INPUT CAPITAL
THE AGRICULTURE STREAMING COMPANY

Unaudited Condensed Interim Consolidated

Financial Statements

for the six months ended September 30, 2013

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 period ended September 30, 2013 and 2012.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian dollars)

(Unaudited)

	Note	September 30, 2013	March 31, 2013
ASSETS			
Current			
Cash and cash equivalents		$ 766,942	$ 1,510,470
Marketable securities		1,005,905	12,805,905
Trade and other receivables		377,182	2,593,389
Current portion of canola interests	8	4,982,681	990,014
Prepaid expenses		32,547	-
		$ 7,165,257	$ 17,899,778
Non-current			
Canola interests	8	$ 13,079,577	$ 5,022,968
Deferred income tax assets	12	1,147,984	378,422
Intangible assets		18,418	5,885
Investment in Input Capital Limited Partnership	9	77,200	860,746
		$ 21,488,436	$ 24,167,799
LIABILITIES			
Current			
Trade and other payables		$ 62,644	$ 399,382
		$ 62,644	$ 399,382
EQUITY			
Share capital	10	$ 24,873,588	$ 23,653,482
Contributed surplus	10	662,529	123,080
Retained earnings (deficit)		(4,138,206)	(364,798)
Equity attributable to shareholders of Input Capital Corp.		$ 21,397,911	$ 23,411,764
Non-controlling interests	10	27,881	356,653
Total equity		$ 21,425,792	$ 23,768,417
		$ 21,488,436	$ 24,167,799

Subsequent events (note 17)

ON BEHALF OF THE BOARD

"Douglas Emsley", Director

"David H. Laidley", 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)

(Unaudited)

	Note	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
Sales		$ -	$ -	$ -	$ -
Expenses and other (income)					
Amortization of intangible assets		$ 938	$ -	$ 1,772	$ -
Corporate administration	13	643,546	-	853,829	-
Loss on canola contracts		10,974	-	10,579	-
Listing expense	2	1,138,115	-	1,138,115	-
Interest on marketable securities		(6,248)	-	(23,204)	-
Professional fees – legal, accounting and tax		42,329	-	68,635	-
Share of loss of equity-accounted investment	9	4,660	-	4,782	-
Transaction costs	2	120,548	-	685,483	-
Travel		8,602	-	28,223	-
Loss before the undernoted		$ (1,963,464)	$ -	$ (2,768,214)	$ -
Unrealized market value adjustment	8	(850,304)	-	(1,776,724)	-
Loss before income tax		$ (2,813,768)	$ -	$ (4,544,938)	$ -
Income tax recovery	12	(327,138)	-	(769,562)	-
Net loss and comprehensive loss		$ (2,486,630)	$ -	$ (3,775,376)	$ -
Total comprehensive loss attributable to:					
Shareholders		$ (2,484,679)	$ -	$ (3,773,408)	$ -
Non-controlling interests		(1,951)	-	(1,968)	-
Net loss and comprehensive loss		$ (2,486,630)	$ -	$ (3,775,376)	$ -
Basic and diluted loss per share	11	$ (0.07)	$ -	$ (0.11)	$ -
Weighted average number of common shares outstanding	11	35,432,912	500	35,116,207	500

- 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, 2013	Three Months Ended September 30, 2012	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
Operating activities					
Net loss for the period		$ (2,486,630)	$ -	$ (3,775,376)	$ -
Adjustments					
Amortization of intangible assets		938	-	1,772	-
Equity pick up Input Capital Limited Partnership	9	4,660	-	4,782	-
Income tax recovery	12	(327,138)	-	(769,562)	-
Interest income		(6,248)	-	(23,204)	-
Share based payments	10	464,029	-	556,593	-
Listing expense	2	1,138,115		1,138,115	
Unrealized market value adjustment	8	850,304	-	1,776,724	-
Interest received from marketable securities		10,540	-	64,921	-
Changes in non-cash working capital	14	(238,569)	-	1,478,400	-
		$ (589,999)	$ -	$ 453,165	$ -
Investing activities					
Acquisition of canola interests	8	(1,781,000)	-	(13,826,000)	-
Proceeds from sale of marketable securities		1,000,000	-	11,800,000	-
Proceeds from Input Capital Limited Partnership	9	-	-	778,764	-
Purchase of intangible assets		(3,622)	-	(14,304)	-
Cash acquired in amalgamation	2	64,847	-	64,847	-
		$ (719,775)	$ -	$ (1,196,693)	$ -
Financing activities					
		$ -	$ -	$ -	$ -
Net decrease in cash		(1,309,774)	-	(743,528)	-
Cash – beginning of period		2,076,716	-	1,510,470	-
Cash - end of period		$ 766,942	$ -	$ 766,942	$ -

