MANAGEMENT'S DISCUSSION

AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

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The following Management's Discussion and Analysis ("**MD&A**") of financial condition and results of operations has been prepared by management to help readers interpret AGT Food and Ingredients Inc.'s ("**AGT**" or the "**Company**") consolidated financial results for the three months ended March 31, 2016 and should be read in conjunction with AGT's audited consolidated financial statements and related notes thereto for the year ended December 31, 2015. The consolidated financial statements have been prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("**IFRS**"). Additional information related to AGT, including periodic quarterly and annual reports and the Annual Information Form ("**AIF**"), filed with Canadian securities regulatory authorities and certain production and market information as prepared periodically by management, is available on SEDAR at www.sedar.com and / or on AGT's website at www.agtfoods.com.

This MD&A has been prepared as at May 10, 2016. All references to AGT or the Company include its subsidiaries, as appropriate. All amounts are in Canadian dollars unless otherwise stated.

Highlights for the Three Months Ended March 31, 2016

- **Adjusted EBITDA*** was $31.4 million for the three months ended March 31, 2016, an increase of 38.9% over $22.6 million for the three months ended March 31, 2015.

- **Adjusted EBITDA*** was $109.7 million for the trailing twelve months ended March 31, 2016, an increase of 18.6% over $92.5 million from the trailing twelve months ended March 31, 2015.

- **Revenue** was $441.4 million for the three months ended March 31, 2016 compared to $385.2 million for the three months ended March 31, 2015.

- **Food ingredients and packaged foods** segment was consistent and represented 12.2% of total tonnes invoiced and 29.2% of Adjusted EBITDA* for the three months ended March 31, 2016 compared to 14.0% of total tonnes invoiced and 30.71% of Adjusted EBITDA* for the three months ended March 31, 2015.

- **Dividend** of $0.15 per share for the quarter ($0.60 per share on an annualized basis).

Business Overview

AGT operates with three reporting segments: (1) pulse and grain processing, (2) food ingredients and packaged foods and (3) trading and distribution. The pulse and grain processing segment includes subsidiaries and facilities in Canada, the United States ("**U.S.**"), Australia, China and a portion of the operations in Turkey. The trading and distribution segment includes operations in Europe, Switzerland, Russia, India and a portion of the operations in Turkey, Canada and Australia. The food ingredients and packaged foods segment includes subsidiaries and facilities in the U.S., Canada, South Africa and a portion of the operations in Turkey.

Through its three segments, AGT handles a full range of pulses and specialty crops including lentils, peas, chickpeas, beans, popcorn, canary seed, flax and other specialty seeds packed for domestic and export markets as well as in dry small package and canned products for both domestic consumption and export markets. In North America, AGT produces pulses proteins, fibres, starches and flours for food ingredient and industrial uses. AGT's operations in Turkey produce milled durum wheat products such as semolina, pasta (under the *Arbella* brand) and bulgur wheat, as well as medium grain and long grain milled rice. These products are sold for both domestic consumption and export markets. AGT also offers retail and foodservice dry packaged and canned foods in Canada and the U.S. under the *CLIC* brand and in Southern Africa under the *Pouyoukas* and *Freshpop* brands.

AGT is among the world's largest value-added processors and splitters of pulse crops and an international producer, processor and exporter of staple food products to over 120 countries. The Company's common shares are currently listed for trading on the Toronto Stock Exchange under the symbol "AGT".

Business Outlook

Summary

The 2016 year has continued to follow the trend of the end of the previous year, retaining similar conditions in the normal seasonal pattern in regard to shipping with strong quarter one 2016 ("**Q1 2016**") demand for pulses. Raw material supply in the North American business saw supplies tightening towards the end of the quarter, reflecting industry views that the strong shipping in 2015 and the first months of 2016 will leave low to nearly nil carry-out stocks. Capacity utilization of AGT operations was as expected, with utilization falling slightly from peak 2015 levels but following normal seasonal trends.

Overall metric tonnes ("**mt**") invoiced are lower than the levels in the previous quarter, although well ahead of AGT invoiced mt's in previous comparative periods reflecting AGT's larger capacity when adding the bulk handling for durum wheat and pulses. AGT's legacy pulse and grain processing segment shows improved margins with the contribution of recent acquisitions. AGT's food ingredient operations continue to show consistent margins and earnings. As expected, a decrease in AGT's legacy business mt's invoiced was reported. This was due to diminishing supply of raw materials which resulted from robust export programs for key Canadian production and shipping origins, as strong customer demand for lentils and other pulses to key markets in India and the subcontinent and Turkey and the Middle East/North Africa ("**MENA**") region has continued.

Based on optimistic seeding intentions for pulses estimated by Statistics Canada ("**StatsCan**") and the United States Department of Agriculture, management expects that the upcoming production season in North America may result in one of the largest pulse plantings in history, supporting expectations of continuing positive performance of AGT's legacy business through 2016 and into 2017. This anticipated strong supply should enable AGT to meet expected demand from India and MENA, further illustrating the benefit of AGT's acquisitions and expansions in logistics, specifically short-line rail infrastructure and the bulk grain loading and handling assets added to AGT's Canadian system. This may provide additional operating advantages in the key Canadian region, supplying lentils and durum wheat to AGT customers in end-use markets and for use in AGT's own operations in Turkey and India and the regions that each supplies.

Volumes continue to increase in AGT's food ingredients and packaged foods segment, with a return to seasonal demand and pre-Ramadan purchasing activities of pasta and other packaged and canned retail food products, as well as the continuing gains in the pulse ingredient business unit supported by capacity additions and process enhancements in AGT's Minot pulse ingredient processing facility (the "**Minot Facility**") and AGT's marketing agreements with Ingredion Incorporated ("**Ingredion**").

Reporting Segments

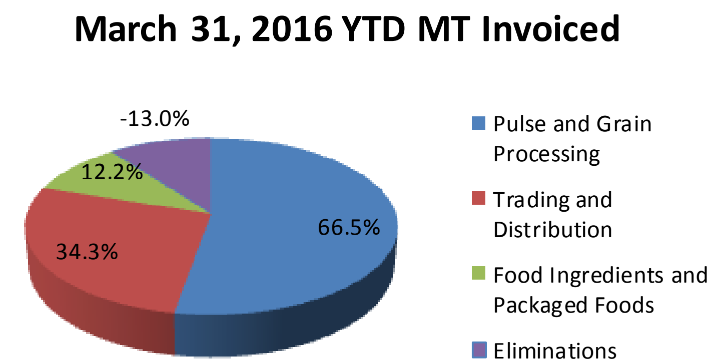
AGT's chief operating decision maker reviews AGT's operations and resource allocation by multiple business segments. Business segments are strategic business units with different products, processes and marketing strategies. AGT has three segments: (1) pulse and grain processing, (2) food ingredients and packaged foods and (3) trading and distribution.

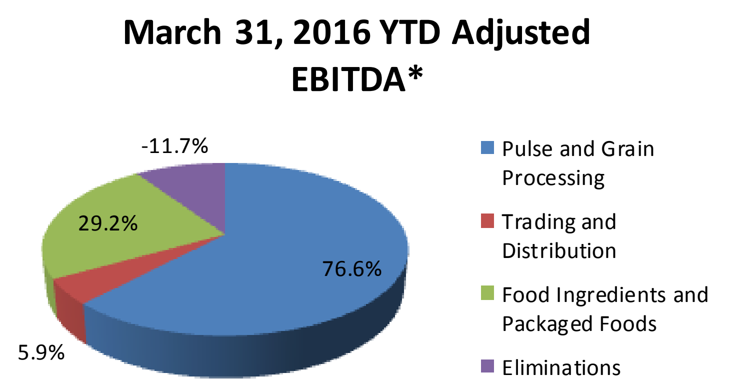
AGT's chief operating decision maker evaluates segment performance on the basis of Adjusted EBITDA*. Management believes that Adjusted EBITDA* is an important indicator of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose.

The accounting policies used within each segment are consistent with the policies outlined in the notes to AGT's December 31, 2015 annual audited consolidated financial statements. Segmented revenues, expenses and results include transactions between segments that occurred during the ordinary course of business with normal market terms and conditions. Certain estimates and assumptions were made by management in the determination of segment composition.

A review of the outlook for each of AGT's business segments is below.

