



WestBond Enterprises Corporation

Quarterly Report December 31, 2020

Management Discussion and Analysis

Dated February 25, 2020 to Accompany the Interim Consolidated Financial Statements for the Three and Nine Month Periods Ended December 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 or the “Company,” are a paper manufacturer and converter that manufactures disposable paper products for medical, hygienic and industrial uses. A full description of our business and products is contained in the Management Discussion and Analysis included in our 2020 Annual Report. A pdf version of the 2020 Annual Report may be downloaded from our web site at www.westbond.ca or from the SEDAR web site at www.sedar.com. For a printed copy, please contact the Company. Additional information on the Company is also available on our web site and on the SEDAR web-site.

Discussion of Operations and Financial Condition

You should refer to our interim consolidated financial statements for the three and nine month periods ended December 31, 2020 and 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. You should also refer to the Management Discussion and Analysis that was included in our 2020 Annual Report. Information included in that discussion is only up-dated in this discussion. Information that has not changed materially since June 18, 2020, the date of the Management Discussion and Analysis in the 2020 Annual Report, is not repeated here.

Sales were \$6,157,646 for the three months ended December 31, 2020, which is 106.7% higher than for the three months ended December 31, 2019 and 88.4% higher than for the three months ended September 30, 2020. We realized a profit of \$1,850,241 (\$0.052 per share) for the three months ended December 31, 2020, an increase of 1,128.1% over the profit of \$150,656 (\$0.004 per share) for the same period last year. The increase in both sales and profit is due to the introduction of our wet-wipe products in late August and increased demand for our dry-wipe products, offset by reduced demand for restaurant napkins and away-from-home personal hygiene products caused by the covid-19 pandemic restrictions.

The table and graph on the next page show the trends over the past eight quarters.

WestBond Enterprises Corporation

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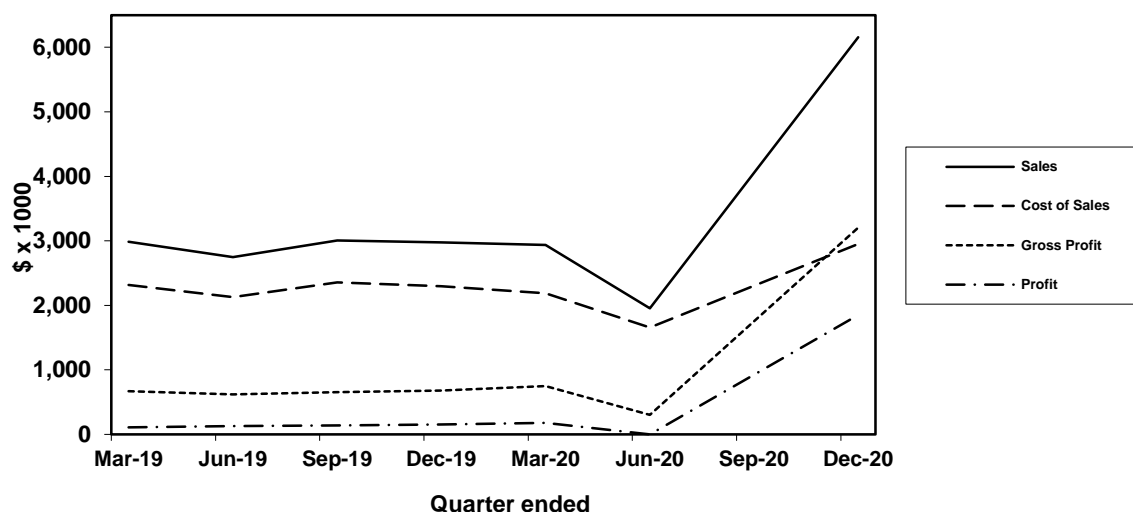
Summary of Quarterly Results

