



WestBond Enterprises Corporation

Management Discussion and Analysis

dated June 18, 2020, to accompany the consolidated financial statements for the year ended March 31, 2020

Caution Regarding Forward Looking Statements – This discussion includes statements about our expectations for the future. We believe that our expectations are reasonable; however, actual outcomes may differ materially from our expectations due to changes in operating performance, availability of and prices for raw materials, availability of trained labour, foreign currency exchange rate fluctuations, unexpected competition, and other technical, market and economic factors.

Description of Our Business

We, WestBond Enterprises Corporation (“WestBond” or the “Company”), are a paper manufacturer and converter that supplies disposable paper products to many market segments. We initially grew to become one of Canada’s leading manufacturers of medical disposables and later expanded our product offering to take advantage of high-volume opportunities in personal hygiene products for away from home markets. We sell mainly to major medical and industrial distributors in Canada and the United States and we also sell to larger end-users on a direct basis.

Our product lines include clinical products such as examination table paper, sheets, pillowcases and gowns. The personal hygiene product line consists of hand towels and bathroom tissue in jumbo roll format as well as conventional formats. Our third major product line is patient wipes and underlays for long-term care facilities (nursing homes). We are expanding into a fourth product line, table top products, which include high quality air laid paper napkins.

Our goal for the personal hygiene line is to increase sales by supplying a comprehensive paper product line directly to medium sized janitorial contractors providing public washroom maintenance services to small and medium sized distributors who sell to the janitorial market. Our most significant competitors in the personal hygiene product line use wholesale master distributors who sell to smaller distributors that sell to smaller contractors. By selling direct to the smaller distributors, we eliminate the “middle-man” and are able to offer more competitive pricing. Also, unlike our most significant competitors, we will configure our products to customers’ specifications. Our current focus for expansion in this market is Canada and western USA. We will also pursue opportunities to supply these products directly to smaller hotel, motel and restaurant chains.

Our goal for the clinical and long-term care lines is to increase sales by continuing to provide quality products at competitive prices. Our focus for the clinical line is Canada. Long-term care products are sold in Canada and the USA and its territories.

We sell a full range of air laid napkins (table top) to major food service distributors in Canada and the United States. Sales of these high-quality air laid products are expanding quickly, though temporarily interrupted by the covid-19 pandemic shut-downs.

Our plant equipment enables us to provide a comprehensive range of products for each of our product lines and allows us to utilize a wide variety of paper supplies, enabling us to take advantage of good raw material pricing opportunities. We also have equipment that will allow us to produce facial tissue and other air laid products.

We started production on our binder bonded air laid paper making machine in August 2015. The machine can produce air laid paper at a significantly lower cost than current purchase prices. We use 25% - 30% of the production capacity of the machine for our own finished products and are selling production from surplus capacity to other paper converters.

We have purchased a wet-wipe production line and are in the process of installing it and developing a disinfectant wipe which uses our air laid paper in a small flip-top tub dispenser. We expect sales of this product to commence this summer.

Personal Hygiene Products – WestBond started this product line during 2002. Our decision to expand into personal disposables such as hand towels and bathroom tissue was based on demands by existing distributors who wanted to increase their purchasing ability with us. We evaluated this potential and determined that there was a high demand for these types of products. In addition, we soon learned that small to medium size distributors who sell to the janitorial market were not being serviced well by other paper converters.

The personal hygiene paper products include roll and folded hand towels, jumbo roll bathroom tissue, conventional high sheet-count bathroom tissue and a specialty line of roll towels and bathroom tissue. This specialty line provides us with high margin products that few converters are able to produce. We manufacture our products in 1 and 2 ply formats. Recently, we introduced a premium line of air laid roll towels to the market. We sell these products to Canadian and US distributors and janitorial contractors in large order quantities.

Clinical Products – Historically, this product line represented the Company’s core business. Basically, all paper products that are used by clinics, physicians, chiropractors and physiotherapists form this product category. The equipment that was originally installed to manufacture these paper products is very flexible, reliable and high speed. This allows us to develop new products that could be in demand in the future.

Products in this group are sheets, examination table paper, pillowcases, gowns, and drapes. The equipment is able to convert roll format as well as sheet format products in many case pack and roll length configurations.

