INPUT CAPITAL
THE AGRICULTURE STREAMING COMPANY

Unaudited Condensed Interim Consolidated

Financial Statements

for the six months ended September 30, 2014

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, Input Capital Corp. discloses that its auditors have not reviewed the unaudited condensed interim consolidated financial statements for the six month periods ended September 30, 2014 and 2013.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian dollars)
(Unaudited)

	Note	As at September 30, 2014	As at March 31, 2014
ASSETS			
Current			
Cash and cash equivalents		$ 64,097,022	$ 30,442,985
Trade and other receivables		1,208,446	426,478
Current portion of canola interests	7	11,416,927	7,559,474
Prepaid expenses		29,035	9,317
		$ 76,751,430	$ 38,438,254
Non-current			
Canola interests	7	$ 23,448,550	$ 20,192,720
Deferred income tax assets	13	3,311,496	1,990,276
Intangible assets		16,931	19,000
Investment in Input Capital Limited Partnership	8	-	22,708
		$ 103,528,407	$ 60,662,958
LIABILITIES			
Current			
Trade and other payables	16	$ 580,593	$ 463,731
		$ 580,593	$ 463,731
EQUITY			
Share capital	9	$ 108,134,006	$ 63,695,246
Contributed surplus	9	1,215,219	941,254
Deficit		(6,401,411)	(4,441,561)
Equity attributable to shareholders of Input Capital Corp.		$ 102,947,814	$ 60,194,939
Non-controlling interests	8	-	4,288
		$ 102,947,814	$ 60,199,227
		$ 103,528,407	$ 60,662,958

ON BEHALF OF THE BOARD

"Douglas Emsley", Director

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Note	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Six Months Ended September 30, 2014	Six Months Ended September 30, 2013
Sales	11	$ 3,001,827	$ -	$ 5,263,080	$ -
Cost of sales	11	2,412,031	-	4,052,664	-
Gross profit		$ 589,796	$ -	$ 1,210,416	$ -
Expenses and other (income)					
Amortization of intangible assets		$ 1,165	$ 938	$ 2,260	$ 1,772
Corporate administration	12, 15	618,421	652,148	1,116,971	882,052
Listing and transaction expenses	2	-	1,258,663	-	1,823,598
Interest income		(210,623)	(6,248)	(294,093)	(23,204)
Other loss (gain)		(5,127)	10,974	(3,994)	10,579
Professional fees – legal, accounting and tax		22,224	42,329	101,253	68,635
Share of loss of equity-accounted investment	8	-	4,660	212	4,782
Profit (loss) before the undernoted		$ 163,736	$ (1,963,464)	$ 287,807	$ (2,768,214)
Canola interests market value adjustment	7	(960,550)	(850,304)	(2,822,772)	(1,776,724)
Loss before income tax		$ (796,814)	$ (2,813,768)	$ (2,534,965)	$ (4,544,938)
Income tax recovery	13	160,845	327,138	575,115	769,562
Net loss and comprehensive loss		$ (635,969)	$ (2,486,630)	$ (1,959,850)	$ (3,775,376)
Total comprehensive loss attributable to:					
Shareholders		$ (635,969)	$ (2,484,679)	$ (1,959,850)	$ (3,773,408)
Non-controlling interests	8	-	(1,951)	-	(1,968)
Net loss and comprehensive loss		$ (635,969)	$ (2,486,630)	$ (1,959,850)	$ (3,775,376)
Basic and diluted loss per share	10	$ (0.01)	$ (0.07)	$ (0.03)	$ (0.11)

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Canadian dollars)
(Unaudited)