In the following charts, eliminations relate to mt that were sold from one AGT subsidiary to another for further manufacturing, further packaging and/or for sale to a final customer.





Pulse and Grain Processing

Selected Results by Reporting Segment (1)(2)
(in thousands of Cdn. $ except as indicated, unaudited for the three month period ended)

	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015
Revenue	**$ 300,513**	$ 454,951	$ 272,358
Cost of sales	**271,496**	423,524	251,663
Gross profit	**29,017**	31,427	20,695
Adjusted gross profit*	**32,916**	34,881	22,932
Adjusted EBITDA*	**$ 24,039**	$ 25,986	$ 16,973
Total tonnes invoiced	**333,381**	483,596	301,599
Gross profit per metric tonne	**$ 87.04**	$ 64.99	$ 68.62
Adjusted gross profit* per metric tonne	**98.73**	72.13	76.03
Adjusted EBITDA* per metric tonne	**72.11**	53.73	56.28

(1) See table on page 13 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

Adjusted Gross Profit* and Adjusted EBITDA* per mt showed improvement when comparing the three months ended March 31, 2016 to both the prior quarter and the same quarter in the prior year. This is due largely to strong margins on sales of beans and chickpeas from Canada and Australia. In addition, the three months ended December 31, 2015 included significant bulk shipments of pulse crops, resulting in higher invoiced tonnes and lower overall margins per tonne in that quarter. The three months ended March 31, 2015 included some remaining lower margin sales from Canada as a result of the crop quality issues in the 2014 harvest period.

The pulse and grain processing segment represents the legacy business of AGT in the origination and processing (including cleaning, calibrating, sizing, splitting, packaging, bulk loading, shipping and export) of pulses and staple foods in AGT owned and operated facilities around the globe. This segment has represented the largest segment of AGT's business and provided advantages with regard to AGT's other segments of operation, including origination of raw materials, processing and logistics support of pulse and grain products.

The segment improved with regard to margins; however, mt's invoiced in the segment were lower due to diminishing supply of raw materials currently available in Canada and the normal seasonal trend where Indian sub-continent demand slows in the latter half of the Q1 period and the second quarter ("**Q2**") as local pulse stocks from the Indian harvest are received in the markets and the stocks shipped in the fourth quarter of 2015 ("**Q4 2015**") are sold through in local markets.

However, even in raw material constrained conditions and with seasonal demand considerations, this segment invoiced significant mt's. The outlook for this segment is highlighted below.

- Seeding intentions for lentils and peas, the two primary pulses grown in Canada, are estimated by StatsCan to increase 23% over actual production in 2015. This represents the highest acre levels for both of these crops in Canadian history. Production at these levels, at least in the near term, is needed to maintain global import levels to key consumption regions that have been reported by StatsCan and other statistical outlets and are expected by management to continue. In 2015 and again in 2016, raw material supply diminished to near depleted levels in the late Q1 periods, shifting some volumes to the earlier Q4 period, where customers stockpiled product anticipating these conditions or deferred purchases to later in the year with new crop products.
- Australian pulse production and exports have been reported at high levels, with a good crop being harvested in the late 2015 period and coming to market in Q1 2016, filling both customer demand not met by the low Canadian stock levels as well as demand for products that are mostly grown in Australia, including faba and broad beans to MENA and Europe and desi chickpeas to India. Australian supply has been key to AGT's ability to continue to ship on its sales programs in the period where Canadian stocks are low and demonstrates the strength of AGT's diversified global origination, processing and global sales programs.
- Imports of pulses to key India/subcontinent and Turkey/MENA markets are expected by management to continue in 2016-17 and to be a contributor to the relative strength of AGT's legacy segments in these future periods. Trends regarding local production in these markets, including deficient monsoon rains reducing pulses output in recent periods in India as well as lower production in Turkey, where producers tend to grow relatively higher-value crops with the knowledge that domestic pulse requirements can be met through importation of lentils and chickpeas, are expected to support AGT sales and export programs. These export programs are expected to be positively impacted by AGT's recent investments in bulk handling and logistics, allowing AGT to tailor sales programs to market requirements for bagged and containerized pulses or for bulk vessel shipments, maximizing volumes and margins on these sales.
- Demand visibility and order book sales for the spring 2016 and fall new crop 2016 have already begun, well ahead of the normal cycle and signaling that concern with regard to 2016-17 supply is driving importers to buy forward. Management forecasts that supply constraints seen in Q1 2016 may continue in Q2 2016 and the early part of the third

quarter of 2016 (“**Q3 2016”**). This demand may then be deferred and filled in the latter part of Q3 2016 with the completion of 2016 harvest in August or September depending on conditions at that time. Strong prices in the world marketplace are likely to drive additional production in 2016 in Canada, the U.S. and Australia, setting the stage for the utilization gains expected by management in the past year to continue to contribute positively in subsequent quarters.

In the high fixed-cost environment in which AGT operates, significant volumes moving through AGT’s system can have positive impact on earnings. The positive performance of this segment is expected by management to continue, as pulses and staple foods markets demonstrate strong demand fundamentals for imported pulses and staples foods in the near term periods.

Food Ingredients and Packaged Foods

Selected Results by Reporting Segment [1][2]
(in thousands of Cdn. $ except as indicated, unaudited for the three month period ended)

	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015
Revenue	**$ 66,583**	$ 64,730	$ 62,730
Cost of sales	**55,014**	53,174	53,080
Gross profit	**11,569**	11,556	9,650
Adjusted gross profit*	**13,271**	13,142	11,298
Adjusted EBITDA*	**$ 9,170**	$ 8,997	$ 6,945
Total tonnes invoiced	**61,349**	60,781	59,419
Gross profit per metric tonne	**$ 188.58**	$ 190.13	$ 162.41
Adjusted gross profit* per metric tonne	**216.32**	216.22	190.14
Adjusted EBITDA* per metric tonne	**149.47**	148.02	116.88

(1) See table on page 13 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

Food ingredients and packaged foods showed consistent Adjusted Gross Profit* per mt for the three months ended March 31, 2016 compared to the three months ended December 31, 2015 and increased when compared to the three months ended March 31, 2015. The increase when compared to the same period in the prior year is due largely to product mix invoiced as well as higher volumes.

Adjusted EBITDA* per mt also remained consistent when comparing the three months ended March 31, 2016 to the three months ended December 31, 2015 and improved when comparing to the same period in the prior year.

AGT's food ingredients and packaged foods segment continues to report consistent results as the business unit matures. The segment has benefited from growth in mt's of AGT's pulses ingredient products, including flour, protein, starch and fibre products derived from pulses, for human food and petfood applications and marketed to food companies and petfood manufacturers. The food ingredient business unit is centered on the Minot Facility, where the third production line has been installed and commissioned. New enhancements and expansions have been announced and are underway, maximizing the current production capacity and output of the Minot Facility.

The segment has reported increased volumes in mt invoiced in Q1 2016 and positive results overall. Additional growth is expected as AGT's enhancement processes around de-flavouring of pulse ingredients are completed and capacity is turned towards commercial production. This segment has been a focus for AGT in recent periods, with expansions in the Minot Facility as well as production enhancement programs to increase the expansion potential for the facility, with the construction of a new 30,000 square foot production building being completed, as well as a new de-flavouring line currently in the commissioning phase and new packaging infrastructure to the facility. Further expansions for a fourth production line and additional flour milling were announced and these projects are underway, with an anticipated commissioning in the first quarter of 2017.

The business units contained in this segment continue ongoing targeting of food retailer and retail consumer customers for listing of AGT brands and private label business in North America, Europe, Turkey, MENA and Southern Africa. The segment is advancing as expected by management with regard to margins and mt's shipped and further growth in the segment is expected as new enhanced products are available to meet customer requests and demand.

- Sales volumes are anticipated to continue to increase in 2016 and 2017, with continued market focus on North America, Europe and China.
- Food industry and petfood manufacturing customers continue to incorporate pulses ingredients, including flour, protein, starch and fibre, into their products and increase inclusion rates for these ingredients. This trend is expected to continue as a positive catalyst for the food ingredient business unit, particularly as de-flavoured products become available to customers for a broad range of applications. This trend is further expected to drive potential decisions to add additional production lines or conversion of existing plant capacity to ingredients in 2017 to meet the growth in demand in food and petfood applications.