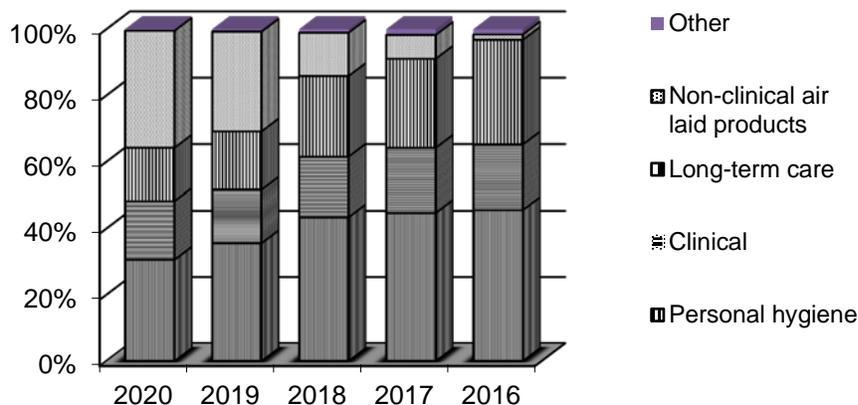
Long-Term Care Products – The products that comprise this category were originally part of the Clinical Product Line. Sales in this area have increased to the point that we now dedicate four entire production lines to these items. The products include patient wipes and underlays. All products are made with high quality air laid paper which results in soft absorbent wipes which are used as disposable wash cloths and perineal wipes.

Products are available in 1/4 fold, 1/8 fold, and roll formats, in a variety of widths and perforation lengths. The long-term care market is growing and we continue to develop new products for major Canadian and US distributors.

Table Top Products – This is a new product line for us and includes high quality air laid napkins. These napkins replace costly linen napkins and also out-perform conventional paper napkins, reducing operating costs of many restaurants. These products are sold through major food service distributors. The addition of our own air laid paper making machine is allowing us to grow this business substantially.

These four product groups represent WestBond’s ability to adapt to market demands and develop product lines to satisfy these markets.

The following chart shows the portion of total sales that each of the product categories contributed during the years ended March 31, 2016 through 2020. Table top product sales are included with “Non-clinical air laid products” in the chart.

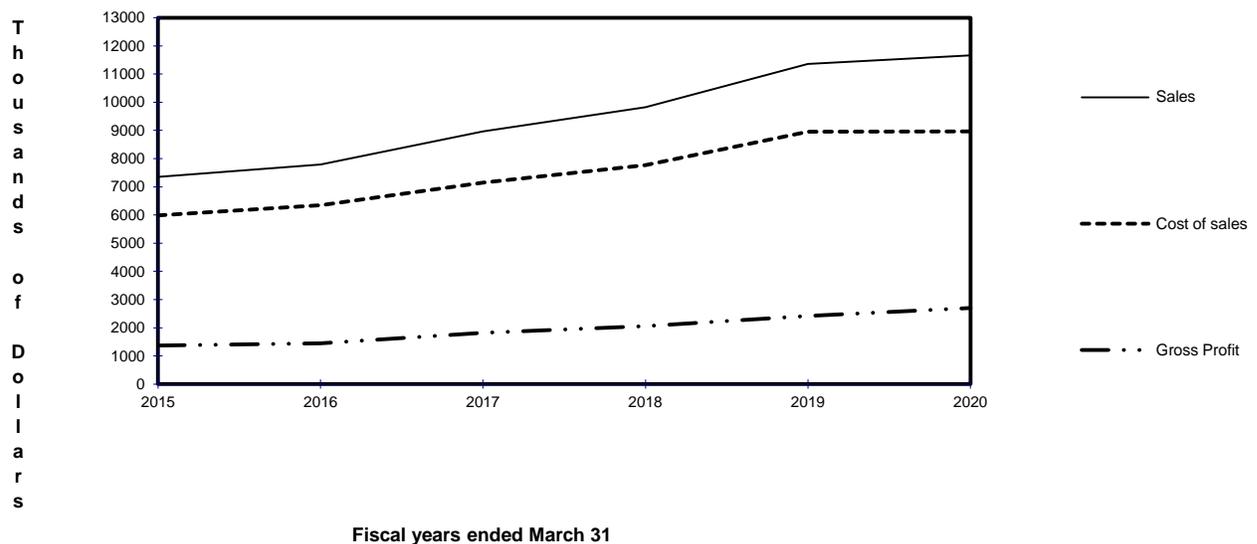


Discussion of Operations and Financial Condition

You should refer to our consolidated financial statements for the year ended March 31, 2020 while you read this discussion. Those financial statements provide significant, material information that is not meant to be, nor is it included in this discussion. This discussion is meant to provide information not included in the financial statements and an explanation of some of the financial statement information.

