



INPUT CAPITAL
THE AGRICULTURE STREAMING COMPANY

Consolidated Financial Statements

for the years ended March 31, 2016 and 2015

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Input Capital Corp.

We have audited the accompanying consolidated financial statements of Input Capital Corp., which comprise the consolidated statements of financial position as at March 31, 2016 and March 31, 2015, and the consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Input Capital Corp. as at March 31, 2016 and March 31, 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

May 30, 2016
Regina Saskatchewan, Canada

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at March 31, 2016	As at March 31, 2015
ASSETS			
Current			
Cash		\$ 24,772,200	\$ 39,598,226
Trade and other receivables	5	442,326	2,894,036
Current portion of canola interests	5, 6	34,858,577	20,538,296
Other financial assets	5, 6	78,987	521,000
Assets held for sale	6	4,411,155	-
Prepaid expenses		210,607	77,394
		\$ 64,773,852	\$ 63,628,952
Non-current			
Canola interests	5, 6	\$ 56,151,693	\$ 49,591,363
Deferred income tax assets	12	-	2,650,958
Capital and intangible assets		74,488	15,746
		\$ 121,000,033	\$ 115,887,019
LIABILITIES			
Current			
Trade and other payables	5, 15	\$ 3,638,902	\$ 10,808,096
Income tax payable	12	1,073,156	-
		\$ 4,712,058	\$ 10,808,096
Non-current			
Deferred income tax liabilities	12	\$ 266,121	\$ -
		\$ 266,121	\$ -
EQUITY			
Share capital	8	\$ 108,294,755	\$ 108,134,007
Contributed surplus	8	2,016,829	1,411,059
Retained earnings (deficit)		5,710,270	(4,466,143)
		\$ 116,021,854	\$ 105,078,923
		\$ 121,000,033	\$ 115,887,019

BOARD

"Douglas Emsley", Director

"David H. Laidley", FCPA,
FCA, Director

- The accompanying notes are an integral part of these consolidated financial statements -

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(LOSS)**

	Note	Year Ended March 31, 2016	Year Ended March 31, 2015 (Note 17)
Revenue	10	\$ 46,704,461	\$ 19,338,519
Expenses and other income			
Amortization of capital and intangible assets		14,792	4,721
Corporate administration	11, 14	4,618,529	3,700,616
Interest income		(362,689)	(688,164)
Other (gain) loss	5, 6	(666,257)	(3,994)
Purchase of canola and other direct expenses	10	16,762,189	8,233,030
Realization of canola interests	10	19,986,945	8,610,978
Share of loss of equity-accounted investment	7	-	212
Profit before the undernoted		\$ 6,350,952	\$ (518,880)
Market value adjustment	6	7,815,696	579,721
Net income before income tax		\$ 14,166,648	\$ 60,841
Income tax expense	12	3,990,235	85,423
Net income (loss) and comprehensive income (loss)		\$ 10,176,413	\$ (24,582)
Basic earnings (loss) per share	9	\$ 0.12	\$ (0.00)
Fully diluted earnings (loss) per share	9	\$ 0.12	\$ (0.00)

- The accompanying notes are an integral part of these consolidated financial statements -

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Cash flow from (used in)	Note	Year Ended March 31, 2016	Year Ended March 31, 2015
Operating activities			
Net income (loss) for the year		\$ 10,176,413	\$ (24,582)
Adjustments			
Amortization of capital and intangible assets		14,792	4,721
Deferred share unit expense (gain)	15	(208,548)	439,392
Share of loss of equity accounted investment	7	-	212
Deferred income tax expense	12	2,498,801	85,423
Interest income		(362,689)	(688,164)
Interest received		391,313	673,622
Realization of canola interests	6	19,986,945	8,610,978
Share based payments	8	626,518	486,812
Loss from buy back of canola interests	6	154,909	-
Gain from sale of canola futures and options	6	(585,515)	-
Unrealized market value adjustment	6	(7,815,696)	(579,721)
Changes in non-cash working capital	13	4,314,123	(1,690,316)
Cash generated from operating activities		\$ 29,191,366	\$ 7,318,377
Investing activities			
Acquisition of canola interests	6	(47,056,077)	(41,855,527)
Proceeds from buy back of canola interests	6	2,355,090	-
Proceeds from Input Capital Limited Partnership	7	-	22,495
Net proceeds of canola futures and options	6	617,130	-
Purchase of capital and intangible assets		(73,535)	(1,466)
Cash applied to investing activities		\$ (44,157,392)	\$ (41,834,498)
Financing activities			
Proceeds from shares issued	8	140,000	46,439,003
Share issuance costs	8	-	(2,763,353)
Reduction to non-controlling interests of Input Capital Limited Partnership 2	7	-	(2,125)
Reduction to non-controlling interests of Input Capital Limited Partnership 3	7	-	(2,163)
Cash generated from financing activities		\$ 140,000	\$ 43,671,362
Net increase (decrease) in cash		(14,826,026)	9,155,241
Cash – beginning of year		39,598,226	30,442,985
Cash - end of year		\$ 24,772,200	\$ 39,598,226

