LEGUMEX WALKER

QUARTER 2 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

LEGUMEX WALKER INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2011

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 June 30, 2011 and should be read in conjunction with LWI's interim consolidated financial statements and related notes thereto for the period ended June 30, 2011 (the "Interim Financial Statements") which have been prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") together with additional information relating to LWI, on SEDAR at www.sedar.com.

This MD&A has been prepared as of August 11, 2011. All dollar amounts are in Canadian dollars unless otherwise indicated. All references to LWI, include its subsidiaries as applicable.

1 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, costs 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, 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, or labour disputes, risks relating to the integration of acquisitions, as well as those factors referred to in the section entitled "Risk Factors" in LWI's Prospectus which is available on SEDAR at www.sedar.com 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 2011 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; 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 pulses to port facilities for export 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 in accordance with applicable securities laws.

2 Company Overview

LWI was incorporated under the laws of Canada on April 20, 2011 with the expressed purpose of acquiring other entities and assets in order to become a growth oriented processor and merchandiser of pulses, other special crops and canola products. The Company's shares were listed on the Toronto Stock Exchange on July 14, 2011 under the symbol "LWP".

Subsequent to quarter end, on July 14, 2011, LWI (i) acquired a 100% interest in each of the Roy Legumex Group of Companies ("RLI") and Walker Seeds Ltd. ("WSL"); and (ii) subscribed for an 85% interest in Pacific Coast Canola LLC ("PCC") (collectively the "Acquisition Transaction"). The businesses of RLI and WSL will be consolidated and LWI will be comprised of two operating divisions: (a) Special Crops and (b) Oilseed Processing.

3 Summary and Analysis of Consolidated Results

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 year end and prepares and presents its financial statements in accordance with International Financial Reporting Standards ("IFRS").

LWI is required to file under applicable securities legislation an interim financial report for the period ended June 30, 2011. As LWI was not in existence prior to April 20, 2011, the financial report for the period ended June 30, 2011 does not include financial statements for the comparative period ended June 30, 2010.

LWI is also required to include in its MD&A a discussion of its analysis of the current quarter and year-to-date results including a comparison of results of operations and cash flows for the corresponding periods in the previous year. As LWI was not in existence prior to April 20, 2011, a comparison to a comparative period has not been included in this analysis.

The Company did not conduct any commercial operations and had no employees during the period from its inception on April 20, 2011 to the end of the reporting period June 30, 2011. The Acquisition Transaction and the Offering (discussed in Section 5.4 Financing Activities below) will be reflected in LWI's September 30, 2011 interim consolidated financial statements from the closing date of the transaction which was July 14, 2011.

3.1 Select Quarterly Information

Per Section 3 above, there were no reportable revenues or net income or loss to report for LWI for this reporting period.

4 Segment Results

4.1 Special Crops Division

As a result of the acquisition of RLI and WSL, LWI is expected to be one of the largest processors and exporters of pulses and other special crops in Canada. LWI's portfolio of special crop products includes various grades of pulses, including, lentils, whole and split peas, beans and chickpeas, as well as other special crops, such as canaryseed, flaxseed and sunflower seed. LWI sources product from a network of over 18,000 growers primarily in Canada and processes these crops at its nine processing facilities strategically located in key growing regions throughout Saskatchewan and Manitoba and through an established network of third party custom processing facilities in Canada, the United States and China.

LWI derives its revenue from sourcing, processing, marketing and distributing special crops to a global client base and comprises importers, canners, packaging companies, wholesalers and distributors located in over 70 countries worldwide. LWI has long term client relationships in the major consumptive markets of the Indian Subcontinent, Asia, the Middle East, the Americas and Europe.

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 generally 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 (rail cars, trucks and ocean containers) required to get product to market. As a result of the growing season in Canada, RLI and WSL sales historically have been weighted towards the latter half of its fiscal year. Prospectively, LWI's strategy is to continue to diversify its pulses and grain product mix, and its international sources of supply. If successful, this strategy should further reduce LWI's exposure to seasonality.