We realized a profit of \$591,016 during the year ended March 31, 2020, compared to \$421,264 for the year ended March 31, 2019, an increase of 40%, and \$298,088 for the year ended March 31, 2018. Our gross profit margin realized during 2020 was 23.2% compared to 21.2% for 2019 and 20.9% for 2018. Our gross profit margins improved due to the air laid paper machine going into production, which reduced raw materials costs by more than the added overhead and depreciation attributable to the machine. Sales volume growth is the result of the introduction of table top and other non-clinical air laid products, and weakened competition from US and Chinese products. The higher value of the US dollar makes their product more expensive in Canada, which has improved our sales. Additionally, our sales into the US market, which are priced in US dollars, result in higher Canadian dollar margins. The gross profit margin for 2020 increased by approximately 1.1% as a result of adopting the new accounting policy for leases, which shows the interest portion of lease payments as a financing expense.

Sales, Cost of Sales and Gross Profit



Selected Annual Information (Unaudited)

We have summarized selected financial information from the Company's consolidated financial statements, which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS).

Operating Results	Years ended March 31					
	2020		2019		2018	
	\$	% of sales	\$	% of sales	\$	% of sales
Sales	11,667,892	100.0	11,363,162	100.0	9,829,025	100.0
Cost of sales	8,965,574	76.8	8,949,336	78.8	7,772,815	79.1
Gross profit	2,702,318	23.2	2,413,826	21.2	2,056,210	20.9
Selling and distribution expenses	922,061	7.9	896,493	7.9	827,880	8.4
General and administrative expenses	710,094	6.1	763,499	6.7	657,658	6.7
Other expenses	245,533	2.1	165,566	1.4	120,968	1.3
Profit before tax	824,630	7.1	588,268	5.2	449,704	4.5
Income tax expense	233,614	2.0	167,004	1.5	151,616	1.5
Profit and comprehensive income	591,016	5.1	421,264	3.7	298,088	3.0
Earnings per share, basic	0.017		0.013		0.009	
Earnings per share, fully diluted	0.017		0.012		0.009	
Cash dividends paid per common share	0.01		0.0075		nil	

Financial Position	March 31	April 1	March 31	
	2020	2019	2019	2018
	\$	\$	\$	\$
Non-Current Assets	10,239,977	10,762,671	7,845,894	8,191,705
Current Assets	3,380,412	3,089,489	3,089,489	2,568,204
Total assets	13,620,389	13,852,160	10,935,383	10,759,909
Non-Current Liabilities	5,532,705	6,182,373	3,602,145	4,093,930
Current liabilities	2,196,667	2,176,128	1,982,101	1,496,737
Shareholders' equity	5,891,017	5,493,659	5,351,137	5,169,242

The opening financial position at April 1, 2019 reflects the March 31, 2019 financial position adjusted for the adoption of *IFRS-16, Leases*.

Sales

Sales were \$11,667,892 for the year ended March 31, 2020, a 2.7% increase over the year ended March 31, 2019. The table below summarizes the sales of the Company for the last five fiscal years.

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Personal hygiene products	3,570,404	4,046,919	4,266,950	4,010,549	3,550,791
Clinical products	2,061,075	1,823,461	1,784,060	1,752,542	1,531,332
Long-term care products	1,868,135	1,992,870	2,392,582	2,408,946	2,458,934
Non-clinical air laid products	4,118,076	3,419,296	1,283,943	644,409	125,460
Other products	50,202	80,616	101,490	152,925	121,532
Total sales	11,667,892	11,363,162	9,829,025	8,969,371	7,788,049
Change over previous year	2.7%	15.6%	9.6%	15.2%	6.0%

The decrease in personal hygiene product sales is due to a shortage of paper supply in the North American market and machine maintenance. We have sourced more reliable paper suppliers overseas and we are now no longer experiencing this problem. Clinical products increased as one of our customers increased its volume. Long-term care products decreased due to the loss of a significant customer, but are otherwise improving. Sales increased in the non-clinical air laid products.