Cash flow from (used in)	Note	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Six Months Ended September 30, 2014	Six Months Ended September 30, 2013
Operating activities					
Net loss for the period		$ (635,969)	$ (2,486,630)	$ (1,959,850)	$ (3,775,376)
Adjustments					
Amortization of intangible assets		1,165	938	2,260	1,772
Deferred share unit based payments	16	53,363	-	121,558	-
Equity pick up Input Capital Limited Partnership	8	-	4,660	212	4,782
Income tax recovery	13	(160,845)	(327,138)	(575,115)	(769,562)
Interest income		(210,623)	(6,248)	(294,093)	(23,204)
Interest received		175,037	10,540	273,829	64,921
Listing expense	2	-	1,138,115	-	1,138,115
Realization of canola interests	7	1,355,806	-	2,994,664	-
Share based payments	10	147,727	464,029	290,973	556,593
Unrealized market value adjustment	7	960,550	850,304	2,822,772	1,776,724
Changes in non-cash working capital	14	(729,013)	(238,569)	(786,119)	1,478,400
Cash generated from operating activities		$ 957,198	$ (589,999)	$ 2,891,091	$ 453,165
Investing activities					
Acquisition of canola interests	7	(1,428,020)	(1,781,000)	(12,930,720)	(13,826,000)
Proceeds from sale of marketable securities		-	1,000,000	-	11,800,000
Proceeds from Input Capital Limited Partnership	8	22,496	-	22,496	778,764
Purchase of intangible assets		-	(3,622)	(191)	(14,304)
Cash acquired in amalgamation	2	-	64,847	-	64,847
Cash applied to investing activities		$ (1,405,524)	$ (719,775)	$ (12,908,415)	$ (1,196,693)
Financing activities					
Shares issued	9	46,437,504	-	46,439,003	-
Share issuance costs	9	(2,763,353)	-	(2,763,353)	(969,835)
Reduction to non-controlling interests of Input Capital Limited Partnership 2	8	-	-	(2,125)	-
Reduction to non-controlling interests of Input Capital Limited Partnership 3	8	-	-	(2,163)	-
Cash applied to financing activities		$ 43,674,151	$ -	$ 43,671,362	$ (969,835)
Net increase (decrease) in cash		43,225,825	(1,309,774)	33,654,037	(743,528)
Cash – beginning of period		20,871,197	2,076,716	30,442,985	1,510,470
Cash - end of period		$ 64,097,022	$ 766,942	$ 64,097,022	$ 766,942

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Canadian dollars)
(Unaudited)

	Note	Share Capital		Contributed Surplus		Non-controlling interests	Retained earnings (deficit)	Total
		Number	Amount	Share Options	Share purchase warrants			
At March 31, 2013	9	34,796,023	$ 23,653,482	$ 104,470	$ 18,610	$ 356,653	$ (364,798)	$ 23,768,417
Shares issued	9	781,250	$ 1,187,500	$ -	$ -	$ -	$ -	$ 1,187,500
Distribution paid from Input Capital Limited Partnership 2		-	-	-	-	(127,076)	-	(127,076)
Distribution paid from Input Capital Limited Partnership 3		-	-	-	-	(199,730)	-	(199,730)
Share based payment – warrants	9	-	-	-	13,996	-	-	13,996
Surrender of share purchase warrants	9	-	32,606	-	(32,606)	-	-	-
Share based payment – options	9	-	-	558,059	-	-	-	558,059
Total comprehensive loss		-	-	-	-	(1,968)	(3,773,408)	(3,775,376)
At September 30, 2013		35,577,273	$ 24,873,588	$ 662,529	$ -	$ 27,879	$ (4,138,206)	$ 21,425,790
Shares issued	9	25,626,737	$ 41,002,779	$ -	$ -	$ -	$ -	$ 41,002,779
Options exercised	9	39,687	54,363	(5,864)	-	-	-	48,499
Share issue costs net of tax	9	-	(2,235,484)	-	-	-	-	(2,235,484)
Share based payment – options	9	-	-	284,589	-	-	-	284,589
Total comprehensive loss		-	-	-	-	(23,591)	(303,355)	(326,946)
At March 31, 2014		61,243,697	$ 63,695,246	$ 941,254	$ -	$ 4,288	$ (4,441,561)	$ 60,199,227
Shares issued	9	20,125,000	$ 46,287,500	$ -	$ -	$ -	$ -	$ 46,287,500
Options exercised	9	104,061	168,508	(17,007)	-	-	-	151,501
Share issue costs net of tax	9	-	(2,017,248)	-	-	-	-	(2,017,248)
Share based payment – options	9	-	-	290,972	-	-	-	290,972
Reduction to non-controlling interests of Input Capital Limited Partnership 2	8	-	-	-	-	(2,125)	-	(2,125)
Reduction to non-controlling interests of Input Capital Limited Partnership 3	8	-	-	-	-	(2,163)	-	(2,163)
Total comprehensive loss		-	-	-	-	-	(1,959,850)	(1,959,850)
At September 30, 2014		81,472,758	$ 108,134,006	$ 1,215,219	$ -	$ -	$ (6,401,411)	$ 102,947,814

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

1. Nature of operations

The Company is an agriculture-based company that acquires multi-year 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 unit, a specified number of units 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 as more fully described below in Note 2. The Company's shares are publically 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, S7P 4B4.