- At the Minot Facility, commercial production on line three is underway with production ramping up throughout 2016 to bring the line to full capacity. Management estimates that utilization on the first three lines at the Minot Facility are running at approximately 90%, demonstrating the necessity for the fourth line of production. Commissioning of the de-flavouring and enhancement line has commenced with installation completed in Q1 2016 and is expected to be completed with production available for customer programs in Q2 2016. Feedback on output products during commissioning has been positive with product meeting management's targets on capacity, flavor profile and functionality.
- Projects surrounding the announced addition of production capacity for increased fibre processing and granulated pulse flour production is underway and planned to commence installation in August 2016, with a fourth production line planned to commence installation in the third quarter 2016, allowing the production facility to meet its growing obligations in the food sector for pulse ingredient flours, fibre, protein and starch. The fourth production line is expected to ensure that the volume business, built with the first three production lines focused on pea products for the petfood sector, may continue uninterrupted as human food business for conventional and organic flours, fibre and proteins, primarily from a full range of pulses, builds in 2017. Both lines are expected to be commissioned by first quarter 2017.
- AGT's global packaged foods business continues to grow as market opportunities and sales and distribution efficiencies are realized and the units contribute positively to this segment. This business unit includes *Arbella* brand pasta, sold in over 90 countries around the globe; *Arbel* brand packaged pulses and staple foods, sold in many markets in Turkey, Central Asia, Europe and the MENA region; *CLIC* brand, with retail and food service listings providing canning, small packaging and distribution in Canada and the U.S.; and the *Pouyoukas* brand of packaged foods, widely available in Southern Africa, as well as distribution of other brands in key markets.
- The *Arbella* pasta unit in particular continues to perform strongly, where facilities have been operating at full capacity. Test production from a sixth traditional long-cut pasta production line is commissioning in May 2016 and packaging equipment installation is scheduled for completion in June 2016. In addition, AGT has purchased the dyes to produce specialty pasta including American lasagna and installed a specialty pasta line to produce vermicelli nests and noodle specialty pasta. This line is expected to be completed in mid-2016. Semolina production capacity is in place to supply raw materials for increased pasta production from these expansions. AGT's logistics, bulk handling and port loading assets for durum wheat are also expected to improve margins in this line of business in the coming years by more efficiently supplying raw material durum wheat for milling from Canada.

- Management continues to investigate new specialty pasta categories, particularly gluten-free pasta produced entirely from pulse ingredients or nutrient-enriched pasta products produced through a blend of durum wheat and pulse ingredients and other ingredients, as well as other varieties such as tri-colour, high fibre and other specialty dry pasta products. These new categories are expected to augment sales and production programs by capitalizing on specialty or gourmet market segments, leveraging AGT's investments in ingredient application research, development and production.

Margin gains in this segment are expected by management with margins and volumes expected to trend positively in 2016-17. This is a key component to AGT's diversification initiatives to higher margin, value-added products as AGT transforms from its focus on being a commodity shipper of pulses and grains to a balanced retail packaged food and food ingredient supplier.

Trading and Distribution

Selected Results by Reporting Segment [1][2]
(in thousands of Cdn. $ except as indicated, unaudited for the three month period ended)

	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015
Revenue	**$ 127,052**	$ 116,953	$ 95,865
Cost of sales	**121,684**	113,517	91,711
Gross profit	**5,368**	3,436	4,154
Adjusted gross profit*	**5,368**	3,436	4,169
Adjusted EBITDA*	**$ 1,846**	$ 396	$ 471
Total tonnes invoiced	**171,950**	154,476	136,324
Gross profit per metric tonne	**$ 31.22**	$ 22.24	$ 30.47
Adjusted gross profit* per metric tonne	**31.22**	22.24	30.58
Adjusted EBITDA* per metric tonne	**10.74**	2.56	3.46

[1] See table on page 13 for consolidated segmented results
[2] Certain estimates and assumptions were made by management in the determination of segment composition

The trading and distribution segment showed improved Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months ended March 31, 2016 compared to the same period in the prior year and compared to the three months ended December 31, 2015. Product shipped in the current quarter included continued significant volumes of durum, and contributed to utilization of rail assets. Management views this business as an incremental margin with little commodity risk taken, as almost all sales are taken on a back-to-back basis. Margins depend entirely on the product mix that is invoiced in each quarter.

AGT continues to offer other commodities to its global network of existing clients. These sales are reported through AGT's trading and distribution segment, which is made up of products not specifically processed in AGT facilities, such as some non-core commodity sales of AGT to aid programs and cross-selling of other commodities to pulse and staple foods business customers.

Products traded in this segment include durum, sorghum, popcorn, coffee, canola, sugar and spices and a variety of seeds. While relative margins are potentially lower in this segment, they are expected to continue to be a positive contributor to AGT's earnings due to the fact that they do not require processing and facility infrastructure nor capital investments. Additionally, they are providing utilization of assets during periods where they are not contributing to support AGT's core and legacy business segments, with the working capital requirements largely financed on relatively short trade finance terms with the utilization of structured trade finance instruments and supplier credits.

Corporate and Eliminations

For the three months ended March 31, 2016 inter-company shipments were 65,669 tonnes, meaning that they were sold from one AGT subsidiary to another for further manufacturing, further packaging and/or for sale to a final customer. Management continues in its efforts to increase the margin of its international business in all segments by capturing additional margins by encouraging AGT wholly owned subsidiaries to work collaboratively to increase trade that utilizes the sourcing advantage of one company and the distribution advantage of another.

Consolidated Segmented Results

Selected Results by Reporting Segment [1]
(in thousands of Cdn. $ except as indicated,
unaudited for the three month period ended)

	Pulse and Grain Processing			Trading and Distribution			Food Ingredients and Packaged Foods			Corporate and Eliminations			Consolidated		
Quarterly comparisons	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Mar 31, 2015
Revenue	$ 300,513	$ 454,951	$ 272,358	$ 127,052	$ 116,953	$ 95,865	$ 66,583	$ 64,730	$ 62,730	$ (52,755)	$ (58,364)	$ (45,723)	$ 441,393	$ 578,270	$ 385,230
Cost of sales	271,496	423,524	251,663	121,684	113,517	91,711	55,014	53,174	53,080	(52,755)	(58,364)	(45,723)	395,439	531,851	350,731
Gross profit	29,017	31,427	20,695	5,368	3,436	4,154	11,569	11,556	9,650	-	-	-	45,954	46,419	34,499
Adjusted gross profit*	32,916	34,881	22,932	5,368	3,436	4,169	13,271	13,142	11,298	-	-	-	51,555	51,459	38,399
Adjusted EBITDA*	**$ 24,039**	**$ 25,986**	**$ 16,973**	**$ 1,846**	**$ 396**	**$ 471**	**$ 9,170**	**$ 8,997**	**$ 6,945**	**$ (3,665)**	**$ (2,441)**	**$ (1,772)**	**$ 31,390**	**$ 32,938**	**$ 22,617**
Total tonnes invoiced	333,381	483,596	301,599	171,950	154,476	136,324	61,349	60,781	59,419	(65,669)	(76,291)	(72,857)	501,011	622,562	424,485
Gross profit per metric tonne	$ 87.04	$ 64.99	$ 68.62	$ 31.22	$ 22.24	$ 30.47	$ 188.58	$ 190.13	$ 162.41				$ 91.72	$ 74.56	$ 81.27
Adjusted gross profit* per metric tonne	98.73	72.13	76.03	31.22	22.24	30.58	216.32	216.22	190.14				102.90	82.66	90.46
Adjusted EBITDA* per metric tonne	72.11	53.73	56.28	10.74	2.56	3.46	149.47	148.02	116.88				62.65	52.91	53.28

[1] Certain estimates and assumptions were made by management in the determination of segment composition

Summary of Quarterly Results (1)(3)
(in thousands of Cdn. $ except as indicated, unaudited)