The overall clinical and long-term care markets continue to be strong due to the aging population. Approximately 44% of our sales in 2020 and 2019 were priced in US dollars, compared with 35% in 2018 and 2017 and 33% in 2016, mainly in the personal hygiene, long-term care and non-clinical air laid products, which makes us susceptible to fluctuations in the Canadian dollar value of the US dollar. The increase in in the percentage of US dollar sales in 2019 is because the majority of our non-clinical air laid sales are to US customers.

As a supplier of clinical and personal hygiene products, essential services, we have remained in operation during the covid-19 pandemic shut-downs, which started in March 2020. Toilet paper and long-term care products were in high demand during March and April 2020. Clinical products demand has fallen as most clinics and doctors' offices are not seeing patients. Demand for non-clinical air laid products, which primarily end up in restaurants, has fallen. Toilet paper demand dropped off in May and June due to over stockpiling in March and April. We are currently operating at around 40% of the levels for 2020. We are unable to predict how much longer the pandemic shut-downs will last.

We are currently installing a wet-wipe production line and developing a disinfectant wipe which uses our air laid paper in a small flip-top tub dispenser. Health Canada has approved our formula and issued it a Drug Identification Number. Current demand for the product is high. We expect sales of this product to commence this summer under the trademark ViroBan Plus. We expect volumes to significantly increase our revenues.

Cost of Sales

The following table shows the components of cost of sales over the last five years.

	2020		2019		2018		2017		2016	
	\$	% sales								
Materials	5,882,856	50.4	5,870,295	51.7	4,941,399	50.3	4,320,428	48.2	3,988,802	51.2
Production labour	962,145	8.2	975,466	8.6	868,011	8.8	832,463	9.3	769,251	9.9
Factory overhead										
labour	463,599	4.0	468,567	4.1	433,100	4.4	445,605	5.0	351,201	4.5
Variable overhead	508,374	4.4	436,285	3.8	322,600	3.3	332,179	3.7	267,470	3.4
Fixed overhead	216,610	1.9	522,804	4.6	514,913	5.2	503,010	5.6	494,160	6.3
Depreciation of										
- plant equipment	673,109	5.7	675,919	6.0	692,792	7.1	715,081	7.9	472,784	6.1
- right-of-use assets	258,881	2.2	-	-	-	-	-	-	-	-
Total cost of sales	8,965,574	76.8	8,949,336	78.8	7,772,815	79.1	7,148,766	79.7	6,343,668	81.4

Materials are the most significant component of cost of sales. Bulk paper and pulp are our main materials cost. All of our products have a high materials component and a low labour component.

Unfavourable paper yields, the amount of product that a certain weight of paper produces, increased materials costs by a factor of 1.5% of sales in 2020, 2.4% in 2019 and 2.7% in 2018, 2.5% in 2017 and 1.6% in 2016. During part of the 2020 fiscal year, most of the 2019 fiscal year and part of the 2018 fiscal year we had difficulty purchasing paper in optimum grades, which meant we had to substitute heavier grades than standard, resulting in higher paper usage, and sizes, which caused higher than standard wastage.

Paper prices have increased in all fiscal years since 2006 except in our 2017 fiscal year when they were relatively stable. Paper prices can be volatile, additionally, our paper and pulp purchases are denominated in US dollars, which can fluctuate significantly. Our prices to our customers have been set to allow for paper cost increases of up to 10%.

Production labour in cost of sales averaged 8.2% of sales during 2020 compared to 8.6% during 2019, 8.8% during 2018, 9.3% during 2017 and 9.9% during 2016. The decrease since 2016 is from improved

operating efficiencies. The labour market near our factory has been tight during the last few years and it has taken extra time to find and train new machine operators. If we are unable to hire sufficient machine operators, it will be difficult to produce additional products for sale.

Factory overhead labour decreased as a percentage of sales in 2020, 2019 and 2018 due to increased sales volumes after increasing in 2017 and 2016 to support the new air laid paper machine. Variable overhead normally fluctuates slightly from one period to the next. Variable overhead incurred in 2020, 2019, 2017 and 2016 is higher than previous years due to increased electricity and gas to operate the air laid paper machine. Variable overhead incurred in 2018 was lower than 2017 from lower maintenance costs. Variable overhead also increased in 2020 due to higher waste disposal costs.