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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 April 1, 2012		500	500	-	-	-	-	500
At September 30, 2012		500	$ 500	$ -	$ -	$ -	$ -	$ 500
Shares issued		30,472,407	20,352,522	-	-	-	-	20,352,522
Acquisition of Input Capital Limited Partnership		947,354	871,871	-	-	-	-	871,871
Acquisition of Input Capital Limited Partnership 2		1,026,306	944,966	-	-	140,533	-	1,085,499
Acquisition of Input Capital Limited Partnership 3		2,349,456	2,191,603	-	-	220,928	-	2,412,531
Share issue costs net of tax		-	(707,980)	-	-	-	-	(707,980)
Share based payment – warrants		-	-	-	18,610	-	-	18,610
Share based payment – options		-	-	104,470	-	-	-	104,470
Total comprehensive loss		-	-	-	-	(4,808)	(364,798)	(369,606)
At March 31, 2013	10	34,796,023	$ 23,653,482	$ 104,470	$ 18,610	$ 356,653	$ (364,798)	$ 23,768,417
Shares issued	10	781,250	1,187,500	-	-	-	-	
Distribution paid from Input Capital Limited Partnership 2	10	-	-	-	-	(127,074)	-	(127,074)
Distribution paid from Input Capital Limited Partnership 3	10	-	-	-	-	(199,730)	-	(199,730)
Share based payment – warrants	10	-	-	-	13,996	-	-	13,996
Surrender of share purchase warrants	10	-	32,606	-	(32,606)	-	-	-
Share based payment – options	10	-	-	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	$ -	$ 27,881	$ (4,138,206)	$ 21,425,792

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

1. Nature of operations

Corp. (“WB II”), pursuant to which a wholly-owned subsidiary of WB II and Input amalgamated, resulting in WB II owning the issued and outstanding securities of the amalgamated entity. The acquisition of Input by WB II constituted WB II's Qualifying Transaction under the rules of the TSX Venture Exchange. Although the transaction resulted in Input becoming a wholly-owned subsidiary of WB II, the transaction constitutes a reverse asset acquisition of WB II inasmuch as the former shareholders of Input own a substantial majority of the outstanding shares of the resulting corporation, and the members of the Board of Directors are designees of Input. Immediately prior to the Amalgamation, WB II changed its name to “Input Capital Corp.” (the “Company”).

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 500 – 2220 12th Avenue, Regina, Saskatchewan, S7P 0M8.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 27, 2013.

2. Reverse asset acquisition

As indicated in Note 1, on July 18, 2013, Input completed a reverse asset acquisition with 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.” 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 canceled the Input Warrants;
c) 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 costs in the amount of $685,483 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 condensed interim consolidated statement of comprehensive loss. In addition, the transaction was measured at fair value of the shares and replacement share purchase options (see Note 10) 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 of $1,138,115 has been charged to other expenses as a listing expense.

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, 2013.

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 unit and per unit value.

C. USE OF ESTIMATES AND JUDGMENTS

In preparing these unaudited condensed interim consolidated financial statements, Management make 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, 2013. 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, 2013.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of April 1, 2013.

Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 10, Consolidated Financial Statements and IAS 27, Separate Financial Statements

In May 2011, the IASB issued IFRS 10 - Consolidated Financial Statements to replace IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 11, Joint Arrangements

In May 2011, the IASB issued IFRS 11 - Joint Arrangements to replace IAS 31 - Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 12, Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12 - Disclosure of Interests in Other Entities to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 13 - Fair Value Measurement

In May 2011, the IASB issued IFRS 13 - Fair Value Measurement as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements

An amended version of IAS 1 was issued by the IASB on June 16, 2011. The amendments to IAS 1 require items within other comprehensive income that may be reclassified to profit or loss to be grouped together. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IAS 28, Investments in Associates and Joint Ventures

This Standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

FUTURE CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following new or amended standards:

Standards required to be applied for periods beginning on or after January 1, 2014:

- IAS 32 – Financial Instruments: Presentation (amended 2011)

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

- IFRS 9 (2010) – Financial Instruments (amended 2010)

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 multi-year canola purchase agreements which are considered an investing activity and 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/loss unrealized market value adjustments.

B. COST OF SALES

The value allocated to canola interests is capitalized and recognized as cost of sales as the corresponding units are sold on a unit-of-sale basis over the contracted known units corresponding to each specific contract.