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							
	Dec 31 2020	Sep 30 2020	Jun 30 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019
Sales	6,158	3,268	1,955	2,936	2,978	3,007	2,746	2,985
Cost of sales	2,952	2,182	1,656	2,186	2,298	2,354	2,128	2,317
Gross profit	3,206	1,086	299	750	680	653	618	668
Selling and distribution expenses	247	208	186	224	249	233	216	220
General and administrative expenses	333	186	181	176	184	178	171	253
Operating profit (loss)	2,626	692	(68)	350	247	242	231	195
Other expenses (income)	55	(42)	(64)	87	44	56	59	43
Profit (loss) before tax	2,571	734	(4)	263	203	186	172	152
Income tax expense (recovery)	721	196	(1)	84	52	49	48	48
Profit (net loss)	1,850	538	(3)	179	151	137	124	104
Earnings (loss) per share, basic and diluted - Cdn\$	0.052	0.015	(0.000)	0.005	0.004	0.004	0.004	0.003
Dividends paid per share - Cdn\$	-	-	-	0.0025	0.0025	0.0025	0.0025	0.0025
Sales - % change over previous quarter	88.4	67.1	-33.4	-1.4	-0.9	9.5	-8.0	7.1

Costs, expenses and net income - % of Sales

Cost of sales	47.9	66.8	84.7	74.4	77.1	78.3	77.5	77.6
Selling and distribution expenses	4.0	6.4	9.5	7.6	8.3	7.7	7.9	7.4
General and administrative expenses	5.4	5.7	9.3	6.0	6.2	5.9	6.2	8.5
Other (income) expenses	0.9	(1.3)	(3.3)	3.0	1.5	1.9	2.1	1.4
Income tax expense (recovery)	11.8	6.0	(0.1)	2.9	1.8	1.6	1.8	1.6
Net profit (loss)	30.0	16.5	(0.1)	6.1	5.1	4.6	4.5	3.5



Sales

Sales for the three months ended December 31, 2020 were 106.7% higher than for the same period last year and 88.4% higher than the previous quarter, ended September 30, 2020. 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 dry wipe products were in high demand during March and April 2020. Toilet paper demand dropped off in May through December due to over stockpiling in March and April. Demand has fallen for our personal hygiene products, which are used in away from home locations, many of which are closed or operating at greatly reduced capacity. Clinical products demand has fallen as clinics and doctors' offices have reduced in-person patient visits. Dry wipes continue in high demand. Previously dry wipes were mainly used in long-term care facilities, they are now sold to other markets as well to be used with disinfectant sprays. Demand for non-wipe air laid products, which primarily end up in restaurants, has fallen.

In 2019, prior to covid-19, we committed to a disinfectant wipe production line because of the then existing market demands for these products. Most of our health care, janitorial and industrial customers carry these products. Covid-19 accelerated the demand for our ViroBan Plus disinfectant wipes which were introduced in late August 2020. We decided to support a government stockpiling contract for these wipes and this contract contributed significantly to the increase in sales and profits for the three months ended December 31, 2020. This contract is now complete and sales have declined accordingly. Now that we have the ability to service other markets, we are aggressively approaching many distribution channels, on-line retailers and health care distributors.

Sales	Three months ended		Change over last year	Nine months ended		Change over last year
	December 31			December 31		
Product Line	2020	2019		2020	2019	
	\$	\$		\$	\$	
Personal hygiene	478,008	758,199	-37.0%	1,761,152	2,707,490	-35.0%
Clinical	449,713	568,413	-20.9%	1,144,303	1,492,012	-23.3%
Wipes	4,578,868	501,946	812.2%	7,249,195	1,456,913	397.6%
Non-wipe air laid	642,192	1,132,913	-43.3%	1,194,831	3,035,912	-60.6%
Other	8,865	17,016	-47.9%	31,806	39,227	-18.9%
	<u>6,157,646</u>	<u>2,978,487</u>	<u>106.7%</u>	<u>11,381,287</u>	<u>8,731,554</u>	<u>30.4%</u>

Cost of Sales

Materials costs, as a percentage of sales, is lower in 2020 than 2019 as wipe sales generate higher margins than the other product lines. Production labour remained high because of training and slow ramp-up rates for the wet-wipe production line, and a general wage rate increase for most production employees. Fixed overhead and depreciation are stable.