- The accompanying notes are an integral part of these consolidated financial statements -

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	Note	Share Capital		Contributed Surplus	Non-controlling interests	Retained earnings (deficit)	Total
		Number	Amount	Share Options			
At March 31, 2014		61,243,697	\$ 63,695,246	\$ 941,254	\$ 4,288	\$ (4,441,561)	\$ 60,199,227
Shares issued	8	20,125,000	\$ 46,287,500	\$ -	\$ -	\$ -	\$ 46,287,500
Options exercised	8	104,061	168,508	(17,007)	-	-	151,501
Share issue costs net of tax	8	-	(2,017,247)	-	-	-	(2,017,247)
Share based payment – options	8	-	-	486,812	-	-	486,812
Reduction to non-controlling interests of Input Capital Limited Partnership 2	7	-	-	-	(2,125)	-	(2,125)
Reduction to non-controlling interests of Input Capital Limited Partnership 3	7	-	-	-	(2,163)	-	(2,163)
Total comprehensive loss		-	-	-	-	(24,582)	(24,582)
At March 31, 2015		81,472,758	\$ 108,134,007	\$ 1,411,059	\$ -	\$ (4,466,143)	\$ 105,078,923
Options exercised	8	140,000	160,748	(20,748)	-	-	140,000
Share based payment – options	8	-	-	626,518	-	-	626,518
Total comprehensive income		-	-	-	-	10,176,413	10,176,413
At March 31, 2016		81,612,758	\$ 108,294,755	\$ 2,016,829	\$ -	\$ 5,710,270	\$ 116,021,854

- The accompanying notes are an integral part of these consolidated financial statements -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

1. Nature of operations

Input Capital Corp. (the "Company" or "Input") is an agriculture streaming company that acquires canola purchase agreements ("Canola Streams") from farmers. In return for making an upfront payment to acquire a Canola Stream, the Company receives the right to receive, or purchase at a fixed price per tonne, a specified number of tonnes of canola in each year of the agreement.

The predecessor of Input was incorporated under The Business Corporations Act (Saskatchewan) (the "Act") on October 25, 2011. The existing Company was formed by an amalgamation under the Act on August 8, 2013. The Company's shares are publicly traded on the TSX Venture Exchange, under the symbol "INP".

The head office of the Company is located at 300 – 1914 Hamilton Street, Regina, Saskatchewan, S4P 3N6. The Company's registered and records office is located at 800 – 1801 Hamilton Street, Regina, Saskatchewan, S4P 4B4.

The agriculture industry is subject to a high degree of seasonality. The Company's revenue is received from canola deliveries and sales over several months after the harvest has been completed. The Company normally expects to recognize the majority of its annual revenues during its third and fourth quarters (September to March), while capital deployment will be spread throughout the year, with concentration in the October to March period.

These consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2016.

2. New standards and interpretations

The International Accounting Standards Board ("IASB") issued a number of new and revised accounting standards which are effective for future periods.

Standards required to be applied for annual periods beginning on or after January 1, 2018:

- *International Financial Reporting Standard ("IFRS") 15 – Revenue from Contracts with Customers* - specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.
- *IFRS 9 – Financial Instruments* - a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement.

Standards required to be applied for annual periods beginning on or after January 1, 2019:

- *IFRS 16* – specifies how an IFRS reporter will recognize, measure, present and disclose leases.

The Company is reviewing these standards to determine the potential impact, if any, on its consolidated financial statements.

3. Basis of presentation

A. STATEMENT OF COMPLIANCE

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and interpretations of the International Financial Reporting Committee ("IFRIC").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

B. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated statement of financial position:

- Financial instruments that are accounted for according to the financial instrument categories defined in Note 4E.
- Share purchase options and deferred share units that are accounted for according to the share-based payments criteria defined in Note 4N.

C. FUNCTIONAL AND PRESENTATIONAL CURRENCY

The consolidated financial statements are presented in Canadian dollars, the functional currency of the Company, and all values are rounded to the nearest dollar with the exception of share and per share value.

D. USE OF ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates 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 period affected.

Significant areas requiring the use of management estimates are further described in the following summary of significant accounting policies and notes:

- Fair value of financial instruments (Note 4G).
- Fair value of assets held for sale (Note 4G).