Operating Results

LWI has determined that both the RLI and WSL acquisitions are business combinations under IFRS 3 and will be accounted for by applying the acquisition method, as described in Note 3 to the Interim Financial Statements. The operating results of RLI and WSL will be fully consolidated in LWI's third quarter from the date control was fully transferred to LWI which was July 14, 2011.. Sales for any period preceding July 14, 2011 (including sales from April 20 to June 30, 2011) will not be included in LWI's sales for any period.

Outlook

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 and harvested in mid to late August to early September.

Seeding for the 2011 growing season was delayed in many parts of the major special crop growing regions of Western Canada and Northern United States due to wet soil conditions and localized flooding in April and early May of 2011. Despite this, favourable weather conditions through most of the growing season advanced crops and harvesting is underway across Western Canada and the Northern United States.

According to Statistics Canada and the United States Department of Agriculture ("USDA") seeding intention surveys, acres seeded to all pulses and special crops for 2011-12 are expected to decrease compared to last year. However, supply is forecast to decrease only marginally for many of LWI's products as lower production is partly offset by large carry-in stocks of from 2010-11. It is management's experience that there can be a material difference between seeding intentions, actual seeded area, estimated yields and actual yields. The affect of projected acreage decline by Statistics Canada and the USDA could be materially offset by improved yield potentials due to favourable weather conditions during the growing and harvest season and good soil moisture conditions. Based on 2011-12 production forecast for LWI's primary sourcing areas and carryover stocks from 2010, management expects that it should have access to a reasonable quantity and quality of pulses and other special crops to meet its anticipated sales program.

Rising incomes and population growth in developing countries and shifts to healthier eating in the developed world will continue to drive demand for LWI's products. Countries in the developing regions of the world are projected to have the highest rate of population growth. These regions typically have a limited supply of arable land and rely on imported products, such as protein-rich pulse crops to meet the nutritional needs of their population. The majority of the population in these regions cannot afford higher-cost protein products such as meat, and rely on pulse crops as their primary protein source. Developing nations represent approximately 85% of global pulse consumption.

4.2 Oilseed Processing Division

LWI's Oilseed Processing Division consists of an 85% interest in PCC acquired on July 14, 2011. PCC is a company which is constructing and intends to operate a 1,100 metric tonne per day canola oilseed processing facility in Washington State (the "PCC Plant") that is expected to commence operations early in 2013. The PCC Plant intends to produce edible canola oil products for sale to food processors and food service customers and canola meal for sale to livestock and animal feed producers in both domestic and international markets. The PCC Plant has a design capacity to process 385,000 MT of canola seed into 142,500 MT of canola oil and 227,000 MT of canola meal on an annual basis.

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. 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 must address the issue of seasonality for crop purchases, it is expected that product sales will remain stable throughout the year.

Operating Results

Construction on the PCC Plant did not commence until after the reporting period and it is not expected to commence operations until 2013, therefore, there are no operating results for this reporting period.

Outlook

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 has driven 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 these trends, many food processors have also begun shifting to healthier oils.

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.

4.3 Corporate Expenses

As per Section 3 above, there were no corporate expense transactions during the reporting period.

5 Liquidity and Capital Resources

5.1 Cash Flow Information

As per Section 3 above, there were no cash flow transactions during the reporting period.

5.2 Investing Activities

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

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

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 will receive 415,362 Common Shares of LWI, which are to be 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 consist of market data and analysis and rights and obligations with financial, economic and legal advisors relating to capital markets transactions to be undertaken by RLI and WSL. In addition, it was agreed that Silverock Capital Partners, LLC, a consulting firm controlled by the same Director of the Company, would receive from PCC, upon completion of the acquisition by LWI of its 85% interest in PCC, a consulting fee in an amount equal to US$1,610,000 for services provided to HGO since April 2009. 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. A valuation allowance of $1 million was taken against the Silverock investment subsequent to June 30, 2011.

5.3 Non Cash Working Capital

As per Section 3 above, there were no transactions that changed non cash working capital during the reporting period.