Cost of Sales	Three months ended December 31		Nine months ended December 31	
	2020	2019	2020	2019
	% of sales	% of sales	% of sales	% of sales
Materials	31.2%	51.2%	37.3%	51.2%
Production labour	6.6%	7.9%	7.5%	8.4%
Factory overhead labour	2.9%	4.0%	3.9%	3.9%
Variable overhead	2.2%	4.3%	3.2%	4.3%
Fixed overhead	1.0%	1.9%	1.5%	1.8%
Depreciation of plant equipment	2.9%	5.7%	4.5%	5.8%
Depreciation of right-of-use assets	1.1%	2.2%	1.7%	2.2%
Gross Profit	<u>47.9%</u>	<u>22.8%</u>	<u>59.6%</u>	<u>22.4%</u>

Selling and Distribution Expenses

Selling and distribution expenses during the three months ended December 31, 2020 were 4.0% of sales, compared to 8.4% for the three months ended December 31, 2019. The decrease is due to the introduction of wet-wipes which are very efficient to ship and have a higher sales value per case.

General and Administrative Expenses

Administrative and office expenses were higher in the three months ended December 31, 2020 than in 2019 from an increase in audit and legal fees. Salary and other employee benefits increased due to higher rates of pay and the grant of stock options.

During the nine months ended December 31, 2020 the company incurred total short-term employee benefits of \$359,961 (2019 – \$297,933) to its key management personnel, comprising the directors and officers of the company, and incurred \$16,882 (2019 – \$9,263) of professional fees in the normal course of operations paid to DuMoulin Black LLP, a law firm with which J. Douglas Seppala, a director of the company, is associated. The professional fees are for legal services provided to the Company at rates normally charged to arm's length parties.

Other Income and Expenses

Fluctuations in the US dollar exchange rate resulted in a \$14,210 loss during the three months ended December 31, 2020, compared with a \$1,253 gain in the same period last year. Interest expense on bank loans and lease liabilities is lower in 2020 than 2019 because of lower principal balances. We did not qualify for the Canadian government emergency wage subsidy for the three months ended December 31, 2020 due to strong sales of wipes. We recognized an unrealized gain of \$8,597 to reflect the market value fluctuation of our interest rate swap during the three months ended December 31, 2020.

Liquidity, Financial Position and Capital Resources

Our operating cash flows were \$4,265,761 during the nine months ended December 31, 2020, an average of \$473,973 per month, compared to an average of \$170,785 per month during the year ended March 31, 2020, before accounting for fluctuations in non-cash working capital. We had working capital of \$2,346,413 at December 31, 2020, compared to \$1,183,745 at March 31, 2020. The change is due to positive operating cash flows offset by equipment purchases, term loan and interest payments and lease principal and interest payments.

We have resumed our quarterly dividend effective March 2021 at the increased rate of \$0.02 per share. The next dividend is payable on March 22, 2021 to shareholders of record on March 5, 2021. We suspended payment of our quarterly dividend from June 2020 through December 2020 in order to ensure sufficient funds were available to invest in our new disinfectant wet-wipe production equipment and inventory. We intend to spend around \$500,000 on equipment over the next year, which we will finance from operating cash flows, supplemented by our revolving bank loan facility. The equipment will allow us to make raw materials for our wet-wipe line, providing us with a more stable supply.

We have a revolving bank loan facility of \$1,500,000. The loan outstanding at any time may not be greater than an amount based on percentages of accounts receivable and inventory less accounts payable having priority over the bank. The amount currently available, based on our Consolidated Statement of Financial Position at December 31, 2020, is \$1,500,000. Loans outstanding under the facility bear interest at bank prime plus 0.5%. Substantially all of our assets are pledged as collateral for the revolving bank loan facility. No amounts were outstanding under the revolving bank loan facility at December 31, 2020.

We use the revolving bank loan facility primarily to finance operating working capital. Inventory and accounts receivable levels normally fluctuate by as much as \$1,000,000 and accounts payable by an additional \$300,000. We purchase our pulp and 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 credit facility 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 with a final payment of the balance of principal on August 22, 2023. A specific charge against the equipment purchased with the loan proceeds and a fixed and floating charge on substantially all of the company's assets are pledged as collateral.

At December 31, 2020 we are in compliance with all of our covenants to the bank regarding the revolving bank loan facility and the term loan credit facility and do not anticipate difficulty maintaining this compliance during the forthcoming year. If we are not compliant with the covenants, and are unable to obtain a waiver from the bank, the loans will become payable on demand.