	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended June 30, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Sept 30, 2014	3 Months Ended June 30, 2014
Revenue	$ 441,393	$ 578,270	$ 362,755	$ 378,225	$ 385,230	$ 398,010	$ 287,710	$ 359,811
Adjusted gross profit*	**51,555**	**51,458**	**40,583**	**38,969**	**38,399**	**40,660**	**34,403**	**39,199**
Adjusted EBITDA (*)	**31,390**	**32,938**	**23,208**	**22,206**	**22,617**	**24,400**	**21,100**	**24,430**
Adjusted net earnings (*)	**4,722**	**15,192**	**11,860**	**10,325**	**9,864**	**14,903**	**9,260**	**8,813**
Adjusted basic net earnings per share*	**0.20**	**0.64**	**0.51**	**0.45**	**0.43**	**0.68**	**0.46**	**0.44**
Adjusted diluted net earnings per share*	**0.20**	**0.64**	**0.51**	**0.44**	**0.42**	**0.68**	**0.45**	**0.43**
Net earnings (loss) per financial statements	27,006	19,238	(7,232)	3,493	546	(6,540)	4,106	12,980
Basic net earnings (loss) per share	1.13	0.82	(0.31)	0.15	0.02	(0.30)	0.20	0.64
Diluted net earnings (loss) per share	1.12	0.81	(0.31)	0.15	0.02	(0.30)	0.20	0.64
Pulse and grain processing tonnes invoiced (2)	333,381	483,596	290,941	254,304	301,599	327,195	234,409	344,971
Trading and distribution tonnes invoiced (2)	171,950	154,476	122,296	86,155	136,324	130,249	112,046	115,368
Food ingredients and packaged foods tonnes invoiced (2)	61,349	60,781	55,653	70,250	59,419	55,000	56,707	61,585
Inter-company tonnes	(65,669)	(76,291)	(105,555)	(83,786)	(72,857)	(53,943)	(59,697)	(82,632)
Total tonnes invoiced	501,011	622,562	363,335	326,923	424,485	458,501	343,465	439,292
Gross profit per metric tonne	$ 91.72	$ 74.56	$ 100.94	$ 107.85	$ 81.27	$ 80.65	$ 89.09	$ 80.80
Adjusted gross profit* per metric tonne	102.90	82.66	111.70	119.20	90.46	88.68	100.16	89.23
Adjusted EBITDA (*) per metric tonne	62.65	52.91	63.87	67.92	53.28	53.22	61.43	55.61

Notes:

(1) Calculated from the condensed consolidated unaudited interim financial statements for the quarters ended March 31, 2016, September 30, 2015, June 30, 2015, March 31, 2015, September 30, 2014 and June 30, 2014, and the audited annual financial statements for the year ended December 31, 2015 and 2014.

(2) For a breakdown on segmented information, see the table entitled “Consolidated Segmented Results”.

(3) Key things to note:

- AGT’s financial results are strongly influenced by the performance of our pulse and grain processing segment which accounted for 68.1% of consolidated revenue in the three months ended March 31, 2016.
- the timing of customer shipments, which tend to vary from quarter to quarter, drives revenue in the segments; meaning quarterly results are not necessarily a good indication of annual results due to seasonal variability.
- net earnings do not trend directly with revenue due to foreign exchange volatility and transactions that occur from time to time. AGT uses Adjusted Net Earnings*, a non-IFRS measure, as a more meaningful way to compare our results from period to period.

Discussion of Quarterly Results

(in Thousands of Cdn$ except as indicated, unaudited for the three month ended periods)

Revenue, Gross Profit and Adjusted Gross Profit*

	3 Months Ended Mar 31		
	2016	2015	Change
Revenue	441,393	385,230	56,163
Less: cost of sales	395,439	350,731	44,708
Gross profit	45,954	34,499	11,455
Add back: depreciation in cost of sales	5,601	3,900	1,701
Adjusted gross profit*	51,555	38,399	13,156
Gross profit percentage	10.4%	9.0%	1.4%
Adjusted gross profit percentage*	11.7%	10.0%	1.7%

Revenue for the three months ended March 31, 2016 increased over the same period in the prior year due to an increase in tonnes invoiced of approximately 18% as well as higher commodity prices, particularly in red lentils and beans.

Gross profit and Adjusted Gross Profit* increased in absolute dollars, as well as in percentage, when comparing the three months ended March 31, 2016 to the three months ended March 31, 2015. The increase in absolute dollars is due to higher volumes and the increase in percentage is due to improved processing margins, particularly in chickpeas and beans, as well as improved margins in the food ingredients and packaged foods segment.

Adjusted EBITDA*

	3 Months Ended Mar 31		
	2016	2015	Change
Adjusted EBITDA*	31,390	22,617	8,773
Adjusted EBITDA* percentage of revenue	7.11%	5.87%	1.24%

Adjusted EBITDA* as a percentage of revenue for the three months ended March 31, 2016 improved over the same period in the prior year due largely to higher volumes and improved margins in the pulses and grain processing segment. Adjusted EBITDA* increased for the three months ended March 31, 2016 when compared to the three months ended March 31, 2015 due to an increase in overall volumes.

Expenses

	3 Months Ended Mar 31		
	2016	2015	Change
General and administrative and marketing, sales and distribution expenses	23,408	17,650	5,758
Finance expense	9,100	8,391	709
Depreciation and amortization	6,609	4,623	1,986
Provision for (recovery of) income taxes	10,959	(261)	11,220
Unrealized foreign exchange (gain) loss	(24,519)	8,173	(32,692)

General and administrative and marketing, sales and distribution expenses for the three months ended March 31, 2016 increased over the same period in the prior year. This is due to additional costs related to the West Central Road and Rail acquisition as well as additional costs in the India office. In addition, share based compensation expense included in general and administration and in marketing, sales and distribution expenses increased due to higher average share prices throughout the three months ended March 31, 2016.

Finance expenses for the three months ended March 31, 2016 were consistent to the three months ended March 31, 2015. Interest on long term debt increased, however trade finance fees and the fair value adjustment on derivatives decreased, keeping the expense consistent.

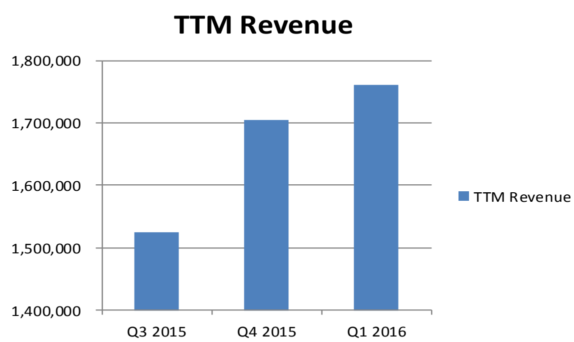
Depreciation expenses for the three months ended March 31, 2016 increased over the same period in the prior year due to additional assets being put into use, including assets related to bulk processing plant and rail acquisitions as well as pasta line additions.

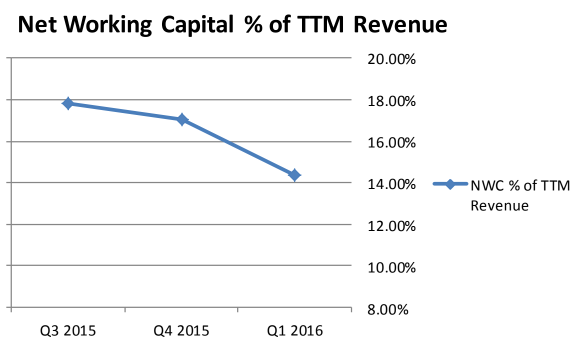
The income tax expense is calculated for each subsidiary at the individual rate for that country and therefore can fluctuate depending on the earnings reported for each tax jurisdiction.

AGT estimates an average tax rate in the range of 25% to 26%, depending on which jurisdiction has earnings or losses, and the tax treatment of various revenues or expenses.

Non-cash foreign exchange was a recovery for the three months ended March 31, 2016 compared to an expense for the three months ended March 31, 2015. The change is due to changes in foreign exchange rates associated with certain foreign denominated loans, receivables, payables and derivative contracts and includes the cross currency swap related to the high yield debt offering of $125 million. Adjustments to foreign exchange on foreign investments are recorded in Other Comprehensive Income (Loss) on AGT's Consolidated Statements of Comprehensive Income and are recorded in accumulated other comprehensive income (loss) on AGT's Consolidated Statements of Financial Positon.

Trailing Twelve Month ("**TTM**") Revenue and Net Working Capital as a percentage of TTM Revenue:





Net working capital* was $253.5 million at March 31, 2016, compared to $291.0 million at December 31, 2015 (see table on page 22). Net working capital as a percentage of TTM revenue has decreased from 17.81% at September 30, 2015 and 17.07% at December 31, 2015 to 14.40% at March 31, 2016.