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

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2014.

2. Reverse asset acquisition

On July 18, 2013, Input completed a reverse asset acquisition with WB II Acquisition Corp. ("WB II"), a Capital Pool Company, by way of an amalgamation (the "Amalgamation") of Input with 101235015 Saskatchewan Ltd. ("WB II Subco"), a wholly-owned subsidiary of WB II (the "Resulting Issuer"). This transaction constituted WB II's Qualifying Transaction pursuant to the policies of the TSX Venture Exchange. Pursuant to the Qualifying Transaction, WB II Subco and Input amalgamated to form Amalco, a wholly-owned subsidiary of WB II.

Immediately prior to the Amalgamation, WB II changed its name to "Input Capital Corp." (the "Company") and consolidated its share capital on a basis of one post-consolidation WB II common share for every 16 WB II common shares existing immediately before the consolidation.

On the effective date of the Amalgamation:

a) each outstanding Input common share was exchanged for one post-consolidation WB II common share;
b) each outstanding Input share purchase option was exchanged for one Resulting Issuer option with similar rights to acquire Common Shares in the Company;
c) each holder of an Input share purchase warrant ("Input Warrant") surrendered for cancellation the Input Warrant and Amalco cancelled the Input Warrants;
d) in consideration of WB II's issuance of WB II common shares referred to in (a) above, Amalco issued to WB II one Amalco common share for each WB II common share issued under (a) above; and
e) WB II received one fully paid and non-assessable Amalco common share for each one WB II Subco common share held by WB II, following which all such WB II Subco common shares were cancelled.

On completion of the Amalgamation, the Resulting Issuer owned 100% of the issued and outstanding shares of Amalco. On August 8, 2013, the Resulting Issuer completed a vertical amalgamation with its wholly-owned subsidiary Amalco.

Although the transaction resulted in Input becoming a wholly-owned subsidiary of WB II, the transaction constitutes a reverse acquisition of WB II and has been accounted for as a reverse asset acquisition in accordance with guidance provided in IFRS 2 *Share-based Payment* and IFRS 3 *Business Combinations*. As WB II did not qualify as a business according to the definition in IFRS 3, this reverse acquisition does not constitute a business combination; rather it is treated as an issuance of shares by Input for net monetary assets of WB II followed by a recapitalization of the Company.

The net assets of WB II received consisted of cash of $64,847.

Transaction expenses in the amount of $685,483 for the six months ended September 30, 2013 ($693,524 for the year ended March 31, 2014) were incurred by the Company in the completion of the reverse asset acquisition. Under the provision of IFRS 2 and IFRS 3, these costs are charged as other expenses in the consolidated statement of comprehensive loss. In addition, the transaction was measured at fair value of the shares and replacement share purchase options (see Note 9) Input would have to issue for the ratio of ownership interest in the combined entity to be equivalent to the ratio of ownership interest (between new and former owners) in the combined entity if the transaction had taken the legal form of Input acquiring WB II. The assumed value of the stock exchange listing was $1,138,115. A total of $1,138,115 for the six months ended September 30, 2014 ($1,831,639 for the year ended March 31, 2014) was charged to other expenses as listing and transaction expenses.

3. Basis of presentation

A. STATEMENT OF COMPLIANCE

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Committee ("IFRIC"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended March 31, 2014.

B. FUNCTIONAL AND PRESENTATIONAL CURRENCY

The unaudited condensed interim 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.

C. USE OF ESTIMATES AND JUDGMENTS

In preparing these unaudited condensed interim 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.

The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended March 31, 2014. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financials statements are disclosed in Note 5.

4. *Summary of significant accounting policies*

Except as described below, the accounting policies applied in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's consolidated financial statements as at and for the year ended March 31, 2014.

CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board ("IASB") issued a number of new and revised accounting standards which are effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. These standards include the following:

- *IAS 32 – Financial Instruments: Presentation* (amended 2011)
- *IFRIC 21 – Levies*

Effective April 1, 2014, the Company adopted all of the above standards. The adoption of these standards did not have a material impact on the consolidated financial statements.

The IASB has issued the following new or amended standards to be adopted in future years.