We have entered into interest rate swaps which convert our variable rate term loan interest to an effective 3.88% fixed rate until November 2022. If long-term market expectations are for interest rates on bankers acceptances to increase, we will reflect an unrealized gain on the interest rate swaps. If the expectations

are for rates to decrease, we will reflect an unrealized loss. A 1% rise in the interest rate could create an unrealized gain of approximately \$55,000. A 1% decrease could create an unrealized loss of approximately \$100,000. As the loan is repaid and the remaining term of the loan decreases, the exposure is reduced. If the loan is repaid on schedule until November 2022, any unrealized gain or loss will be eliminated. At December 31, 2020 we had an unrealized loss of \$45,487 on the interest rate swaps.

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>February 25, 2020</u>
Authorized common shares without par value	Unlimited
Issued common shares	35,615,800
Shares issuable on exercise of outstanding stock options	1,420,000
Shares available for future stock option grants	2,141,580

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.



WestBond Enterprises Corporation

Notice to Reader

The accompanying interim consolidated financial statements of WestBond Enterprises Corporation for the three month and nine month periods ended December 31, 2020 and 2019 have been prepared by and are the responsibility of the company's management. They are unaudited and have not been reviewed by independent auditors.

WestBond Enterprises Corporation
Consolidated Statements of Financial Position
Canadian Dollars
(Unaudited)

	Notes	December 31 2020 \$	March 31 2020 \$
ASSETS			
Non-Current Assets			
Plant and equipment		8,901,830	7,564,112
Right-of-use assets		2,448,314	2,657,020
Deferred tax asset		14,680	18,845
		11,364,824	10,239,977
Current Assets			
Inventory		1,897,168	1,286,708
Trade and other receivables		2,577,069	1,611,361
Prepaid expenses		114,274	88,292
Cash and cash equivalents		307,908	394,051
		4,896,419	3,380,412
Total Assets		16,261,243	13,620,389
EQUITY AND LIABILITIES			
Equity			
Common shares issued and outstanding	4	4,138,710	4,138,710
Stock options	4	106,400	-
Contributed surplus		294,089	294,089
Retained earnings	5	3,843,936	1,458,218
Equity attributable to common shareholders		8,383,135	5,891,017
Liabilities			
Non-Current Liabilities			
Term bank loans		1,190,464	1,726,180
Unrealized loss on interest rate swap		45,487	64,939
Lease liability		2,352,212	2,514,018
Deferred tax liability		1,739,939	1,227,568
		5,328,102	5,532,705
Current Liabilities			
Term bank loans		714,288	714,288
Lease liability		215,056	207,983
Trade and other payables		1,220,891	1,274,396
Income tax payable		399,771	-
		2,550,006	2,196,667
Total Liabilities		7,878,108	7,729,372
Total Equity and Liabilities		16,261,243	13,620,389
Commitments	6		

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

WestBond Enterprises Corporation
Consolidated Statements of Profit and Comprehensive Income
Canadian Dollars
(Unaudited)

	Notes	Three months ended		Nine months ended	
		December 31		December 31	
		2020	2019	2020	2019
		\$	\$	\$	\$
Sales	7	6,157,646	2,978,487	11,381,287	8,731,554
Cost of sales	8	2,951,968	2,298,060	6,790,327	6,779,620
Gross Profit		3,205,678	680,427	4,590,960	1,951,934
Selling and distribution expenses	9	246,832	248,709	640,774	697,566
General and administrative expenses	10	332,934	184,284	700,350	534,159
Operating Profit		2,625,912	247,434	3,249,836	720,209
Foreign exchange loss (gain)		14,210	(1,253)	18,669	(4,804)
Interest expense on bank loans		19,888	26,910	64,972	85,293
Interest expense on lease liabilities		28,972	30,978	88,331	94,658
Government Emergency Wage Subsidy		-	-	(204,710)	-
Unrealized gain on interest rate swap		(8,597)	(12,392)	(19,452)	(16,173)
Profit Before Tax		2,571,439	203,191	3,302,026	561,235
Income tax expense		721,198	52,535	916,308	149,367
Profit and Comprehensive Income		1,850,241	150,656	2,385,718	411,868
Weighted average shares outstanding		35,515,800	34,201,670	35,515,800	33,845,073
Earnings per share, basic and fully diluted		0.052	0.004	0.067	0.012

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

WestBond Enterprises Corporation
Consolidated Statements of Changes in Equity
Canadian Dollars
(Unaudited)