Fixed overhead and depreciation changed significantly in 2020 due to the adoption of *IFRS 16, Leases*. We were required to capitalize our premises lease and separate the minimum payments into principal and interest, increasing depreciation expense and reducing rent expense. Depreciation increased by \$258,880 and rent decreased by \$317,382.

Fixed overhead in 2020 includes \$11,189 in higher insurance premiums. Fixed overhead in 2019 includes \$10,863 in higher insurance premiums offset by \$2,972 in lower rent. Fixed overhead in 2018 includes \$10,418 in higher rent and \$1,485 in higher insurance premiums over the expense in 2017. Fixed overhead in 2017 includes \$12,456 in higher insurance premiums to cover the air laid paper machine, over the expense in 2016 and a \$3,607 refund of overbilled lease operating expenses. Increases in depreciation expense are the result of bringing new equipment into use. The slight decreases in 2019 and 2018 are due to revised estimates of the useful lives of some of the equipment.

Selling Expenses

Selling expenses, as a percentage of sales, in 2020 were similar to 2019 and lower in 2019 than in 2018 because a large portion of the increase in sales is from air laid parent rolls, which is shipped in trailer lots, at a lower cost relative to sales, and on which we pay no commission.

General and Administrative Expenses

General and administrative expenses decreased in 2020 over 2019 due to the recognition of an impairment loss on trade receivables in 2019, offset by increased salaries from higher rates of pay and increased staff. Adoption of *IFRS-16, Leases*, caused administration and office expense to be \$23,089 lower in 2020 than 2019 from reduced rent expense, offset by depreciation of the right-of-use asset of \$18,889.

We only deal with customers that we consider creditworthy and believe that we are not subject to significant risk due to bad debts. Nevertheless, during the year ended March 31, 2019, one of our customers entered into creditor protection proceedings while it attempts to refinance its operations, making the collection of \$70,578 in receivables doubtful, for which we have made a full impairment allowance. Recent general economic conditions caused by covid-19 pandemic shut-downs may cause some of our other customers to be less creditworthy. We regularly monitor our receivables aging and discuss overdue accounts with senior-level customer personnel to encourage more prompt payment and to evaluate future creditworthiness. At March 31, 2020, trade and other receivables include \$19,798 that is more than 30 days past due, not including the receivables written off, and against which we have made no allowance for impairment. We believe that we will eventually receive full payment of these amounts.

During the year ended March 31, 2020, professional fees include \$10,355 paid to DuMoulin Black LLP, a law firm in which J. Douglas Seppala, one of our directors, was a partner. The payments represent fees for legal services provided to the Company at rates normally charged to arm's length parties. During the year ended March 31, 2020, the Company incurred total compensation, comprising short-term employee benefits (including wages, salaries, bonuses, stock options, taxes and perquisites), of \$398,395 to key management personnel, comprising the chief executive and chief financial officers and the directors of the Company. \$368,902 of the compensation is included in general and administrative salaries and employee benefits, \$24,659 is included in administration and office and \$4,834 is included in other selling and distribution expenses.

Other Income and Expenses

We are exposed to fluctuations in the US/Cdn dollar exchange rates as portions of our cash, trade and other receivables and trade and other payables are denominated in US dollars. While the amounts of exposure change on a daily basis, we generally have more US dollar liabilities than US dollar financial

assets. Over the past year, our exposure ranged from US\$257,121 net assets to US\$229,134 net liabilities and averaged US\$17,969 net liabilities (calculated on a monthly basis) and at March 31, 2020 net assets were US\$257,121. Each change of 1% (e.g., a change from US\$1.00 = Cdn\$1.41 to Cdn\$1.42) in the value of the US dollar in relation to the Cdn dollar results in a gain or loss (before income tax), with a corresponding effect on cash flows, of Cdn\$2,571 on an exposure of US\$257,121. During the year ended March 31, 2020 we realized foreign exchange gains of \$20,826 compared to losses of \$8,737 in 2019. The US dollar financial assets generally result from sales to US customers. The US dollar financial liabilities generally result from purchases of raw materials from US and international suppliers.

Interest on our revolving bank loan and term bank loan fluctuates with the prime rate of interest. We entered into an interest rate swap during the year ended March 31, 2018 that effectively fixes the rate of interest on the term bank loan at 3.88% until November 22, 2022, which eliminates cash flow risk from the term loan interest. Changes in the fair value of the interest rate swap caused us to reflect an unrealized loss of \$30,459 during the year ended March 31, 2020 and \$19,985 during the year ended March 31, 2019. Fair value losses or gains will remain unrealized as long as the swap contract is held to maturity, at which point its fair value will be zero.