Areas of judgment in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements include:

- Fair value of financial instruments (Notes 4G and Note 5);
- Fair value of assets held for sale (Note 4G and Note 6).
- Deferred income tax assets and recovery of deferred income tax assets (Note 4L and Note 12); and
- The acquisitions of canola interests are considered an investing activity.

The canola purchase agreements give the Company the annual right to purchase bonus tonnes from the farmer which constitute a fixed percentage share of the farmer's actual realized canola yield when that yield exceeds a pre-determined baseline yield. Once the bonus tonnes can be reasonably estimated, the net amount is recorded as an adjustment to the market value. Additional revenue and expense is recognized when the Company purchases and sells the bonus tonnes.

In preparing these consolidated financial statements, Management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

4. *Summary of significant accounting policies*

A. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the assets, liabilities, revenues and expenses of Input Capital Corp. and its subsidiaries, which are the entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany assets, liabilities, revenues and expenses between these entities have been eliminated.

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Associates are those entities for which the Company has the ability to exercise significant influence but not control over financial and operating policies. Investments in associates are accounted for using the equity method.

B. BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued by the Company, in exchange for control of the acquiree at the date that control is obtained. Acquisition-related costs are recognized in net earnings as incurred.

Goodwill is measured as the excess consideration over the fair values assigned to identifiable net assets acquired in a business combination.

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash.

D. CAPITAL AND INTANGIBLE ASSETS

The Company's only capital asset is computer software. Computer software is recorded at cost less accumulated amortization and accumulated provisions for impairment. Amortization is calculated on a straight-line basis over five years – the estimated useful life of the computer software. Estimated useful lives of capital assets are reviewed annually and any changes are applied prospectively. At each reporting date, the Company evaluates its capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable.

The Company's only identifiable intangible asset is trademarks. Trademarks are recorded at cost less accumulated amortization and accumulated provisions for impairment. Amortization is calculated on a straight-line basis over five years – the estimated useful life of the trademarks. Estimated useful lives of intangible assets are reviewed annually and any changes are applied prospectively. At each reporting date, the Company evaluates its intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable.

E. FINANCIAL INSTRUMENTS

The Company classifies its financial instruments into one of the following categories: financial instruments at fair value through profit or loss; loans and receivables; and other liabilities. All financial instruments are measured at fair value on initial recognition and recorded on the consolidated statement of financial position. Transaction costs are included in the initial carrying amount of the financial instruments unless the financial instruments are classified as fair value through profit or loss. Transaction costs attributable to the acquisition of financial instruments classified as fair value through profit or loss are recognized immediately in net income. Measurement in subsequent periods depends on the classification of the financial instrument.

Marketable securities are initially recognized at fair value. Subsequent to initial measurement these financial assets are measured at fair value through profit or loss ("FVTPL"). Cash, trade and other receivables and canola interests relating to terminated contracts are classified as loans and receivables and are measured at amortized cost. Trade and other payables are classified as other liabilities and these are measured at amortized cost using the effective interest method.

Derivative financial instruments, including canola interests, are recognized as a financial asset on the trade date. All derivative financial instruments are classified as FVTPL and recorded at fair value on the consolidated statements of financial position. Subsequent changes in fair value of these derivative financial instruments are recognized in the consolidated statement of comprehensive income (loss) in market value adjustments. Realized gains and losses that result from the sale of tonnes of canola are recognized in profit or loss in realization of canola interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Financial assets are derecognized when the contractual rights to the cash flows from the asset are settled or they expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire. All gains and losses as a result of changes in fair value for FVTPL financial instruments are included in (loss) income and comprehensive (loss) income in the period they occur.

F. IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. An impairment loss for a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rates. Impairment losses are recognized in profit or loss. For financial assets measured at amortized cost, any reversal of impairment is recognized in profit or loss.

G. FAIR VALUE

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

- Level 1 – Fair values are determined using inputs that are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The fair values for cash and cash equivalents and marketable securities were based on carrying value as an approximation of market value due to the short time frame to maturity.
- Level 2 – Fair values are determined using inputs, other than quoted prices in level 1, that are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liabilities.
- Level 3 – Fair values are determined based on inputs for the asset or liability that are not based on observable market data. Canola interest values are calculated using internal discounted cash flow models that rely on forward canola and other correlated commodity pricing provided by independent sources and long term basis assumptions.

H. OTHER FINANCIAL ASSETS

Other financial assets include canola delivery and basis price contracts with grain companies, farmers and canola crushing facilities. These contracts are generally settled by delivery of canola tonnes or in cash. At each reporting date the fair value of each contract is calculated using current canola pricing provided by independent sources. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in market value adjustments.