Net debt* is comprised of bank indebtedness, long term debt and current portion of long term debt, less cash and totaled $506.5 million at March 31, 2016 compared to $473.5 million at December 31, 2015 (see table on page 22). Net debt increased from December 31, 2015 due primarily to increased bank indebtedness resulting from deferred grower payments from 2015 clearing the bank during the first quarter of 2016. The ratio of net debt to TTM Adjusted EBITDA* has improved to 4.62 at March 31, 2016 compared to 4.69 at December 31, 2015. This is due to earnings benefits from acquisitions in the latter part of 2015.

Current assets were $677.0 million at March 31, 2016 compared to $790.4 million at December 31, 2015 (see table on page 22). The current asset base is largely accounts receivable and inventory. It is important to note that accounts receivables are largely insured by Export Development Canada ("**EDC**"), significantly reducing the risks associated with accounts receivable collection, since buyer risk is being replaced by Government of Canada risk through the export insurance.

Trade accounts receivable decreased to $182.6 million at March 31, 2016, compared to $284.5 million at December 31, 2015 (see table on page 22). Accounts receivable collections increased due to sales during the three months ended December 31, 2015 being collected during the three months ended March 31, 2016. In addition, overall mt invoiced decreased in the three months ended March 31, 2016 compared to the three months ended December 31, 2015.

Inventory decreased by $31.5 million, to $398.8 million at March 31, 2016, compared to $430.3 million at December 31, 2015 (see table on page 22). During the quarter, Australian and North American inventory decreased by $28.1 million due to sales following the harvest period. Inventory in Turkey decreased by $8.2 million due to inter-company inventory converting to sales. Inventory at other AGT subsidiaries increased by $4.8 million.

Working capital management in the areas of accounts receivable and inventory continue to be a focus of AGT management. While the inventory value is $398.8 million at March 31, 2016, this value represents a number of different commodities globally. Much of this inventory is also earmarked for sales contracts and will remain as inventory until substantial risks transfer from seller to buyer under AGT's revenue recognition policy. AGT management continues the practice of examining stock levels at each of its foreign operations to achieve an optimization of inventory levels. In addition, inventory management practices include book to physical inventory reconciliations monthly to ensure accurate recording of inventory values.

The majority of AGT sales are insured through EDC providing coverage on receivables in the event of customer default on payment. In addition, ownership of the original documents for the cargo in transit remains with AGT in most cases, due to the terms of sale. If a customer defaults on the contract, AGT can choose to resell the cargo to another customer or divert the cargo to another market. With extensive market reach and facilities or warehouses in key consumption markets, AGT has numerous options available to minimize or mitigate risk and exposure in these areas. AGT also has the option to make a claim to EDC to cover up to 90% of the receivable in question. AGT has extended its EDC coverage to all foreign operations, excluding China, to ensure that additional financial risks are largely mitigated in the current macro-economic environment.

Working capital and short-term debt are typically used by AGT to finance its export program and customer orders due to the long transit times. In addition, costs associated with the goods, such as processing costs, payments to the farmer from whom raw materials were purchased and freight costs, must be paid prior to receiving payment for sale. Customer purchases are typically backed by irrevocable letters of credit or cash against document terms and therefore payment risk is mitigated. The EDC policy remains in place to ensure that a catastrophic loss in any particular region will not hinder payment. Management has implemented steps to monitor accounts receivable aging and inventory turns at each facility. Metrics are calculated for each facility and correlate to facility compensation.

In addition, much of the bank financing availability is determined based on a borrowing base calculation and therefore this financing is backed by the inventory and accounts receivable.

AGT management will continue in its efforts to optimize capital utilization and debt levels to ensure a predictable return on deployed capital for shareholders.

Dividends - AGT paid a dividend in April 2016 of $3.6 million ($0.15 per share) in the aggregate to its shareholders of record on March 31, 2016.

It is currently anticipated that, going forward, AGT will continue to pay a quarterly dividend, the amount of which will be determined by the Board of Directors. AGT's dividend policy will be subject to the discretion of the Board of Directors and may vary depending on, among other things, AGT's earnings, financial requirements, the satisfaction of solvency tests imposed by the *Business Corporations Act* (Ontario) for the declaration of dividends and other relevant factors. AGT and its predecessors have declared and paid the quarterly dividend each quarter since its inception in 2005. Management does not anticipate a reduction of the current dividend in the coming periods.

AGT's financial statements are presented in Canadian dollars, but AGT's operating subsidiaries earn revenues and incur expenses in several currencies, including U.S. dollars ("**USD**"), Turkish lira ("**TL**"), Australian dollars ("**AUD**"), Pounds Sterling ("**GBP**"), Euros ("**EUR**"), South African rand ("**ZAR**"), Renminbi of the People's Republic of China ("**RMB**") and the Indian Rupee ("**INR**").

Balance sheet accounts of subsidiaries are valued at March 31, 2016 and December 31, 2015 foreign exchange rates as follows [Source: Bank of Canada]:

	March 31, 2016	**Dec 31, 2015**
USD/CDN	1.29870	1.38400
AUD/CDN	0.99570	1.00830
TL/CDN	0.45970	0.47440
GBP/CDN	1.86520	2.04070
EUR/CDN	1.47750	1.50290
ZAR/CDN	0.08815	0.08946
RMB/CDN	0.20110	0.21310
INR/CDN	0.01958	0.02091

For each subsidiary, any difference between the March 31, 2016 exchange rate and the average exchange rate used to record revenues and expenses is recorded as other comprehensive income (loss) on AGT's Consolidated Statements of Comprehensive Income and Consolidated Statement of Changes in Equity.

Liquidity and Capital Resources

Liquidity risk is the risk that AGT cannot meet a demand for cash or fund its obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

AGT has been able to generate sufficient cash from its operations and through access to equity, operating lines and other facilities to maintain its operations and development activities, and pay its declared dividends. AGT's ability to generate sufficient cash resources from its operations will depend, among other things, on future harvests of and demand for pulses and special crops. Please see "Dividends" and "Business Outlook" above for a discussion of these factors. Further information relating to the risks and uncertainties to which AGT and its subsidiaries are subject to is summarized in AGT's most recent AIF, which is available, together with additional information relating to AGT, on SEDAR at www.sedar.com and on AGT's website at www.agtfoods.com.

AGT's working capital requirements fluctuate from quarter to quarter as the supply of pulses and special crops fluctuates, since payments to suppliers form the largest item of the working capital requirements. AGT's working capital requirements are met from its earnings, with its credit facility providing bridge financing until payments for sales are received.

At March 31, 2016, AGT had total operating lines available of $249.8 million (December 31, 2015 - $251.1 million). Included in these facilities is a syndicated debt facility of $207.0 million (December 31, 2015 – $207.0 million) secured by a general security agreement and security interests against real property owned by AGT and certain of its subsidiaries, maturing in January 2018. The weighted average interest rate on available operating lines at March 31, 2016 is 3.8% (December 31, 2015 – 3.3%).

The Canadian credit facilities have floating interest rates, and management regularly monitors interest rates to make adjustments to its fixed versus floating interest rate management program. AGT also uses short term banker's acceptances from time to time to mitigate a portion of its floating interest rate risk in its operating credit facilities. As a result of the low interest rates prevailing in Canada in recent years, management has decided to leave its Canadian credit facilities largely at floating interest rates.

At March 31, 2016, AGT is in compliance with its financial covenants under all credit agreements.

AGT has implemented a global foreign exchange management program to effectively manage its net exposure to the USD, while matching its local currency operations to minimize net exposure to any one foreign currency. AGT's operations in Canada, Australia and Turkey are managed such that net exposures to local currencies are mitigated through offsetting local currency receipts with local currency requirements and borrowings, and hedging programs where appropriate.

Capital Management

AGT manages its capital to ensure financial flexibility and to increase shareholder value through a combination of acquisitions and organic growth. This allows AGT to respond to changes in economic and/or marketplace conditions. AGT also strives to maintain an optimal capital structure to reduce the overall cost of capital. In the management of capital, AGT includes bank indebtedness, long term debt and shareholders' equity. It may be difficult to accurately predict market requirements for attracting capital. There were no changes in AGT's approach to capital management during the year.