	Common Shares	Stock Options	Contributed Surplus	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance as at March 31, 2019	3,903,940	81,770	294,089	1,071,338	5,351,137
Adjustment of opening balance on adoption of IFRS 16	-	-	-	142,522	142,522
Balance as at April 1, 2019	3,903,940	81,770	294,089	1,213,860	5,493,659
Exercise of stock options	234,770	(81,770)	-	-	153,000
Dividends paid, \$0.005 per share	-	-	-	(257,868)	(257,868)
Profit for the period	-	-	-	411,868	411,868
Balance as at December 31, 2019	4,138,710	-	294,089	1,367,860	5,800,659
Balance as at March 31, 2020	4,138,710	-	294,089	1,458,218	5,891,017
Grant of stock options	-	106,400	-	-	106,400
Profit for the period	-	-	-	2,385,718	2,385,718
Balance as at December 31, 2020	4,138,710	106,400	294,089	3,843,936	8,383,135

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

WestBond Enterprises Corporation
Consolidated Statements of Cash Flows
Canadian Dollars
(Unaudited)

Notes	Three months ended December 31		Nine months ended December 31	
	2020	2019	2020	2019
			\$	\$
Operating Activities				
Profit	1,850,241	150,656	2,385,718	411,868
Adjustments to reconcile profit to cash flows from operating activities				
- depreciation of plant and office equipment	181,135	172,230	514,777	511,086
- depreciation of right-of-use assets	69,822	69,822	208,707	208,707
- grant of stock options	106,400	-	106,400	-
- unrealized gain on interest rate swap	(8,597)	(12,392)	(19,452)	(16,173)
- interest expense on bank loans	19,888	26,910	64,972	85,293
- interest expense on lease liabilities	28,972	30,978	88,331	94,658
- income tax expense	721,198	52,535	916,308	149,367
Cash flows from operating activities before changes in non-cash working capital	2,969,059	490,739	4,265,761	1,444,806
Decrease (increase) in				
- inventory	(91,806)	(51,558)	(610,460)	(120,792)
- trade and other receivables	(1,283,053)	(3,732)	(965,708)	(14,407)
- prepaid expenses	262,367	37,147	(29,134)	(17,205)
Increase (decrease) in				
- trade and other payables	(80,275)	(62,586)	(119,194)	(186,511)
Net Cash Flow from Operating Activities	1,776,292	410,010	2,541,265	1,105,891
Investing Activities				
Purchase of plant and equipment	11	(1,208,948)	(1,786,223)	(382,822)
Financing Activities				
Issuance of common shares for cash on exercise of options	-	153,000	-	153,000
Dividends paid	-	(88,788)	-	(257,868)
Repayment of term loans	(178,572)	(178,572)	(535,716)	(535,716)
Decrease in revolving bank loans	(150,186)	-	-	-
Interest paid on bank loans	(19,512)	(26,400)	(61,820)	(84,038)
Interest portion of lease payments	(29,648)	(31,104)	(88,916)	(84,475)
Principal portion of lease payments	(51,568)	(47,963)	(154,733)	(144,120)
Net Cash Flow from Financing Activities	(429,486)	(219,827)	(841,185)	(953,217)
Net Decrease in Cash and Cash Equivalents	137,858	145,971	(86,143)	(230,148)
Cash and Cash Equivalents at the Beginning of the Period	170,050	97,911	394,051	474,030
Cash and Cash Equivalents at the End of the Period	307,908	243,882	307,908	243,882

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

WESTBOND ENTERPRISES CORPORATION

Notes to the Interim Consolidated Financial Statements

December 31, 2020 and 2019

(Canadian Dollars)

(unaudited)

1. GENERAL INFORMATION

WestBond Enterprises Corporation and its wholly owned subsidiary, WestBond Industries Inc., (together, the company) are a paper manufacturer and converter that manufactures disposable products for medical, hygienic and industrial uses. The company's manufacturing facilities are in Canada and its sales are primarily to Canada and the United States of America. The company is incorporated in British Columbia, Canada, and has its principal place of business at 101 – 7403 Progress Way, Delta, British Columbia.

The interim consolidated financial statements of the company for the three and six month periods ended December 31, 2020 were approved and authorized for issue by resolution of the directors on February 25, 2021.