5.4 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 $70,025,004 (the "Offering").The net proceeds received by the Company were approximately $63 million after deducting underwriters' fees and other fees and expenses associated with the Offering.

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

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

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

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

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

On July 14, 2011, 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 and a revolving loan. Monthly interest payments are required to be made on amounts drawn down on the construction loan. Interest payable on amounts advanced under the Senior Credit Facility will be calculated based on alternative formulas ranging from a variable rate of LIBOR plus 6% for the construction loan and revolving loan to a variable rate of LIBOR (or other base rate) plus 5.5% for the term loan.

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

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

On July 29, 2011, the Company used $5 million of proceeds from the Offering to pay down amounts due by WSL to Farm Credit Canada.

5.5 Contractual Obligations

PCC entered into a guaranteed maximum price construction contract dated May 27, 2011 with 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.

Total project cost of the PCC Plant is estimated at approximately US$109.6 (including US$6 million incurred to date), plus working capital of US$10 million, 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 18, 2011. The PCC Construction Contract provides that the PCC Plant will be substantially completed in early 2013.

5.6 Capital Resources

As at June 30, 2011, there were no commitments for capital expenditures other than those disclosed in Section 5.1 Investing Activities and Section 5.6 Contractual Obligations above. The financing resources available to LWI were those listed in Section 5.4 Financing Activities above.

5.7 Off-Balance Sheet Arrangements

LWI did not enter into any Off-Balance sheet arrangements during this reporting period.

6 Outstanding Share Data

As at June 30, 2011, there were 3 issued and outstanding Common Shares. The issued and outstanding Common Shares as at August 11, 2011 are 12,386,822. As per Section 5.4 Financing Activities above, there are also outstanding options to acquire 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.

7 Related Party Transactions

LWI did not have any related party transactions during this reporting period.

8 Other Matters

8.1 Accounting Policy Changes

As of January 1, 2012, LWI will be required to adopt amendments issued by the IASB (International Accounting Standards Board) as described below, for which the Company is currently assessing the impact.

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

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

- IFRS 11, "Joint Arrangements" is the result of the IASB’s project to replace IAS 31, "Interest in Joint Ventures." The new standard redefines "joint operations" and "joint ventures" and requires joint operations to be proportionately consolidated and joint ventures to be equity accounted. Under IAS 31, joint ventures could be proportionately accounted.
- IFRS 13, "Fair Value Measurement" provides a common definition of fair value, establishes a framework for measuring fair value under IFRS and enhances the disclosures required for fair value measurements. The standard applies where fair value measurements are required and does not require new fair value measurements.
- IFRS 9, "Financial Instruments" is the result of the first phase of the IASB’s project to replace IAS 39, "Financial Instruments: Recognition and Measurement." The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.
- IFRS 10, "Consolidated Financial Statements" is the result of the IASB’s project to replace Standing Interpretations Committee 12, "Consolidation – Special Purpose Entities" and the consolidation requirements of IAS 27, "Consolidated and Separate Financial Statements." The new standard eliminates the current risk and rewards approach and establishes control as the single basis for determining the consolidation of an entity.
- IFRS 12, "Disclosure of Interests in Other Entities" outlines the required disclosures for interests in subsidiaries and joint arrangements. The new standard requires disclosure of information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity’s interests in subsidiaries and joint arrangements.

8.2 Critical Accounting Estimates

Note 3 to LWI’s Interim Financial Statements for the period ended June 30, 2011, 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.

For the purpose of LWI’s Interim Financial Statements for the period ended June 30, 2011, there were no critical accounting estimates made by Management.

9 Risks and Uncertainties

Information relating to the risks and uncertainties of LWI and its subsidiaries is summarized in LWI’s Prospectus dated June 30, 2011, which is available, together with additional information relating to LWI, on SEDAR at www.sedar.com.

10 Non-GAAP Measures

Management has not provided any supplementary information that includes non-GAAP measures for the purpose of this analysis.

11 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 June 30, 2011. Management has concluded that, as of June 30, 2011, 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 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 RLI, WSL and PCC, each of which were acquired after the end of the recent reporting period.