AGT includes Net Debt* and shareholders' equity as components of its capital structure. The calculation of shareholders' equity, Net Debt* and capital is set out in the following table:

Net debt and capital

(in thousands of Cdn. $)	Mar 31, 2016 (unaudited)	Dec 31, 2015	Sept 30, 2015 (unaudited)
Long term debt	$ 344,301	$ 344,339	$ 276,165
Bank indebtedness and current portion of long term debt	190,156	151,464	107,530
Cash	(27,995)	(22,306)	(41,913)
Net debt*	**$ 506,462**	**$ 473,497**	**$ 341,782**
Shareholders' equity	366,529	356,918	291,918
Capital	**$ 872,991**	**$ 830,415**	**$ 633,700**
Trailing twelve months Adjusted EBITDA*	109,742	100,969	92,431
Net Debt to Adjusted EBITDA*	4.62	4.69	3.70

Selected asset and liability information

(in thousands of Cdn. $)	Mar 31, 2016 (unaudited)	Dec 31, 2015	Sept 30, 2015 (unaudited)
Cash	$ 27,995	$ 22,306	$ 41,913
Trade accounts receivable	182,581	284,539	171,340
Inventory	398,756	430,277	411,538
Bank indebtedness and current portion of long term debt	190,156	151,464	107,530
Accounts payable, accrued liabilities and deferred revenue	220,564	343,321	283,334
Long-term debt	344,301	344,339	276,165
Total current assets(1)	676,980	790,443	666,441
Total current liabilities(1)	423,519	499,448	395,019
Net working capital*	253,461	290,995	271,422

(1)Excludes derivative assets and liabilities

Consolidated capitalization information

Consolidated capitalization information of AGT includes information on the operations of AGT Foods Canada "(**APP**"), AGT Foods USA, Australia Milling Group, AGT CLIC, Mobil and Poortmans, together (the "**APP Group**") as well as information on AGT and other entities, and is set out in the following table:

Capital Structure
(in thousands of Cdn. $)

	Mar 31, 2016	Dec 31, 2015	Financial Statement Caption
APP Group			
Senior secured APP bank facility	$ 165,492	$ 127,425	bank indebtedness
Senior secured APP bank facility	184,094	184,177	long term debt
Poortman facility (GBP 11.25 million)	1,295	3,324	bank indebtedness
AGT CLIC mortgage on building and other	8,161	8,166	long term debt
Mobil mortgage and debt	24,536	24,056	long term debt
Other	43	30	long term debt
	$ 383,621	$ 347,178	
Arbel/Other Entities (excluding AGT)			
Senior secured Advance Seed facility	$ 10,181	$ 8,353	bank indebtedness
Other	80	66	long term debt
	$ 10,261	$ 8,419	
AGT			
Note payable related to Mobil purchase	$ 17,874	$ 17,779	long term debt
Notes outstanding	122,701	122,427	long term debt
	$ 140,575	$ 140,206	
Total debt	$ 534,457	$ 495,803	
March 31, 2016 financial statements			
Bank indebtedness	$ 176,968	$ 139,102	
Long term debt, including current portion	357,489	356,701	
	$ 534,457	$ 495,803	

Cash flow summary (unaudited for the three month period ended)
(in thousands of Cdn. $)

Cash flow from (used in)	3 months ended Mar 31, 2016	3 months ended Dec 31, 2015	3 months ended Mar 31, 2015	Difference Mar 31, 2016 to Mar 31, 2015
Operating activities	$ (11,584)	$ (40,589)	$ (12,115)	$ 531
Financing activities	35,737	65,394	21,781	13,956
Investing activities	(19,261)	(46,305)	(3,844)	(15,417)
Effect of exchange rate changes on	797	1,893	2,341	(1,544)
Change in cash	$ 5,689	$ (19,607)	$ 8,163	$ (2,474)

	3 months ended Mar 31, 2016	3 months ended Dec 31, 2015	3 months ended Mar 31, 2015	Difference Mar 31, 2016 to Mar 31, 2015
Non-cash working capital	$ (31,282)	$ (71,389)	$ (20,719)	$ (10,563)

Cash flow from operating activities for the three months ended March 31, 2016 was a decrease of $11.6 million compared to a decrease of $40.6 million for the three months ended December 31, 2015 and was consistent with the decrease of $12.1 million for the three months ended March 31, 2015. The change when comparing the three months ended March 31, 2016 to the three months ended December 31, 2015 is due to significant cash receipts in the three months ended March 31, 2016, along with decreased invoiced mt. This increase is offset by a decrease in accounts payable, accrued liabilities and deferred revenue, resulting largely from deferred producer settlements clearing during the three months ended March 31, 2016.

Cash flow from financing activities for the three months ended March 31, 2016 was an increase of $35.7 million compared to an increase of $65.4 million for the three months ended December 31, 2015 and compared to an increase of $21.8 million for the three months ended March 31, 2015. The three months ended December 31, 2015 included increased long-term debt associated with the Mobil acquisition. The increase for the three months ended March 31, 2016 includes increased bank indebtedness due to higher volumes and an increase in certain commodity prices over the same period in the prior year.

Cash flow used in investing activities for the three months ended March 31, 2016 includes enhancements to the Minot Facility as well as rail improvements and improvements in Turkey. The three months ended December 31, 2015 included acquisition costs, resulting in higher cash flow used for that period. The cash flow used in investing activities for the three months ended March 31, 2015 was $3.8 million and included only minor capital improvements.

Cash Flow Information – Non-Cash Working Capital

Non-cash working capital was a decrease of $31.3 million for the three months ended March 31, 2016 compared to a decrease of $71.4 million for the three months ended December 31, 2015 and compared to a decrease of $20.7 million for the three months ended March 31, 2015. The change compared to the three months ended December 31, 2015 is due largely to cash collection and lower accounts receivable, partially offset by a reduction in accounts payable. The change from the same period in the prior year is due to overall increased volumes resulting in an increase in larger changes to current assets and current liabilities.

Accounts Payable, accrued liabilities and deferred revenue

Accounts payable, accrued liabilities and deferred revenue decreased from $343.3 million at December 31, 2015 to $220.6 million at March 31, 2016. This is due largely to deferred producer cheques outstanding at December 31, 2015, clearing the bank during the early part of 2016. In addition, significant producer receipts for Canadian and Australian deliveries late in 2015 were paid during the early part of 2016.

Leases

AGT classifies leases as either finance or operating. Leases that transfer substantially all of the benefits and risk of ownership to AGT are accounted for as finance leases. Assets under finance leases are depreciated on a straight-line basis over the term of the lease unless the terms contain a bargain purchase option in which case the asset is amortized over the asset's estimated economic life on a straight-line basis. Rental payments under operating leases are expensed as incurred.

Transactions with other related parties

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

	Mar 31, 2016	Mar 31, 2015
Short term benefits (wage, bonus, vacation paid out, directors fees)	$ 1,035	$ 1,011
Post employment benefits (RRSP)	33	32
Other long term benefits including stock based compensation (long term incentive plan)	1,091	460
	$ 2,159	$ 1,503

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The transactions were conducted in the normal course of business and were accounted for at the exchange amount.

Transactions with key management and corporations significantly influenced or controlled by AGT directors or key management

	Mar 31, 2016	Dec 31, 2015
Accounts receivable	$ 297	$ 134
Accounts payable	1,936	3,383

	Mar 31, 2016	Mar 31, 2015
Purchases	$ -	$ 1,364

(b) Transactions with other related parties

	Mar 31, 2016	Dec 31, 2015
Accounts payable	$ 91	$ 404
Current portion of long-term debt	3,789	3,789
Long-term debt	13,433	13,433

	Mar 31, 2016	Mar 31, 2015
Purchases	$ 194	$ 295

The table above relates primarily to note payable commitments arising from business combinations.

Off Balance Sheet Arrangements

The nature of AGT's derivatives are disclosed in note 10 of AGT's December 31, 2015 annual audited consolidated financial statements. AGT has no other off balance sheet arrangements.

Critical Accounting Estimates

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

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

The areas involving a higher degree of judgment or complexity or where assumptions and estimates are significant to the consolidated financial statements are as follows:

Impairment of long-lived and intangible assets

In assessing the recoverability of long-lived and intangible assets, judgment is required in the determination of the appropriate grouping of assets that generate cash inflows or cash generating units ("**CGU's**"). The determination of CGU's is based on management's assessment of independence of revenue earned, operating asset utilization, shared infrastructure, geographic proximity and similarity of risk exposures. AGT also uses significant judgment in evaluating if a triggering event occurs which would warrant an evaluation of impairment of long-lived and intangible assets based on the identified CGU's.