Standards required to be applied for periods beginning on or after January 1, 2015:

- *IFRS 9 – Financial Instruments* (amended 2010)
- *IFRS 7 – Financial Instruments: Disclosure*

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

5. *Key sources of estimation uncertainty and critical accounting judgments*

Information about significant areas of estimation uncertainty and judgments made by management in preparing the unaudited condensed interim consolidated financial statements are described below.

A. 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 canola interests market value adjustments.

B. COST OF SALES

The value allocated to canola interests is capitalized. Canola interests are realized as cost of sales on a proportionate contractual unit basis as sales are realized for each specific contract.

C. SHARE BASED PAYMENTS

The Company recognizes share based compensation expense for all share purchase options and share purchase warrants awarded to employees, officers and directors based on the fair values of the share purchase options and the share purchase warrants at the date of grant. The fair values of share purchase options and share purchase warrants at the date of grant are expensed over the vesting periods of the share purchase options and share purchase warrants, respectively, 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. The fair value of share purchase warrants is determined using a Monte Carlo simulation model with market related inputs as of the grant date. 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 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.

D. DEFERRED INCOME TAXES

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.

6. Financial instruments

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.

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.

September 30, 2014 / Expressed in Canadian dollars - unaudited

	Classification	Level	September 30, 2014	March 31, 2014
Canola interests	Fair value through profit or loss	3	34,865,477	27,752,194

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.

7. *Canola interests*

	September 30, 2014	March 31, 2014
Canola interests:		
Opening balance	$ 27,752,194	$ 6,012,982
Acquisition of canola interests - upfront payments	11,601,600	25,253,825
Acquisition of canola interests - crop payments	1,329,120	617,375
Realization of canola interests - upfront payments	(2,310,137)	(1,685,067)
Realization of canola interests - crop payments	(684,528)	(390,250)
Unrealized market value adjustment	(2,822,772)	(2,056,671)
	$ 34,865,477	$ 27,752,194
Canola interests:		
Current portion of canola interests	$ 11,416,927	$ 7,559,474
Non-current canola interests	23,448,550	20,192,720
	$ 34,865,477	$ 27,752,194

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:

		Payment due by period			
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Purchase obligations	$ 1,788,317	$ 3,912,900	$ 3,870,200	$ 1,421,015	$ 10,992,432

September 30, 2014 / Expressed in Canadian dollars - unaudited

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

The Company holds a 100% (25.7% for the year ended March 31, 2014) 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, July 10, 2014. Input Capital Limited Partnership is in the process of winding down operations, collecting accounts receivable relating to canola crop share contracts, and distributing cash to the unit holders. On July 10, 2014, Input Capital Limited Partnership redeemed units from a partner which resulted in Input holding 100% of the outstanding partnership units.

The Company holds a 100% (87.1% for the year ended March 31, 2014) 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. Input Capital Limited Partnership 2 is in the process of winding down operations, collecting accounts receivable relating to canola crop share contracts, and distributing cash to the unit holders.

The Company holds a 100% (90.8% for the year ended March 31, 2014) 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. Input Capital Limited Partnership 3 is in the process of winding down operations, collecting accounts receivable relating to canola crop share contracts, and distributing cash to the unit holders.

9. 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") having no par value.

B. SHARES ISSUED

	September 30, 2014		March 31, 2014	
	Number	$	Number	$
Common shares	81,472,758	$ 108,134,006	61,243,697	$ 63,695,246

September 30, 2014 / Expressed in Canadian dollars - unaudited

A continuity schedule of the Company's shares issued from March 31, 2013 to September 30, 2014, is presented below:

	Number of Common Shares	Net share capital
At March 31, 2013	34,796,023	$ 23,653,482
Shares issued July 2013 (1)	781,250	1,187,500
Surrender of warrants (see Note 9D)	-	32,606
At September 30, 2013	35,577,273	$ 24,873,588
Shares issued October 2013 (2)	25,626,737	38,767,295
Options exercised (see Note 9C)	39,687	54,363
At March 31, 2014	61,243,697	$ 63,695,246
Shares issued July 2014 (3)	20,125,000	44,270,252
Options exercised (see Note 9C)	104,061	168,508
At March 31, 2014	81,472,758	$ 108,134,006

(1) On July 18, 2013, as part of the Amalgamation, the Company issued 781,250 common shares for gross value of $1,187,500. The cost of these shares, plus the replacement share purchase options (Note 9C), less the value of the cash assets received in the transaction, has been accounted for as a share-based payment to non-employees in consideration for the exchange listing (see Note 2). The relating charge of $1,138,115 has been recorded as listing and transaction expenses in the consolidated statement of comprehensive loss.

