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AGT Food and Ingredients Announces Minority Participation in Churchill Acquisition

REGINA, SEPT 4, 2018 - AGT Food and Ingredients Inc. (“**AGT**” or the “**Company**”) (TSX:AGT) today announced that it has entered into a minority investment, along with Fairfax Financial Holdings Limited (“**Fairfax**”), and Mississippi Rail Limited Partnership, a consortium of First Nations and communities in Northern Manitoba, to acquire and operate the Hudson Bay Railway (“**HBR**”), Churchill Marine Tank Farm and Port of Churchill facilities from Omnitrax Inc. The transaction includes multi-year Contribution Agreements to support the share purchase, repairs of the port and rail and operations with the Government of Canada.

Fairfax and AGT will operate HBR and the Port facilities under a 99-year operating agreement. Financial details of the transaction were not disclosed. The acquisition will not obligate AGT to incur any material expenditure, nor will the acquisition result in AGT incurring any material additional to indebtedness at acquisition.

“Entering into this transaction completes discussions which started back in late 2017 with the Government of Canada, the First Nations and communities in the North and Fairfax to reconstruct and operate the Churchill line. Though the investment isn’t material for AGT from a capital expenditure perspective, we feel the ability to add further port access is important for our long term plan as the recovery of markets for Canadian agricultural products continues in the coming years,” said Mr. Murad Al-Katib, President and CEO of AGT.

AGT Food and Ingredients Inc. Profile

AGT Food and Ingredients Inc. (AGT) is a processor of value-added pulses, staple foods and ingredients for export and domestic markets as well as a supplier of retail packaged and canned foods to retail and food service sectors. Through its offices and processing facilities located in some of the best agricultural growing regions in Canada, the U.S., Turkey, China, Australia and South Africa, merchandising and sales offices in the U.K., the Netherlands, Spain, Switzerland and India and origination offices in Russia, AGT produces a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed as well as food ingredients such as pulse flours, proteins, starches and fibres. Through its subsidiaries in Turkey, the Arbel Group, AGT also produces staple foods such as Arbella Pasta, rice, and milled wheat products, including bulgur and semolina.

Cautionary Statements

Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by AGT at the time of preparation, may prove to be incorrect. 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 risk that the proposed transaction will not proceed or that the transaction will result in a successful investment for the Company. 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 the Annual Information Form of AGT which is available on SEDAR at www.sedar.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. 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 in accordance with applicable securities laws.

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