Part of the Company's strategic in-year canola marketing program involves the purchase of canola futures and options contracts to maintain an open pricing position. These contracts are settled in cash and at each reporting date the fair value of open contracts is calculated using current canola pricing provided by independent sources. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in market value adjustments. Realized gains and losses relating to these contracts is recorded in other (gain) loss in the Consolidated Statement of Comprehensive Income (Loss).

I. ASSETS HELD FOR SALE

Assets held for sale are assets registered in Input's name resulting from Input enforcing security under contracts being terminated. These assets are recorded at fair value based on quoted market prices for similar assets with an offsetting reduction in Canola interests. These assets are expected to be sold in the near term. Subsequent changes in fair value of these assets are recognized as an adjustment to canola interest or as a loss in canola interests once contract is fully resolved and terminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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J. CANOLA INTERESTS

Canola interests are agreements for which settlements are called for in tonnes of canola, the amount of which is determined based on terms in the canola purchase agreements which are capitalized on a contract by contract basis and are recorded at fair value. As the contracts contain an embedded derivative relating to the market value of canola, at each reporting date the fair value of each contract is calculated using internal discounted cash flow models that rely on forward canola and other correlated commodity pricing provided by independent sources. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in market value adjustments. Realized gains and losses that result from the sale of tonnes of canola are recognized in profit or loss in realization of canola interests.

Included in canola interests are contracts that have been terminated due to default and are in the process of security realization. Contracts that are terminated are fair valued at the time of termination and subsequently recorded at cost less any write downs for impairment. Legal and other expenses relating to enforcement of security are expensed as incurred. Costs directly attributable to additions to the security position are included as additions to Canola interests. Contracts that are terminated are fair valued at each reporting date based on the expected amount of capital to be recovered net of legal and other costs to determine if impairment exists.

K. REALIZATION OF CANOLA INTERESTS

The initial upfront payment allocated to canola interests is capitalized. Upfront payments allocated to canola interests are recorded as realization of canola interests on a proportionate contractual unit basis as sales are recorded for each specific contract. Crop payments are recorded as realization of canola interests on a unit basis as sales are recorded for each specific contract. Realized gains and losses that result from the sale of tonnes of canola are recognized in profit or loss in realization of canola interests.

L. INCOME TAXES

Taxation on earnings comprises current and deferred income tax. Taxation is recognized in the consolidated statements of comprehensive loss except to the extent that it relates to items recognized in equity, in which case the tax is recognized directly in equity.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

M. REVENUE RECOGNITION

Sales of canola from streaming contracts are recognized when persuasive evidence of an arrangement exists, title and risk passes to the buyer, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the sale will flow to the Company and the costs incurred in respect of the transaction can be measured reliably.

Sales from canola trading are recognized when persuasive evidence of an arrangement exists, title and risk passes to the buyer from the seller, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the sale will flow to the Company and the costs of purchasing the canola from the seller can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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N. SHARE BASED PAYMENTS

The Company recognizes share based compensation expense for all share purchase options awarded to employees, officers and directors based on the fair values of the share purchase options at the date of grant. The fair values of share purchase options at the date of grant are expensed over the vesting periods of the options with a corresponding increase to equity in contributed surplus. The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revisions to this estimate in the consolidated statement of comprehensive income (loss).

The Black-Scholes model requires management to estimate the expected volatility and term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. Volatility is estimated using the historical stock price of the Company and the historical volatility of Canola, the expected term is estimated using historical exercise data, and the expected number of equity instruments expected to vest is estimated using historical forfeiture data. If and when share-based awards are ultimately exercised, the applicable amounts in Contributed Surplus are transferred to Share Capital.

The Company has a Deferred Share Unit Plan (the "DSU Plan") whereby the Company grants deferred share units ("DSUs") to eligible directors. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing share price at the end of the reporting period.

5. *Financial instruments*

CAPITAL RISK MANAGEMENT - The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the capital structure. The Company's capital consists of \$116,215,254 (\$105,078,923 – March 31, 2015) of equity attributable to common shareholders, comprised of issued capital (Note 8), contributed surplus (Note 8), and accumulated surplus. The Company is not subject to any externally imposed capital requirements.

CREDIT RISK MANAGEMENT - The Company's credit risk includes cash, trade and other receivables in the ordinary course of business and amounts included in canola interests from terminated contracts. Management's view is that the amounts outstanding do not represent significant credit risk.