C. VALUATION OF STOCK BASED COMPENSATION

The Company recognizes share based compensation expense for all share purchase options and share purchase warrants awarded to employees, officers, directors and consultants 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 income.

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 volatility of canola , the Company's share price, and a similar company's share price volatility. 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.

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. Seasonality of operations

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 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.

7. 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.

	Classification	Level	September 30, 2013	March 31, 2013
Marketable securities	Fair value through profit or loss	1	$ 1,005,905	$12,805,905
Canola interests	Fair value through profit or loss	3	18,062,258	6,012,982

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, prepaid expenses and trade and other payables.

September 30, 2013 / Expressed in Canadian dollars - unaudited

8. Canola interests

	September 30, 2013	March 31, 2013
Canola interests:		
Opening balance	$ 6,012,982	$ -
Acquisition of canola interest during the period	13,826,000	6,133,703
Unrealized market value adjustment	(1,776,724)	(120,721)
	$ 18,062,258	$ 6,012,982
Canola interests:		
Current portion of canola interests	$ 4,982,681	$ 990,014
Non-current canola interests	13,079,577	5,022,968
	$ 18,062,258	$ 6,012,982

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	$ 1,211,375	$ 1,956,500	$ 1,956,500	$ 489,125	$ 5,613,500

9. Investment in Input Capital Limited Partnership

The Company holds a 25.7% interest in Input Capital Limited Partnership. 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.

September 30, 2013 / Expressed in Canadian dollars - unaudited

The Company's interest in Input Capital Limited Partnership is summarized below:

	Beginning of period	Distribution	Equity pick-up	September 30, 2013
Statement of financial position				
Current assets	$ 920,927	$ (778,764)	$ 11,207	$ 153,370
Current liabilities	(60,181)	-	(15,989)	(76,170)
Investment in Input Capital Limited Partnership accounted for using the equity method	$ 860,746	$ (778,764)	$ (4,782)	$ 77,200

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Statement of loss				
Revenue	$ (2,741)	$ -	$ (2,862)	$ -
Expenses	1,919	-	1,920	-
Loss	$ (4,660)	$ -	$ (4,782)	$ -

10. Share capital, contributed surplus, and non-controlling interests

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

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 10C), 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 a listing expense in the condensed interim consolidated statement of comprehensive loss.

At September 30, 2013 there are 35,577,273 common shares outstanding (March 31, 2013 – 34,796,023).

September 30, 2013 / Expressed in Canadian dollars - unaudited

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. The maximum expiry date is eight years from the grant date. All options are equity settled.

Upon Closing of the November 30, 2012 Private Placement, options equal to 10% of the then issued and outstanding shares were reserved for issuance pursuant to the terms of the Option Plan. The options vest to the option holders (subject to certain other conditions) one-third each year during the first 3 years of the 5 year option term. The options vest immediately in the event of a liquidity event. The Exercise Price of the Options granted concurrent with closing of this Private Placement was $1.00 per share. The Private Placement that closed on November 30, 2012 resulted in 3,479,602 options being reserved for issuance. As of September 30, 2013 - 3,129,602 (March 31, 2013 - 3,129,602) options had been granted. All options expire on November 30, 2017.

Black-Scholes assumptions	Year ended March 31, 2013	
Grant date share price and exercise price	$	1.00
Expected dividend yield		0.00%
Expected volatility		13.30%
Risk-free interest rate		1.28%
Expected life of options		5 years

The fair value of the options granted during the year ended March 31, 2013 was $463,807. All 3,129,602 options vested on July 18, 2013 due to the Amalgamation and going public transaction and remain outstanding as at September 30, 2013. All options expire on November 30, 2017.

Upon Closing of the July 18, 2013 going public transaction the Company issued 350,000 options to directors and advisors. These options vested immediately. Each option entitles the holder to purchase one common share at $1.28 per share any time on or before November 30, 2017. The fair value of these stock options of $183,260 was estimated at the grant date based on the Black-Scholes pricing model using the assumptions below:

Black-Scholes assumptions	Period ended September 30, 2013	
Grant date share price	$	1.60
Grant date exercise price	$	1.28
Expected dividend yield		0.00%
Expected volatility		25.00%
Risk-free interest rate		1.28%
Expected life of options		4.37 years

All 350,000 options remain outstanding as at September 30, 2013.