Interest expense on the lease liabilities recognized on adoption of *IFRS-16, Leases*, calculated 4.45% per annum, was \$125,315 during 2020.

Liquidity and Capital Resources

Our operating cash flows were \$2,049,423 during the year ended March 31, 2020, an average of \$170,785 per month, compared to \$121,838 per month during 2019, before accounting for fluctuations in non-cash working capital. At March 31, 2020, we had cash of \$394,030 and working capital of \$1,183,745 compared to cash of \$474,030 and working capital of \$1,107,388 at March 31, 2019. The increase is due to improved operating cash flows, offset by dividends, equipment purchases, and term loan interest and principal payments.

We declared and paid a quarterly dividend of \$0.0025 per share from September 2018 to March 2020. We have suspended payment of the dividend effective June 2020 in order to ensure sufficient funds are available to invest in our new disinfectant wet-wipe production equipment and inventory. We expect to be in production this summer.

We plan to re-invest our surplus cash flow in new equipment to continue to expand the Company's product lines and improve efficiency, to re-pay term bank loans and to pay dividends.

We have a revolving bank loan facility of \$1,500,000. The loan outstanding at any time may not be greater than the total of 75% of Canadian accounts receivable, 50% of US accounts receivable and 50% of inventory, less accounts payable having priority over the bank, such as to governments and employees. Accounts receivable older than 90 days and inventory in excess of \$1,500,000 are not included in the calculation. Substantially all of our assets are pledged as collateral. No loans were outstanding under this facility at March 31, 2020, however an irrevocable letter of credit for US\$14,000 was outstanding at March 31, 2020 against the loan facility.

We use the revolving bank loan facility primarily to finance operating working capital. Inventory and accounts receivable levels normally fluctuate by as much as \$400,000 and accounts payable by an additional \$400,000. We purchase our paper supplies in relatively large quantities and often have large shipments to customers on credit, which are the main reasons for these fluctuations.

We also have a term loan which was used for the purchase of our binder bonded air laid paper making machine. Repayment of the loan is in monthly instalments of \$59,524 until August 22, 2023. A specific charge against the equipment purchased with the loan proceeds and a fixed and floating charge on substantially all of our assets are pledged as collateral.

We have covenanted with the bank to maintain our consolidated ratio of current assets to current liabilities at 1.20:1 or higher, our consolidated ratio of debt (including deferred tax liability) to shareholders' equity at 2.00 or lower and our consolidated ratio of net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization (EBITDA) to interest expense plus the current portion of long term debt and capital leases at 1.25:1 or higher. We are in compliance with all of these covenants at March 31, 2020 and do not anticipate difficulty maintaining this

compliance during the forthcoming year. If we are not compliant with these covenants, and are unable to obtain a waiver from the bank, the loan will become payable on demand.

We intend to spend around \$1,000,000 for production equipment additions and improvements during the next year, which we will finance from operating cash flows.

New Accounting Policies

The International Accounting Standards Board adopted *IFRS 16, Leases* in January 2016, effective for financial years beginning on or after January 1, 2019. The new standard requires a lessee to recognize a “right-of-use” asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The lessee recognizes depreciation of the right-of-use asset and interest on the lease liability and also classifies cash repayments of the lease liability into a principal portion and an interest portion. Assets and liabilities are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

We adopted this standard as of our opening balance sheet for the year ended March 31, 2020 using the modified retrospective approach without restatement of prior periods. As a result we recognized a right-to-use asset and a lease liability for our lease of premises and made the adjustments described in note 3 to the consolidated financial statements.

The adoption provisions of IFRS 16 also permit retroactive adoption at the commencement date of the lease with restatement of prior periods. We chose the retrospective approach as it is simpler.

As permitted by IFRS 16, we elected not to apply the standard to short-term leases and leases for which the underlying asset is of low value as the effect would be immaterial.