The carrying amount of these assets represents the maximum credit exposure. The maximum exposure to credit risk was:

	March 31, 2016		March 31, 2015	
Cash and cash equivalents	\$	24,772,200	\$	39,598,226
Trade and other receivables		442,326		2,894,036
Canola interests from terminated contracts		16,080,892		-
	\$	41,295,418	\$	42,492,262

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

The aging of trade and other receivables and allowance for doubtful accounts are as follows:

	March 31, 2016		March 31, 2015	
Not past due	\$	442,326	\$	2,694,036
Past due 0-90 days		-		-
More than 90 days past due		-		869,329
		442,326		3,563,365
Allowance for doubtful accounts		-		(669,329)
Total trade and other receivables net of allowance	\$	442,326	\$	2,894,036

The decrease in the allowance for doubtful accounts of \$669,329 is due to the collection of the \$669,329 receivable relating to Input Capital Limited Partnership (Note 7). Included in Other (gain) loss is a gain of \$235,651 relating to the settlement of this account and wind-up of Input Capital Limited Partnership.

COMMODITY PRICE RISK - The Company's financial results may be significantly affected by fluctuations in the price of canola. The price of canola is affected by numerous factors beyond the Company's control, including but not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of foreign currencies, global and regional supply and demand, and the political and economic conditions of major canola countries throughout the world.

Based on the Company's canola interests as at March 31, 2016, a 1% increase, or decrease, in the price of canola would result in a \$1,097,380 (2015 - \$940,214) increase, or decrease, in the market value adjustment amount recorded on the consolidated statement of comprehensive income (loss).

OTHER RISKS - The Company is not subject to other significant interest rate, foreign currency, or other price risks.

LIQUIDITY RISK - The Company's business will depend on the creditworthiness of the farm operators and their ability to fulfill their obligations to the Company. While the Company takes security in the form of a general security agreement and in most cases, mortgages on the farm operator's farmland, there is no assurance that such security will be enforceable, properly perfected or will have priority as against other creditors. The value of the collateral securing the Streaming Contracts may not protect the Company from suffering a partial or complete loss if the farm operator fails to meet its commitments.

FAIR VALUE - The following sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Classification	Level	March 31, 2016	March 31, 2015
Other financial assets	Fair value through profit or loss	2	\$ 78,987	\$ 521,000
Canola interests	Fair value through profit or loss	3	74,929,378	70,129,659

The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents, trade and other receivables, and trade and other payables.

Canola interests from terminated contracts are fair valued at the time of termination and subsequently recorded at cost less any write downs for impairment.

Canola purchase agreements contain obligations in that the Company agrees to purchase canola at a specified price at a future date. A summary of the payments due by period is summarized below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Payment due by period				Total
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	
Purchase obligations	\$ 5,052,066	\$ 11,266,889	\$ 3,911,388	\$ 180,000	\$ 20,410,343

Financial liabilities and other contractual obligations at March 31, 2016, and their maturities are summarized below:

	Payment due by period				Total
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	
Trade and other payables	\$ 3,638,902	\$ -	\$ -	\$ -	\$ 3,638,902

6. Canola interests, other financial assets and assets held for sale

	March 31, 2016	March 31, 2015
Canola interests:		
Opening balance	\$ 70,129,659	\$ 27,555,031
Acquisition of canola interests - upfront payments	35,430,713	49,132,564
Acquisition of canola interests - crop payments	3,338,342	1,797,159
Realization of canola interests - upfront payments	(16,250,410)	(5,922,479)
Realization of canola interests - crop payments	(3,468,346)	(1,808,848)
Realization of canola interests - realized market value adjustment	(268,189)	(879,651)
Recoveries on terminated contracts	(4,409,191)	-
Acquisition of security	1,077,797	-
Buy back of canola contracts	(2,510,000)	-
Market value adjustment	7,939,895	255,883
	\$ 91,010,270	\$ 70,129,659
Canola interests (including amounts relating to terminated contracts):		
Current portion of canola interests	\$ 34,858,577	\$ 20,538,296
Non-current canola interests	56,151,693	49,591,363
	\$ 91,010,270	\$ 70,129,659

Included in Trade and other receivables at March 31, 2016 is \$171,801 relating to canola deliveries made for which the payment has not yet been received as at March 31, 2016 (March 31, 2015 - \$834,099). Also included in Trade and other receivables at March 31, 2016 are short-term advances to farmers of \$nil (March 31, 2015 - \$1,480,000). These advances are non-interest bearing and approximate fair value given their short-term nature.

Included in Trade and other payables at March 31, 2016 is \$1,580,736 relating to the acquisition of canola interests - upfront payment commitments for which the disbursement has not yet been made as at March 31, 2016 (March 31, 2015 - \$9,074,196).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Due to exceptional circumstances, a producer or the Company may negotiate a buy back of a streaming contract. Funds received are used to bring the contract current and then purchase back future obligations under the contract. During the year ended March 31, 2016, the Company received \$2,355,090 in proceeds (year ended March 31, 2015 - \$nil) relating to the settlement of future obligations under streaming contracts, which resulted in a loss of \$154,910 (year ended March 31, 2015 - \$nil).