AGT assesses the carrying values of property, plant and equipment, intangibles assets, and goodwill annually. Recoverability is determined through assumptions and estimates regarding future cash flows, sustaining capital requirements, discount rates, and asset lives. A material change in assumptions may impact the potential recoverability of these assets, resulting in amounts charged against current earnings.

Income Taxes

AGT operates in a number of tax jurisdictions and is required to estimate its income taxes in each of these jurisdictions in preparing its financial statements. Significant judgment is required related to the classification of transactions and assessment of probable outcomes as well as timing of future results. Significant estimates are required in determining income tax provisions and the recoverability of deferred income tax assets. In calculating income taxes, consideration is given to items such as tax rates in each jurisdiction, deductibility of expenses, changing tax laws and management's expectations about future results. AGT estimates deferred income taxes based on temporary differences, income and losses for financial reporting purposes and income and losses determined under the substantively enacted tax laws and rates. The tax effect of these temporary differences is recorded as a deferred tax assets or liabilities in the financial statements. If these estimates prove to be inaccurate, future earnings may be materially impacted.

Derecognition of accounts receivable

Significant judgment is applied when determining whether financial instruments qualify for derecognition and whether substantially all of the risks, as well as the rights, control and ownership of the accounts receivable and their cash flows were transferred to a third party. AGT has removed the related accounts receivable from the statement of financial position and recognizes any costs in finance expense.

Fair value of derivative instruments

The fair value of derivative instruments is estimated using inputs, including foreign exchange rates and interest rates (Level 2), as described in note 10 of AGT's December 31, 2015 annual audited consolidated financial statements. These inputs are subject to change on a regular basis based on the interplay of various market forces. Consequently, the fair value of AGT's derivative instruments is subject to change each reporting period.

Functional Currency

The identification of functional currency for each of the legal entities involves significant judgment. AGT has assessed the factors in determining the appropriate functional currency and summarized the results in note 3(c) of AGT's December 31, 2015 annual audited consolidated financial statements.

Business Combinations

The purchase price related to a business combination or asset acquisition is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The determination of fair value requires AGT to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts AGT's reported assets and liabilities and future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

Financial Instruments:

Non-derivative financial assets

AGT initially recognizes loans and receivables and deposits on the date that they are originated at fair value and subsequently measured at amortized cost. All other financial assets are recognized initially on the trade date at which AGT becomes a party to the contractual provisions of the instrument.

AGT derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interests in transferred financial assets that are created or retained by AGT are recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, AGT has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit and loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit and loss if AGT manages such investments and makes purchase and sale decisions based on their fair value in accordance with AGT's documented risk management or investment strategy. Upon initial recognition relevant transaction costs are recognized in net earnings as incurred. Financial assets at fair value through profit and loss are measured at fair value, and changes therein are recognized in net earnings.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

AGT initially recognizes short term debt securities on the date that they are originated at fair value and expenses related transaction costs. Debt associated with long term agreements is initially recognized at fair value less any directly attributable transaction costs. All other financial liabilities (including liabilities designated at fair value through profit and loss) are recognized initially on the trade date at which AGT becomes a party to the contractual provisions of the instrument. AGT derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Subsequent to initial recognition, liabilities are categorized as fair value through profit and loss or other liabilities measured at amortized cost using the effective interest method. Refer to note 10 of AGT's December 31, 2015 annual audited consolidated financial statements for current year presentation of financial liabilities by category.

Derivative financial instruments

AGT holds derivative financial instruments to mitigate its foreign currency risk exposures. Embedded derivatives are separated from the host contracts and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through net earnings.

Derivatives are recognized initially at fair value with attributable transaction costs recognized in net earnings as incurred. AGT has not elected to follow hedge accounting and subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognized immediately in net earnings.

Disclosure Controls and Procedures

Disclosure Controls and Procedures ("**Disclosure Controls**") are designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to AGT management, including the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, do not expect that AGT's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

National Instrument 52-109 "*Certification of Disclosure in Issuers*' Annual and Interim Filings" ("**National Instrument 52-109**"), issued by the Canadian Securities Administrators ("**CSA**"), requires CEOs and CFOs to certify that they are responsible for establishing and maintaining Disclosure Controls for the issuer, that Disclosure Controls have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's Disclosure Controls, and that their conclusions about the effectiveness of those Disclosure Controls at the end of the period covered by the relevant annual filings have been disclosed by the issuer. AGT's CEO and the CFO evaluated the design and operating effectiveness of AGT's Disclosure Controls as at March 31, 2016 and concluded that AGT's Disclosure Controls were effective.

Internal Controls over Financial Reporting

National Instrument 52-109 also requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("**ICFR**"), as defined by the CSA, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that AGT has disclosed any changes in its ICFR during its most recent period that have materially affected, or are reasonably likely to materially affect, its financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, have been detected. Therefore, no matter how well-designed, ICFR have inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

Management, under the supervision of the CEO and the CFO, has evaluated the ICFR using the framework and criteria established in the 2013 Internal Controls – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management, including the CEO and CFO, evaluated the design effectiveness of AGT's ICFR. Based on this evaluation, the CEO and the CFO have concluded that as at March 31, 2016, ICFR were designed effectively.

There were no changes in our ICFR during the period ended March 31, 2016 that have materially affected, or are reasonably likely to affect our ICFR.

New Standards and Interpretations

The International Accounting Standards Board ("**IASB**") and International Financial Reporting Interpretations Committee ("**IFRIC**") have issued the following standards and amendments that have not been applied in preparing these consolidated financial statements, as their effective dates fall in annual periods beginning subsequent to the current reporting period.

Proposed standards	Description	Previous Standard	Effective Date
IFRS 15 Revenue from Contracts with Customers	Issued in May 2014. Standard creates a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. This standard may change how much and when revenue can be recognized.	IAS 18 Revenue, IFRIC 18 Transfer of Assets from Customers	Fiscal years beginning on or after January 1, 2018
IFRS 9 Financial Instruments	Initially issued in November 2009 to address the classification and measurement of financial assets. Additional guidance issued in October 2010 on the classification and measurement of financial liabilities.	IAS 39 Financial Instruments: Recognition and Measurement	January 1, 2018
IFRS 16 Leases	This new standard requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.	IAS 17 Leases	Fiscal years beginning on or after January 1, 2019

Management is assessing the potential impact of standards and amendments effective in future years for impacts on both quantitative and qualitative disclosure. AGT expects to adopt these standards on their respective effective dates. AGT does not expect any significant impact.

Outstanding Share Data

As at the date hereof, there are issued and outstanding 23,896,489 common shares and 308,335 options of AGT.

Risks and Uncertainties

Information relating to the risks and uncertainties to which AGT and its subsidiaries are subject is summarized in AGT's most recent AIF, which is available, together with additional information relating to AGT, on SEDAR at www.sedar.com and on AGT's website at www.agtfoods.com. Potential risks and uncertainties include operating requirements, volume, transportation and transloading, distribution and supply contracts, customer retention and competitive environment, foreign operations, integration of acquisitions, realization of benefits from acquisitions, acquisition and expansion, reliance on key personnel, localized decision making, potential undisclosed liabilities, uninsured and underinsured losses, global financial crisis and general economic conditions, wholesale price volatility, capital markets, leverage and capital requirements, financing and credit liquidity, reduced dividend payment, international agricultural trade, foreign exchange, counterparty and export, geographic and political, environmental protection, energy price fluctuation, information technology, regulatory oversight, financial reporting, control of AGT and dilution of shareholders. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the period ended March 31, 2016.

Commitments and Contingencies

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

At March 31, 2016, AGT had letters of credit in favour of the Canadian Grain Commission in the amount of $13.0 million (December 31, 2015 - $13.0 million). The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires on December 31, 2016.

At March 31, 2016, AGT had letters of guarantee in Turkey for the amount of $4.1 million (December 31, 2015 - $4.2 million).

At March 31, 2016, AGT had capital project commitments related to the food ingredients and packaged food segment for the amount of $3.3 million (December 31, 2015 - $3.5 million).