(2) In October 2013, 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 13,390,663 common shares at a price of $1.60 per share for gross proceeds of $21,425,060.

In October 2013, the Company closed a private placement of common shares with two wholly-owned subsidiaries of Catlin Group Limited (the "Strategic Investors"). The Strategic Investors purchased 12,236,074 common shares at a price of $1.60 per share for aggregate gross proceeds of $19,577,719 under the private placement.

Total share issue costs net of tax relating to the bought deal public offering and the private placement were $2,235,484.

(3) 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 $2,017,248.

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.

September 30, 2014 / Expressed in Canadian dollars - unaudited

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	78,125	July 17, 2014	$ 1.60	$ 1.60
(4) granted on July 18, 2013	15,625	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

All options are vested, with the exception of option series 5 and series 6. For option series 5, 226,432 vest immediately; 80,710 vest over 2 years from the issuance date; and 2,079,480 vest over 3 years from the issuance date. For options series 6, the options vest 18,300 on May 27, 2015 and 18,300 on May 27, 2016.

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.

	Option Series				
Inputs into the model	Series 2	Series 3	Series 4	Series 5	Series 6
Grant date share price	$ 1.60	$ 1.60	$ 1.60	$ 1.73	$ 2.20
Exercise price	$ 1.28	$ 1.60	$ 1.60	$ 1.73	$ 2.20
Volatility	25.00%	25.00%	25.00%	25.00%	32.29%
Expected life	4.37 years	1.00 years	0.77 years	5.00 years	5.00 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	1.28%	1.28%	1.28%	1.50%	1.56%

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A continuity schedule of the Company's share options from March 31, 2013 to September 30, 2014, which is included in contributed surplus, is presented below:

			Contributed surplus - share options
At March 31, 2013		$	104,470
Amortization of fair value of share options issued November 30, 2012 (series 1)			359,337
Fair value of share options issued July 18, 2013 (series 2)			183,260
Fair value of the replacement share options issued July 18, 2013 (series 3 and 4)			15,462
At September 30, 2013	-	$	662,529
Amortization of fair value of share options issued December 1, 2013 (series 5)			284,589
Options exercised during the year			(5,864)
At March 31, 2014		$	941,254
Amortization of fair value of share options issued December 1, 2013 and May 27, 2014 (series 5 and 6)			290,972
Options exercised during the year			(17,007)
At September 30, 2014		$	1,215,219

At September 30, 2014, the following options to purchase common shares were outstanding:

		Options outstanding			
Option series	Average remaining life (in years)	Vested	Unvested	Exercised	Total
Series 1	3.17	3,129,602	-	50,000	3,079,602
Series 2	3.17	350,000	-	-	350,000
Series 3	0.00	78,124	-	78,124	-
Series 4	0.00	15,624	-	15,624	-
Series 5	4.17	226,432	2,160,190	-	2,386,622
Series 6	1.65	-	36,600	-	36,600
Weighted average	3.57	3,799,782	2,196,790	143,748	5,852,824

D. SHARE PURCHASE WARRANTS

The Company had a performance incentive share warrants plan (the “Warrant Plan”) whereby the Company granted share warrants to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting conditions determined by the Board of Directors. The maximum expiry date was five years from the grant date. All warrants were equity settled.

The fair value of the warrants granted during the year ended March 31, 2013 was determined using a Monte Carlo simulation model to be $92,000. As part of the Amalgamation (Note 2), each holder of the 6,959,204 share purchase warrants outstanding immediately before the transaction surrendered for cancellation the share purchase warrants and the warrants were cancelled without payment of any consideration. A continuity schedule of the Company's share purchase warrant reserve from September 30, 2012 to December 31, 2013, which is included in contributed surplus, is presented below:

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	Share Purchase Warrant Reserve
At March 31, 2013	$ 18,610
Amortization of fair value of share options issued November 30, 2012	13,996
Surrender of share purchase warrants on July 18, 2013	(32,606)
At March 31, 2014 and September 30, 2014	$ -

10. *Basic and diluted weighted average number of common shares*

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

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Basic weighted average number of shares	79,556,046	35,432,912	70,450,259	35,116,207
Dilutive securities:				
Share options	5,876,873	3,491,355	5,904,907	3,311,467

The share options are anti-dilutive and therefore the diluted loss per share is the same as the basic loss per share.