As at March 31, 2016 there are three streaming contracts (March 31, 2015 - nil) that have been terminated due to default and are in the process of security realization. The value of the contracts in default included in canola interests at March 31, 2016 is \$16,080,892 (March 31, 2015 - \$nil) of which \$9,750,073 is recorded as a current asset and the balance of \$6,330,819 is recorded as a non-current asset. Input believes it will fully recover the outstanding value of these contracts through the enforcement of security. Once recovered, the funds will be available for redeployment in order to replace the cancelled tonnes. Contracts that are terminated are fair valued at the time of termination and subsequently recorded at cost less any write downs for impairment. This valuation methodology change resulted in a realized market value loss of \$205,310 recorded in the consolidated statement of comprehensive income (loss) for the year ended March 31, 2016.

Assets held for sale are assets registered in Input's name and have resulted from Input enforcing security under terminated contracts. These assets are recorded at fair value and expected to be sold in the near term. The majority of the assets relate to land with some smaller amounts recorded for buildings.

Other financial assets include canola delivery and basis price contracts with grain companies, farmers and canola crushing facilities and canola futures and options contracts. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in market value adjustment and are as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Market value adjustment	\$ (124,199)	\$ 323,838

Part of the Company's strategic in-year canola marketing program involves the purchase of canola futures and options contracts to maintain an open pricing position. Included in Other (gain) loss is a gain of \$585,515 (March 31, 2015 - \$nil) relating to realized gains on these contracts.

7. *Investment in Input Capital Limited Partnerships and non-controlling interests*

The Company held a 100% interest in Input Capital Limited Partnership, a partnership under common management. Earnings from Input Capital Limited Partnership have been included in Input Capital Corp.'s consolidated financial statements commencing from the acquisition date, November 30, 2012, until the date of termination, March 31, 2016.

The Company held a 100% interest in the outstanding partnership units of Input Capital Limited Partnership 2, a partnership under common management. Earnings from Input Capital Limited Partnership 2 have been included in Input Capital Corp.'s consolidated financial statements commencing from the acquisition date, November 30, 2012, until the date of termination, November 18, 2014.

The Company held a 100% interest in the outstanding partnership units of Input Capital Limited Partnership 3, a partnership under common management. Earnings from Input Capital Limited Partnership 3 have been included in Input Capital Corp.'s consolidated financial statements commencing from the acquisition date, November 30, 2012, until the date of termination, November 18, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8. Share capital and contributed surplus

A. SHARES AUTHORIZED

The Company's authorized share capital consists of an unlimited number of Class "A" common voting shares ("common shares") without par value.

B. SHARES ISSUED

	March 31, 2016		March 31, 2015	
	Number	\$	Number	\$
Common shares	81,612,758	\$ 108,294,755	81,472,758	\$ 108,134,007

A continuity schedule of the Company's shares issued from March 31, 2014 to March 31, 2016, is presented below:

	Number of Common Shares	Net share capital
At March 31, 2014	61,243,697	\$ 63,695,246
Shares issued July 2014 (1)	20,125,000	44,270,253
Options exercised (see Note 8C)	104,061	168,508
At March 31, 2015	81,472,758	\$ 108,134,007
Options exercised or cancelled (see Note 8C)	140,000	160,748
At March 31, 2016	81,612,758	\$ 108,294,755

- (1) In July 2014, the Company closed a bought deal public offering of common shares. The public offering was conducted by a syndicate of underwriters who purchased, on a bought deal basis, an aggregate of 20,125,000 common shares at a price of \$2.30 per share for gross proceeds of \$46,287,500.

Total share issue costs net of tax relating to the bought deal public offering were \$2,017,247.

C. SHARE PURCHASE OPTIONS

The Company has an incentive share purchase option plan (the "Option Plan") whereby the Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting conditions to be determined by the Board of Directors. Each share option converts into one common share of the Company on exercise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

The following option plans were in existence during the current and prior years:

Option series	Number	Expiry date	Exercise price	Fair value at date of grant
(1) granted on November 30, 2012	3,129,602	November 30, 2017	\$ 1.00	\$ 1.00
(2) granted on July 18, 2013	350,000	November 30, 2017	\$ 1.28	\$ 1.60
(3) granted on July 18, 2013	78,124	July 17, 2014	\$ 1.60	\$ 1.60
(4) granted on July 18, 2013	15,624	April 24, 2014	\$ 1.60	\$ 1.60
(5) granted on December 1, 2013	2,386,622	December 1, 2018	\$ 1.73	\$ 1.73
(6) granted on May 27, 2014	36,600	May 27, 2019	\$ 2.20	\$ 2.20
(7) granted on November 28, 2014	37,218	November 28, 2019	\$ 2.01	\$ 2.01
(8) granted on February 6, 2015	10,000	February 6, 2020	\$ 2.80	\$ 2.80
(9) granted on June 10, 2015	732,100	June 10, 2020	\$ 3.05	\$ 3.05
(10) granted on November 16, 2015	30,900	November 16, 2020	\$ 1.88	\$ 1.88

The fair value of the stock options is estimated at the grant date based on the Black-Scholes pricing model using the assumptions below. The assumptions below are based on management's best estimates at the time of issuance.

