fluctuations, the growth of LWI's business, strategic initiatives, planned capital expenditures, plans and reference to future operations and results, critical accounting estimates and expectations regarding future capital resources and liquidity of the Company. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of LWI (including its operating subsidiaries) to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such risks and uncertainties include, among others, timing and cost overrun risks associated with the construction of the PCC Plant (as defined herein), risks related to the operation of the PCC Plant, product liabilities, erosion in margins realized by the Company on the sale of its products, environmental risks, regulations related to agricultural commodities, weather related risks, the demand for and availability of rail, port and other transportation services, the actual results of harvests, fluctuations in the price of pulses and other crops, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, risks relating to the integration of acquisitions, as well as those factors referred to in the section entitled "Risk and Uncertainties" and which should be reviewed in conjunction with this document. Although LWI has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Although LWI believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this MD&A. In addition to other assumptions identified in this MD&A, assumptions have been made regarding, among other things: Canadian crop production quality in 2012 and subsequent crop years; the volume and quality of crops held on farm by growers in North America; demand for and supply of pulses and special crops globally; margins realized by the Company on the sale of its products being consistent with historical results; agricultural commodity prices; general financial conditions for North American growers; market share of pulses and special crop sales and purchases that will be achieved by LWI; the ability of the railways to ship products without labour or other service disruptions; ability to maintain existing customer contracts and relationships; the impact of competition; the ability to obtain and maintain existing financing on acceptable terms, and currency, exchange and interest rates.

LWI expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required in accordance with applicable securities laws.