11. *Sales and costs of sales*

Sales and cost of sales for canola streaming contracts is presented below:

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Sales from canola streaming contracts	$ 1,919,826	$ -	$ 4,181,079	$ -
Cost of sales				
Realization of canola interests - upfront payments	1,111,019	-	2,310,137	-
Realization of canola interests - crop payments	244,788	-	684,528	-
Other	4,499	-	6,274	-
Gross profit from canola streaming contracts	$ 559,520	$ -	$ 1,180,140	$ -

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Sales and cost of sales for canola trading is presented below:

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Sales from canola trading	$ 1,082,001	$ -	$ 1,082,001	$ -
Cost of sales				
Purchase of canola	1,051,725	-	1,051,725	-
Gross profit from canola trading	$ 30,276	$ -	$ 30,276	$ -

12. *Corporate administration*

The corporate administration expenses of the Company are as follows:

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Advertising and investor relations	$ 98,538	$ 30,050	$ 121,927	$ 33,288
Board and executive expenses (see Note 16)	65,224	38,915	142,354	38,915
Contractors, employee salaries and benefits	258,644	91,127	479,113	194,966
Licenses, dues and filing fees	8,637	7,973	13,492	9,150
Office expenses	29,762	11,452	48,085	20,917
Share option and warrant based compensation (Note 9C)	147,727	464,029	290,972	556,593
Travel	9,889	8,602	21,028	28,223
Total corporate administration expense	$ 618,421	$ 652,148	$ 1,116,971	$ 882,052

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13. _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:

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Net loss before taxes	$ (796,814)	$ (2,813,768)	$ (2,534,965)	$ (4,544,938)
Canadian federal and provincial tax rates	27%	27%	27%	27%
Income tax (recovery) based on the above rates	(215,139)	(759,717)	(684,440)	(1,227,133)
Increase (decrease) due to the tax effect of:				
Non-deductible stock compensation	39,886	125,288	78,562	150,280
Non-deductible DSU compensation	14,408	-	32,821	-
Non-deductible listing and transaction expenses	-	307,291	-	307,291
Other	-	-	(2,058)	-
Deferred income tax expense (recovery)	$ (160,845)	$ (327,138)	$ (575,115)	$ (769,562)

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

	September 30, 2014	March 31, 2014
Deferred income tax assets		
Share issuance costs	$ 1,676,001	$ 1,076,151
Unused tax losses	256,201	292,863
Canola interests market value adjustment	1,350,044	587,896
Other	29,250	33,366
Total deferred income tax asset	$ 3,311,496	$ 1,990,276

14. _Supplemental cash flow information_

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Change in non-cash working capital items				
Trade and other receivables	$ (902,031)	$ 56,085	$ (761,705)	$ 1,832,162
Prepaid expenses	43,266	(10,547)	(19,718)	(32,547)
Trade and other payables	129,752	(284,107)	(4,696)	(321,215)
Net increase in cash	$ (729,013)	$ (238,569)	$ (786,119)	$ 1,478,400

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15. Key management personnel compensation

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Contractors, employee salaries and benefits	$ 166,346	$ 69,903	$ 337,980	$ 148,097
Share based payments	136,500	242,137	271,516	317,428
Total key management compensation expense	$ 302,846	$ 312,040	$ 609,496	$ 465,525

16. 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 September 30, 2014 there were 193,994 DSUs granted and outstanding (March 31, 2014 - 91,264). Of these DSUs 142,769 have vested. Included in Trade and Other Payables at September 30, 2014 is $322,339 (March 31, 2014 - $200,781) relating to the valuation of the DSUs. Included in Corporate Administration expense for the six months ended September 30, 2014 is $121,558 (six months ended September 30, 2013 - $nil) relating to the valuation of the DSUs.

17. 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 and costs are passed through without markup. Related party expenses are summarized in the following table:

	Three months ended September 30, 2014	Three months ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Corporate administration	$ 155,361	$ 90,104	$ 307,375	$ 187,167

Included in corporate administration (Note 12) is $237,500 for the six months ended September 30, 2014, relating to key management compensation and is included in contractors, employee salaries and benefits in Note 15.

Included in trade and other payables is $16,577 (March 31, 2014 - $7,347) payable to related parties.

18. Comparative figures

Certain of the prior period's figures were reclassified in conformity with the current period's financial statement presentation. The amounts were reclassified to improve the grouping of expenses within corporate administration expense.