The fair value of the stock options is estimated at the grant date based on the Black-Scholes pricing model using the assumptions below. The assumptions below are for options issued since April 1, 2014 and are based on management's best estimates at the time of issuance.

Inputs into the model	Option Series				
	Series 6	Series 7	Series 8	Series 9	Series 10
Grant date share price	\$ 2.20	\$ 2.01	\$ 2.80	\$ 3.05	\$ 1.88
Exercise price	\$ 2.20	\$ 2.01	\$ 2.80	\$ 3.05	\$ 1.88
Volatility	32.29%	35.74%	38.42%	38.29%	49.07%
Expected life	5.00 years	5.00 years	5.00 years	5.00 years	5.00 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	1.56%	1.36%	0.76%	1.06%	0.94%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

A continuity schedule of the Company's share options from March 31, 2014 to March 31, 2016, which is included in contributed surplus, is presented below:

	Contributed surplus - share options
At March 31, 2014	\$ 941,254
Amortization of fair value of share options (series 5, 6, 7 and 8)	486,812
Options exercised during the period	(17,007)
At March 31, 2015	\$ 1,411,059
Amortization of fair value of share options (series 5, 6, 7, 8, 9 and 10)	626,518
Options exercised during the period	(20,748)
At March 31, 2016	\$ 2,016,829

At March 31, 2016, the following options to purchase common shares were outstanding:

Option series	Average remaining life (in years)	Options outstanding				Total
		Vested	Unvested	Exercised	Expired or cancelled	
Series 1	1.67	3,129,602	-	190,000	-	2,939,602
Series 2	1.67	350,000	-	-	-	350,000
Series 3	0.00	78,124	-	78,124	-	-
Series 4	0.00	15,624	-	15,624	-	-
Series 5	2.67	1,921,350	465,272	-	-	2,386,622
Series 6	3.15	33,742	2,858	-	-	36,600
Series 7	3.66	24,880	12,338	-	-	37,218
Series 8	3.85	3,817	6,183	-	-	10,000
Series 9	4.19	199,719	532,381	-	1,000	731,100
Series 10	4.63	5,714	25,186	-	-	30,900
Weighted average	2.34	5,762,572	1,044,218	283,748	1,000	6,522,042

A vesting schedule of unvested options is presented below:

Vesting date	Option series	Shares vesting			Total
		2016	2017	2018	
February 6	Series 8	-	3,333	3,333	6,666
May 27	Series 6	18,300	-	-	18,300
June 10	Series 9	247,950	247,950	236,200	732,100
November 16	Series 10	15,450	15,450	-	30,900
November 28	Series 7	18,609	-	-	18,609
December 1	Series 5	693,160	-	-	693,160
		993,469	266,733	239,533	1,499,735

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

9. Basic and diluted weighted average number of common shares

Diluted weighted average number of common shares is based on the following:

	Year ended March 31, 2016	Year ended March 31, 2015
Basic weighted average number of shares	81,524,780	75,946,409
Dilutive securities:		
Share options	6,455,278	5,892,931

When there is a net loss and comprehensive loss the share options are anti-dilutive and therefore the diluted loss per share is the same as the basic loss per share.

10. Revenue, realization of canola interests and purchase of canola and other direct expenses

Revenue and realization of canola interests for canola streaming revenue is presented below:

	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from canola streaming contracts	\$ 30,076,294	\$ 11,029,392
Realization of canola interests		
Upfront payments	16,250,410	5,922,479
Crop payments	3,468,346	1,808,848
Realized market value adjustment	268,189	879,651
Other direct expenses	356,660	60,138
Profit from canola streaming	\$ 9,732,689	\$ 2,358,276

Revenue and purchase of canola for canola trading is presented below:

	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from canola trading	\$ 16,628,167	\$ 8,309,127
Purchase of canola and other direct expenses	16,405,529	8,172,892
Profit from canola trading	\$ 222,638	\$ 136,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

11. Corporate administration

The corporate administration expenses of the Company are as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Advertising and client development	\$ 681,321	\$ 291,531
Board and executive (gain) expenses	(138,886)	472,552
Contractors, employee salaries and benefits	2,287,791	1,735,870
Investor relations	140,327	195,955
Licenses, dues and filing fees	198,204	65,776
Office expenses	192,731	119,692
Professional fees – legal, accounting and tax	630,523	332,427
Share option based compensation (Note 8C)	626,518	486,813
Total corporate administration expense	\$ 4,618,529	\$ 3,700,616