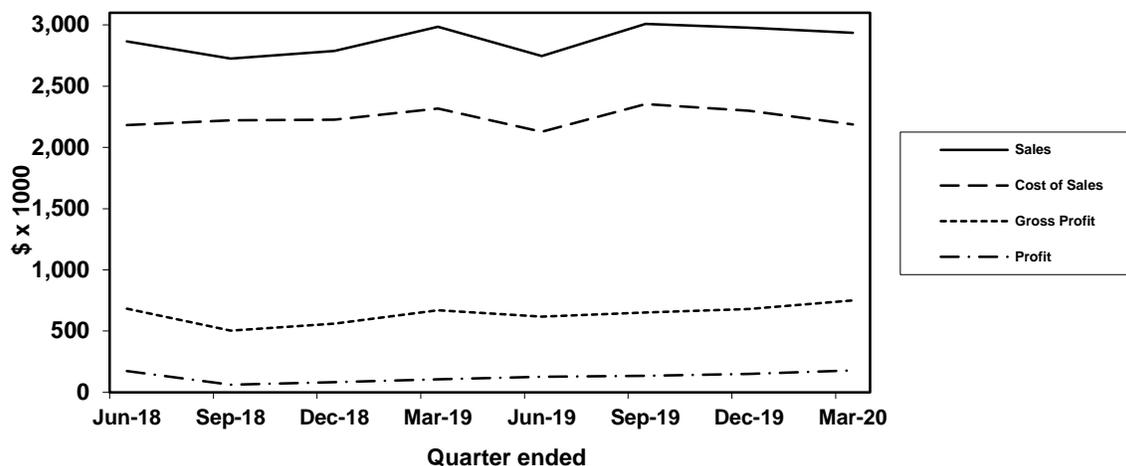
Summary of Quarterly Results (Unaudited)

The following table summarises the results of operations for the past eight quarters. We have extracted the data from our consolidated financial statements, which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards.

Cdn\$ x 1,000	Quarters ended							
	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018	Sep 30 2018	Jun 30 2018
Sales	2,936	2,978	3,007	2,746	2,985	2,788	2,726	2,865
Cost of sales	2,186	2,298	2,354	2,128	2,317	2,228	2,223	2,183
Gross profit	750	680	653	618	668	560	503	682
Selling and distribution expenses	224	249	233	216	220	224	207	245
General and administrative expenses	176	184	178	171	253	168	170	172
Operating profit	350	247	242	231	195	168	126	265
Other expenses (income)	87	44	56	59	43	55	39	30
Profit before tax	263	203	186	172	152	113	87	235
Income tax expense	84	52	49	48	48	31	26	62
Profit	179	151	137	124	104	82	61	173
Earnings per share, basic and diluted - Cdn\$	0.005	0.004	0.004	0.004	0.003	0.002	0.002	0.005
Dividends paid per share - Cdn\$	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.0025	0.000
Sales - % change over previous quarter	-1.4	-0.9	9.5	-8.0	7.1	2.3	-4.9	19.2

Costs, expenses and net income - % of Sales

Cost of sales	74.4	77.1	78.3	77.5	77.6	79.9	81.5	76.2
Selling and distribution expenses	7.6	8.3	7.7	7.9	7.4	8.1	7.6	8.5
General and administrative expenses	6.0	6.2	5.9	6.2	8.5	6.0	6.3	6.0
Other expenses (income)	3.0	1.5	1.9	2.1	1.4	2.0	1.4	1.1
Income tax expense	2.9	1.8	1.6	1.8	1.6	1.1	1.0	2.2
Profit	6.1	5.1	4.6	4.5	3.5	2.9	2.2	6.0



The fluctuations in sales are, for the most part, due to changes in volume. Sales are also affected by the value of the US dollar as approximately 44% of our sales are priced in US dollars. Sales were 1.4% lower in the quarter ended March 31, 2020 than in the previous quarter, ended December 31, 2019, and 1.6% low than in the quarter ended March 31, 2019.

Slight variations in cost of sales, as a percentage of sales, occur on a regular basis. These are caused by fluctuations in the product mix, production efficiencies and prices for raw materials. Fixed overhead is lower in 2020 than in 2019 because of the new accounting policy for leases. The factory rent has been reduced and replaced with depreciation of a right-of-use asset.

Share Capital

The Company has only one class of share capital, common shares without par value. The Company also has a stock option plan.

	<u>June 18, 2020</u>
Authorized common shares without par value	Unlimited
Issued common shares	35,515,800
Shares issuable on exercise of outstanding stock options	-
Shares available for future stock option grants	3,551,580

The stock option plan permits the directors of the Company to grant incentive options to the employees, directors, officers and consultants of the Company.

Other Information

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's web-site at www.westbond.ca.