2. BASIS OF PREPARATION AND INTERIM PERIOD REPORTING

The interim consolidated financial statements of the company have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, ("IAS 34"). The policies applied in these interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the company's annual consolidated financial statements for the year ending March 31, 2021 could result in restatement of these interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as in the consolidated financial statements for the year ended March 31, 2020.

The disclosure contained in these interim consolidated financial statements is condensed and includes only selected explanatory notes and does not duplicate or repeat disclosure reported in the consolidated financial statements for the year ended March 31, 2020 that has not changed materially since their date of issue. Accordingly, these interim consolidated financial statements should only be read in conjunction with the consolidated financial statements of the company for the year ended March 31, 2020.

3. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2020 the company incurred total compensation, comprising short-term employee benefits, of \$359,961 (2019 – \$297,933), to the directors and officers of the company and incurred \$16,882 (2019 – \$9,263) of legal fees in the normal course of operations with a firm in which a director of the company is associated.

WESTBOND ENTERPRISES CORPORATION

Notes to the Interim Consolidated Financial Statements

December 31, 2020 and 2019

(Canadian Dollars)

(unaudited)

4. STOCK OPTIONS

During the nine months ended December 31, 2020 the company issued options to employees and directors to purchase up to 1,520,000 common shares of the company at \$0.55 per share until October 5, 2025. The options were fully vested on granting. The fair value of \$106,400 ascribed to the options was estimated using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.35%, a dividend yield of 14.55%, an expected option life of 5 years and expected volatility of 54%. The expected volatility was estimated using five years of historical data. An option to purchase 100,000 shares was exercised subsequent to December 31, 2020.

5. DIVIDEND

Subsequent to December 31, 2020 the company declared a dividend of \$0.02 per share payable on March 22, 2021 to shareholders of record on March 5, 2021 and quarterly thereafter.

6. COMMITMENTS

Commitments to purchase equipment for US\$176,000 were outstanding at December 31, 2020, including the commitment of US\$14,000 outstanding at March 31, 2020. The irrevocable letter of credit outstanding at March 31, 2020 expired during the nine months ended December 31, 2020.

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
December 31, 2020 and 2019
Canadian Dollars
(unaudited)

	Three months ended		Nine months ended	
	December 31		December 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
7. SALES				
Personal hygiene products	478,008	758,199	1,761,152	2,707,490
Clinical products	449,713	568,413	1,144,303	1,492,012
Wipes	4,578,868	501,946	7,249,195	1,456,913
Non-wipe air laid products	642,192	1,132,913	1,194,831	3,035,912
Other products	8,865	17,016	31,806	39,227
	<u>6,157,646</u>	<u>2,978,487</u>	<u>11,381,287</u>	<u>8,731,554</u>
8. COST OF SALES				
Materials	1,918,237	1,524,856	4,245,004	4,469,898
Production labour	409,402	234,007	856,465	733,264
Factory overhead labour	180,401	118,065	447,141	339,230
Variable overhead	137,145	127,626	367,119	377,076
Fixed overhead	62,609	58,068	171,249	160,262
Depreciation of plant equipment	179,100	170,364	508,834	505,375
Depreciation of right-of-use assets	65,074	65,074	194,515	194,515
	<u>2,951,968</u>	<u>2,298,060</u>	<u>6,790,327</u>	<u>6,779,620</u>
9. SELLING AND DISTRIBUTION EXPENSES				
Shipping	201,071	206,936	509,445	594,676
Wages, commissions and other employee benefits	37,169	30,166	95,076	84,247
Other	8,592	11,607	36,253	18,643
	<u>246,832</u>	<u>248,709</u>	<u>640,774</u>	<u>697,566</u>
10. GENERAL AND ADMINISTRATIVE EXPENSES				
Administration and office	36,551	31,318	94,774	92,063
Corporate promotion	2,996	4,364	6,456	9,153
Depreciation of right-of-use assets	4,748	4,748	14,192	14,192
Impairment loss on trade receivables	-	-	18,311	-
Professional fees	23,132	13,711	59,932	44,454
Salaries and other employee benefits	265,507	130,143	506,685	374,297
	<u>332,934</u>	<u>184,284</u>	<u>700,350</u>	<u>534,159</u>
11. NON-CASH INVESTING ACTIVITIES				
Increase (decrease) in accounts payable related to purchase of plant and equipment	19,543	2,921	66,272	(11,797)