12. Income taxes

The income tax expense differs from the amounts that would result from applying the federal and provincial income tax rate to the net income before income taxes. These differences result from the following items:

	Year ended March 31, 2016	Year ended March 31, 2015
Net income before income tax	\$ 14,166,648	\$ 60,841
Canadian federal and provincial tax rates	27%	27%
Income tax (recovery) based on the above rates	3,824,995	16,427
Increase (decrease) due to the tax effect of:		
Non-deductible stock compensation	169,160	131,439
Non-deductible DSU compensation	-	(54,211)
Other	(3,920)	(8,232)
Income tax expense	\$ 3,990,235	\$ 85,423

The income tax expense consists of the following:

	Year ended March 31, 2016	Year ended March 31, 2015
Current	\$ 1,491,434	\$ -
Deferred	2,498,801	85,423
	\$ 3,990,235	\$ 85,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

The components of deferred income taxes recognized on the statement of financial position are as follows:

	March 31, 2016	March 31, 2015
Deferred income tax (liability) asset		
Share issuance costs	\$ 985,700	\$ 1,403,978
DSU compensation	116,539	172,847
Unused tax losses	-	432,275
Market value adjustment	(1,333,070)	673,227
Other	(35,290)	(31,369)
Total deferred income tax (liability) asset	\$ (266,121)	\$ 2,650,958

13. Supplemental cash flow information

	Year ended March 31, 2016	Year ended March 31, 2015
Change in non-cash working capital items		
Trade and other receivables	\$ 2,423,088	\$ (2,453,017)
Prepaid expenses	(133,213)	(68,077)
Trade and other payables	532,814	830,778
Income tax payable	1,491,434	-
Net increase in cash	\$ 4,314,123	\$ (1,690,316)

14. Key management personnel compensation

Members of the key management team include the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, and the Vice-President of Market Development.

	Year ended March 31, 2016	Year ended March 31, 2015
Contractors, employee salaries and benefits	\$ 927,071	\$ 1,139,648
Share based payments	532,433	443,608
Total key management compensation expense	\$ 1,459,504	\$ 1,583,256

15. Board compensation

The Company has a Deferred Share Unit Plan (the "DSU Plan") whereby the Company grants deferred share units ("DSUs") to eligible directors. Each eligible director is given the opportunity to elect, in lieu of cash, to receive all, or a portion of, their annual board retainer or board meeting fees in the form of DSUs. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing stock price at the end of the reporting period. At March 31, 2016 there were 268,090 DSUs granted, vested and outstanding (March 31, 2015 - 193,994). Included in Trade and other payables at March 31, 2016 is \$431,625 (March 31, 2015 - \$640,174) relating to the valuation of the DSUs. Included in Board and executive (gain) expenses under corporate administration expense for the year ended March 31, 2016 is an expense (gain) of \$(208,548) (year ended March 31, 2015 - \$439,392) relating to the valuation of the DSUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16. Related party transactions

The Company is related to Assiniboia Capital Corp., Emsley & Associates (2002) Inc., and Nomad Capital Corp. as a result of common management. The companies share common office space, certain equipment and some personnel. These expenses are managed through a Shared Services Agreement whereby expenses are shared between companies. Related party expenses are summarized in the following table:

	Year ended March 31, 2016	Year ended March 31, 2015
Corporate administration	\$ 962,126	\$ 1,005,136

Included in Corporate administration (Note 11) is \$661,600 for the year ended March 31, 2016 (year ended March 31, 2015 - \$791,667), relating to key management compensation and is included in contractors, employee salaries and benefits in Note 14.

Included in Trade and other payables is \$16,177 (March 31, 2015 - \$37,475) payable to related parties.

17. Comparative figures

Due to the continued growth of the Company and in order to present a more appropriate reflection of the operations of the Company; certain prior period figures were restated to be in conformity with the current period's financial statement presentation.

The restatement of the prior period's figures within the consolidated statements of comprehensive income (loss) has no impact on earnings (loss) per share and are as follows:

	Year Ended March 31, 2015 (as previously reported)	Adjusted	Year ended March 31, 2015 (restated)
Cost of Sales	\$ 15,964,357	\$ (15,964,357)	\$ -
Corporate administration	3,368,189	332,427	3,700,616
Professional fees – legal, accounting and tax	332,427	(332,427)	-
Purchase of canola and other direct expenses	-	8,233,030	8,233,030
Realization of canola interests	-	8,610,978	8,610,978
Market value adjustment	299,930	(879,651)	(579,721)
	\$ 19,964,903	\$ -	\$ 19,964,903