September 30, 2013 / Expressed in Canadian dollars - unaudited

On July 18, 2013, as part of the Amalgamation, the Company issued 78,125 replacement share options to the former directors and officers of WB II. These options vested immediately. Each option entitles the holder to purchase one common share at $1.60 per share any time on or before July 18, 2014. The fair value of these stock options of $13,164 was estimated at the grant date based on the Black-Scholes pricing model using the assumptions below:

Black-Scholes assumptions	Period ended September 30, 2013	
Grant date share price and exercise price	$	1.60
Expected dividend yield		0.00%
Expected volatility		25.00%
Risk-free interest rate		1.28%
Expected life of options		1.00 year

The fair value of the replacement options was recorded as a listing expense in the condensed interim consolidated statement of comprehensive loss. All 78,125 options remain outstanding as at September 30,

On July 18, 2013, as part of the Amalgamation, the Company issued 15,625 replacement share options to the former IPO Agent as additional compensation in connection with the WB II initial public offering. These options vested immediately. Each option entitles the holder to purchase one common share at $1.60 per share any time on or before April 24, 2014. The fair value of these stock options of $2,297 was estimated at the grant date based on the Black-Scholes pricing model using the assumptions below:

Black-Scholes assumptions	Period ended September 30, 2013	
Grant date share price and exercise price	$	1.60
Expected dividend yield		0.00%
Expected volatility		25.00%
Risk-free interest rate		1.28%
Expected life of options		0.77 years

The fair value of the replacement options was recorded as a listing expense in the condensed interim consolidated statement of comprehensive loss. All 15,625 options remain outstanding as at September 30, A continuity schedule of the Company's share option purchase reserve from September 30, 2012 to September 30, 2013, which is included in contributed surplus, is presented below:

September 30, 2013 / Expressed in Canadian dollars - unaudited

		Share Purchase Option Reserve
At September 30, 2012	$	-
Amortization of fair value of share options issued November 30, 2012		104,470
At March 31, 2013		104,470
Amortization of fair value of share options issued November 30, 2012		359,337
Fair value of the replacement share options issued July 18, 2013 (exercise price $1.60)		15,462
Fair value of share options issued July 18, 2013 (exercise price $1.28)		183,260
At September 30, 2013	$	662,529

At September 30, 2013, the following options to purchase common shares were outstanding:

			Options outstanding		
Exercise price		Average remaining life (in years)	Vested	Unvested	Total
$	1.00	4.17	3,129,602	-	3,129,602
$	1.28	4.17	350,000	-	350,000
$	1.60	0.56	15,625	-	15,625
$	1.60	0.80	78,125	-	78,125
			3,573,352	-	3,573,352

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 is five years from the grant date. All warrants are equity settled.

The share warrants became exercisable, if and when the Company realized a liquidity event within predetermined timelines and the threshold price realized at the time of such liquidity event is equal to or greater than:

- On or before September 1, 2013, $1.33 per share (33% vest);
- On or before September 1, 2014, $1.67 per share (67% vest);
- On or before September 1, 2015, $2.00 per share (100% vest); or
- Sixty days prior to the expiry date, (in the absence of a prior Liquidity Event), should the Board determine that the current market price of the shares is not less than $2.00 per share, all of the performance share warrants shall be exercisable.

September 30, 2013 / Expressed in Canadian dollars - unaudited

Upon Closing of the November 30, 2012 Private Placement, warrants equal to 20% of the then issued and outstanding shares were reserved for issuance pursuant to the terms of the Warrants Plan, at an exercise price of $1.00 per Common Share, based on an allocation determined by the Board of Directors. Subject to certain investment thresholds and time lines being achieved, the performance warrants are exercisable by the holders thereof into an equal number of shares, on or before the earlier of five years from the date of granting the performance warrants, or the day immediately prior to a Liquidity Event occurring. On November 30, 2012, 6,959,204 warrants were issued.

Monte Carlo assumptions		Year ended March 31, 2013
Grant date share price and exercise price	$	1.00
Expected dividend yield		0.00%
Expected volatility		19.00%
Risk-free interest rate		1.28%
Expected life of warrants		5 years

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 September 30, 2013, which is included in contributed surplus, is presented below:

		Share Purchase Warrant Reserve
At September 30, 2012	$	-
Amortization of fair value of share warrants issued November 30, 2012		18,610
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 September 30, 2013	$	-

E. NON-CONTROLLING INTERESTS

The Company owns 87.1% of 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. A distribution of $854,444 was received in the six months ending September 30, 2013, which resulted in a reduction in non-controlling interests of $127,074.

September 30, 2013 / Expressed in Canadian dollars - unaudited

The Company owns 90.8% of 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. A distribution of $1,981,748 was received in the six months ending September 30, 2013, which resulted in a reduction in non-controlling interests of $199,730.