AGT has various legal matters pending which, in the opinion of management, will not have a material effect on AGT's unaudited consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to AGT's financial position or results of operations could result. Should circumstances change, provisions could change materially.

Interest Rate Risk

Fluctuations in interest rates impact the future cash flows and fair values of various financial instruments. With respect to its debt portfolio, AGT addresses interest rate risk by using various floating rate instruments. The exposure is also managed by aligning current and long term assets with outstanding debt and making use of global credit facilities.

AGT is exposed to interest rate fluctuations on its variable-rate debt. Changes in market interest rates cause the fair value of long term debt with fixed interest rates to fluctuate but do not affect net earnings as AGT's debt is carried at amortized cost and the carrying value does not change as interest rate changes.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. AGT's sales are routinely denominated in the U.S. dollar while processing and production costs are largely denominated in the functional currency of the country in which the subsidiary operates.

AGT manages foreign currency risk by matching foreign currency denominated assets and liabilities. Management reviews the foreign currency open position and takes risk management measures if required. AGT has also entered into certain foreign exchange contracts with maturities of less than two years to manage risks associated with entering into new sales contracts denominated in USD, EUR, GBP and AUD. AGT's foreign exchange contracts are not designated as hedges and are recorded at fair value with changes in fair value recognized in earnings. AGT has also entered into a cross currency swap as part of the management of the senior secured second lien notes, which is disclosed in note 8 of AGT's December 31, 2015 annual audited consolidated financial statements.

Commodity Price Risk

AGT is a significant processor and supplier of pulse crops and bears significant exposure to changes in prices to these products. A substantial change in prices will affect the Company's net earnings, working capital and operating cash flows. Prices for AGT's products are volatile and are influenced by numerous factors beyond the Company's control, such as supply and demand fundamentals, geographical events and weather.

AGT's sales contracting strategy focuses on reducing the volatility in future earnings and cash flow while providing protection against decreases in market price and retention of future market price increases. To mitigate the risks associated with the fluctuations in the market price for pulse crops, AGT maintains a portfolio of product sales contracts with a variety of delivery dates and pricing mechanisms that provide a degree of protection from pricing volatility.

Reconciliation of Net Earnings, Adjusted Net Earnings*, Adjusted Net Earnings Per Share* and Adjusted EBITDA*

(in thousands of CDN $ except as indicated, unaudited)

	3 Months Ended Mar 31, 2016	3 Months Ended Mar 31, 2015
Revenue	$ 441,393	$ 385,230
Less: cost of sales (1)	395,439	350,731
Gross profit	45,954	34,499
Add back: depreciation in cost of sales	5,601	3,900
Adjusted gross profit*	**51,555**	**38,399**
Deduct: General and administrative and marketing, sales and distribution expenses	(23,408)	(17,650)
Add (deduct): Non cash foreign exchange effect	24,519	(8,173)
Add: Amortization in general and administrative expense	1,008	723
EBITDA	53,674	13,299
Add: Non-recurring and other expenses (2)	2,235	1,145
(Deduct) Add: Non cash foreign exchange effect	(24,519)	8,173
Adjusted EBITDA (*)	**31,390**	**22,617**
Deduct: Finance expense	(9,100)	(8,391)
Deduct: Depreciation and amortization	(6,609)	(4,623)
(Deduct) Add: Provision for income taxes	(10,959)	261
Adjusted net earnings (*)	**4,722**	**9,864**
Adjusted basic net earnings per share*	0.20	0.43
Adjusted diluted net earnings per share*	0.20	0.42
Non-recurring and other expenses (2)	(2,235)	(1,145)
Add (deduct): Non cash foreign exchange effect	24,519	(8,173)
Net earnings per financial statements	**27,006**	**546**
Basic net earnings per share	1.13	0.02
Diluted net earnings per share	1.12	0.02
Basic weighted average number of shares outstanding	23,809,054	23,068,039
Diluted weighted average number of shares outstanding	24,010,236	23,292,371

(1) Cost of sales includes depreciation on equipment used to process inventory. Total depreciation is added back for Adjusted EBITDA*.

(2) Non-recurring and other expenses deemed by management to be non-cash, non-recurring, relating to acquisitions, financing, severance costs, share-based payments or other, predominantly reported within General and Administrative Expenses.

Reconciliation of Net Working Capital* and Net Debt*

(in thousands of CDN $, unaudited)

	Mar 31, 2016	Dec 31, 2015
Current assets(1)	$ 676,980	$ 790,443
Current liabilities(1)	423,519	499,448
Net working capital*	$ 253,461	$ 290,995
Long term debt	$ 344,301	$ 344,339
Bank indebtedness and current portion of long term debt	190,156	151,464
Cash	(27,995)	(22,306)
Net debt*	$ 506,462	$ 473,497

(1) excludes derivative assets and liabilities

Non-IFRS Financial Measures

AGT provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain AGT's financial results. These non-IFRS measures include Adjusted Gross Profit (gross profit plus depreciation in cost of sales), Adjusted EBITDA* (earnings before finance expense, income taxes, depreciation and amortization, restructuring costs and any effects of non-cash, non-recurring and other costs and foreign exchange adjustment), Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Net Earnings Per Share *(earnings before any effects of non-cash, non-recurring and other costs, restructuring costs and foreign exchange adjustments), Net Debt* (bank indebtedness, short term financing and long term debt less cash) and Net Working Capital* (current assets less current liabilities). Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Net Earnings Per Share* do not include the tax effect of non-cash, non-recurring and other costs and foreign exchange. Management believes that Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Earnings Per Share, Net Debt* and Net Working Capital* are important indicators of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. The exclusion of non-cash and foreign exchange adjustments eliminates the non-cash impact on Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Earnings Per Share*. Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share*, Adjusted Diluted Net Earnings Per Share*, Net Debt* and Net Working Capital* are also used by investors and analysts for the purpose of valuing

AGT. The intent of these measures is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted Gross Profit*, Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share*, Adjusted Diluted Net Earnings Per Share*, Net Debt* and Net Working Capital* should therefore not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. For a reconciliation of net earnings (loss) determined in accordance with IFRS to Adjusted EBITDA*, Adjusted Net Earnings* and Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Earnings Per Share*, see the table on page 34.

Market Share, Industry Data and Other Statistical Information

This MD&A includes market share, industry data and other statistical information that AGT has obtained from independent industry publications, government publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although AGT believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources and cannot, and does not, provide any representation or assurance as to the accuracy or completeness of the information or data, or the appropriateness of the information or data for any particular analytical purpose and, accordingly, disclaims any liability in relation to such information and data. AGT has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

Caution about forward looking statements

This MD&A contains certain forward-looking statements. Forward-looking statements include but are not limited to, those with respect to: the performance of certain of AGT's segments, including without limitation, export levels, production quality, conditions, demand, capacity utilization, capital expenditures utilization, yields, sales volumes, supply, capital expenditures and growth expectations, allocation of certain corporate and operating costs between segments and AGT's corporate cost structure, mt levels, pulse planting in North America, seeding intentions of lentils and peas and supply constraints; the Minot Facility, including without limitation, additional facilities that may be commissioned, sales volumes in 2016 and 2017, the requirement for additional capacity, the capital budget regarding expansion and capacity increases; expected synergies; global supplies; global demand; pasta production line at Mersin; sales opportunities; AGT's dividend policy; and internal controls over financial reporting. 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 statements 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 AGT (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, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents or labour disputes, risks relating to the integration of acquisitions or to international operations, as well as those factors referred to in the section entitled “Risk Factors” in AGT’s most recent AIF, which is available on SEDAR at www.sedar.com and on AGT’s website at www.agtfoods.com and which should be reviewed in conjunction with this document. Although AGT 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 AGT believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as at the date of this MD&A. In addition to other assumptions identified in this MD&A, assumptions have been made regarding, among other things, production quality; the volume and quality of crops held on-farm by producer customers in North America; demand for and supply of open market pulses; movement and sale of pulses in Australia and Turkey; agricultural commodity prices; demand for lentils, peas, chickpeas and bean crop products and the market share of these products that will be achieved; general financial conditions for Western Canadian, U.S. Northern Plains, Turkish and Southern Australian agricultural producers; market share of pulse deliveries and sales that will be achieved by AGT; the ability of the railways to ship pulses to port facilities for export without labor or other service disruptions; the 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.

AGT 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 may be required in accordance with applicable securities laws.