11. 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, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Basic weighted average number of shares	35,432,912	500	35,116,207	500
Dilutive securities:				
Share options	3,491,355	-	3,311,467	-
Share warrants	-	-	-	-

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

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 for the following items:

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Net loss before taxes	$ (2,813,768)	$ -	$ (4,544,938)	$ -
Canadian federal and provincial tax rates	27%	27%	27%	27%
Income tax (recovery) based on the above rates	$ (759,716)	$ -	$ (1,227,133)	$ -
Increase (decrease) due to the tax effect of:				
Non-deductible stock compensation	125,288	-	150,280	-
Non-deductible listing expense	307,290	-	307,291	-
Deferred income tax expense (recovery)	$ (327,138)	$ -	$ (769,562)	$ -

September 30, 2013 / Expressed in Canadian dollars - unaudited

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

	Six months ended September 30, 2013	Six months ended September 30, 2012
Deferred income tax assets		
Share issuance costs	$ 349,871	$ -
Unused tax losses	146,663	-
Other	651,450	-
Total deferred income tax asset	$ 1,147,984	$ -

13. *Corporate administration*

The corporate administration expenses of the Company are as follows:

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Advertising and investor relations	$ 30,050	$ -	$ 33,288	$ -
Board and executive expenses	38,915	-	38,915	-
Contractors, employee salaries and benefits	91,127	-	194,966	-
Licenses, dues and filing fees	7,973	-	9,150	-
Office expenses	11,452	-	20,917	-
Share option and warrant based compensation (Note 10C)	464,029	-	556,593	-
Total corporate administration expense	$ 643,546	$ -	$ 853,829	$ -

14. *Supplemental cash flow information*

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Change in non-cash working capital items				
Trade and other receivables	$ 56,085	$ -	$ 1,832,162	$ -
Prepaid expenses	(10,547)	-	(32,547)	-
Trade and other payables	(284,107)	-	(321,215)	-
Net increase (decrease) in cash	$ (238,569)	$ -	$ 1,478,400	$ -

September 30, 2013 / Expressed in Canadian dollars - unaudited

15. Key management personnel compensation

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Contractors, employee salaries and benefits	$ 69,903	$ -	$ 148,097	$ -
Share based payments	242,137	-	317,428	-
Total key management compensation expense	$ 312,040	$ -	$ 465,525	$ -

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 services provided by these related entities to Input Capital Corp. are governed by agreements. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party expenses are summarized in the following table:

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Corporate administration	$ 90,104	-	$ 174,267	-
Transaction costs	-	-	84,967	-
Travel	-	-	12,900	-
Total related party expenses	$ 90,104	$ -	$ 272,134	$ -

17. Subsequent events

On October 4, 2013, the Company closed a bought deal public offering (the “Public Offering”) of common shares and a private placement (the “Private Placement”) of common shares with two wholly-owned subsidiaries of Catlin Group Limited (the “Strategic Investors”). Details of each are outlined below:

A. PUBLIC OFFERING

The Public Offering was conducted by a syndicate of underwriters who purchased, on a bought deal basis, an aggregate of 11,644,055 common shares at a price of $1.60 per share for gross proceeds of $18,630,487. The Underwriters also had an over-allotment option (the “Over-Allotment Option”), exercisable in whole or in part at any time and from time to time for 30 days after the closing of the Public Offering, to purchase up to an additional 1,746,608 common shares.

On October 25, 2013 the Company announced the closing of the Over-Allotment Option granted in connection with the bought deal Public Offering to purchase an additional 1,746,608 common shares at a price of $1.60 per common share for additional gross proceeds of $2,794,573.

B. PRIVATE PLACEMENT

The Strategic Investors purchased 11,799,633 common shares at a price of $1.60 per share for aggregate gross proceeds of $18,879,413 under the Private Placement. The Strategic Investors had the option (the "Private Placement Option") to purchase additional common shares under the Private Placement if the over-allotment option under the Public Offering was exercised by the Underwriters in order to maintain ownership of approximately 19.99% of the issued and outstanding common shares.

connection with the Private Placement of common shares with the Strategic Investors. The Strategic Investors exercised in full its Private Placement Option to purchase an additional 436,441 common shares at a price of $1.60 per share in order to maintain ownership of approximately 19.99% of the issued and outstanding common shares. Input received additional gross proceeds of $698,306 from the exercise of the Private Placement Option.

The aggregate gross proceeds of the Public Offering and the Private Placement, including the exercise of the Over-Allotment Option and the Private Placement Option, was $41,002,779.