Introduction

This Management's Discussion and Analysis ("MD&A") is dated February 28, 2019 unless otherwise indicated and should be read in conjunction with the unaudited consolidated condensed interim financial statements of GreenPower Motor Company Inc. ("GreenPower", "the Company", "we", "our" or "us") for the three and nine month periods ended December 31, 2018 and 2017 and the related notes. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in US dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three and nine month periods ended December 31, 2018 are not necessarily indicative of the results that may be expected for any future period. The consolidated condensed interim financial statements are prepared in compliance with International Financial Reporting Standards.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

GreenPower designs, builds and distributes a full suite of high-floor and low-floor vehicles, including transit buses, school buses, shuttles, a cargo van and a double decker. GreenPower employs a clean-sheet design to manufacture all-electric buses that are purpose built to be battery powered with zero emissions. GreenPower integrates global suppliers for key components, such as Siemens or TM4 for the drive motors, Knorr for the brakes, ZF for the axles and Parker for the dash and control systems. This OEM platform allows GreenPower to meet the specifications of various operators while providing standard parts for ease of maintenance and accessibility for warranty requirements. For further information go to **www.greenpowerbus.com.**

Operations

The following is a description of GreenPower's business activities during the three-month period ended December 31, 2018.

During October, GreenPower held demonstration tours of an EV Star all-electric Min-eBus with transit operators, private tour operators and government organizations in Victoria, Burnaby and Vancouver, Canada. GreenPower also attended the NPA Conference in Las Vegas and provided demonstrations of the EV Star. Later in October, GreenPower management attended the Green California Schools and Community College

Summit, spoke on a panel at the conference, and showcased the Synapse Type D all-electric school bus.

GreenPower was awarded a contract for six EV Stars from Sacramento Regional Transit ("SacRT") for deployment on its SmaRT Ride service. SacRT provides public transportation for the City of Sacramento and most of Northern Sacramento County. Earlier in 2018, SacRT launched SmaRT Ride, a new on-demand service where customers use a smartphone app to request shuttle rides within a designated service area. Following the success of its debut, SacRT received a $12 million grant from the Sacramento Transportation Authority to expand this service. SacRT plans on operating its SmaRT Ride shuttle service in 12 Sacramento communities, including the first disadvantaged community to receive the service.

In November, GreenPower received an order for three EV Stars from Green Commuter for deployment for Vanpooling and Sharing services. Green Commuter is an all-electric vanpool provider based in California that combines vanpooling, car sharing and fleet replacement.

During November, GreenPower received an order for 5 EV250 thirty-foot all-electric buses. San Joaquin Valley Equipment Leasing Inc., a subsidiary of GreenPower, provided lease financing for one EV 250 and entered into two separate lease financing arrangements with the same customer for two EV350 40-foot electric buses. Under the terms of the leases on the EV 350s, the customer has the option to return either of the EV 350s to GreenPower in exchange for a new EV250.

During the quarter, GreenPower completed preparation of a 50,000 square foot leased facility in the City of Porterville, California. This facility is set up as a manufacturing and assembly center with an initial focus on the production of EV Stars and EV Star Plus buses.

In December, GreenPower completed and delivered two EV Star buses to the University of California San Francisco. Management from GreenPower also attended the LD Micro Conference where they met with potential investors and investment banks.

During the quarter the Company increased its operating Line of Credit by $3,000,000 from a credit limit of $2,000,000 to a credit limit of $5,000,000. Two of the Company's directors have provided personal guarantees for the Line of Credit, and it is also secured by the assets of GreenPower. The Line of Credit bears interest at the bank's US Base Rate (6.0% at December 31, 2018) plus a margin of 1.5%. The Line of Credit is being used to finance the production costs for the Company's all-electric buses and for ongoing working capital requirements.

During the quarter, GreenPower continued production on six Synapse 72 school buses. GreenPower had also substantially completed production of three EV350 vehicles for the City of Porterville which are expected to be delivered in the fourth quarter. The Company is producing three additional EV350s, two of which are scheduled to be delivered to the City of Porterville during the first half of calendar year 2019.

Finally, 8 EV Star Min-eBuses are currently under production and thirty more are in pre-production to satisfy existing orders.

As at December 31, 2018, the Company had:

- Three EV350's, an EV school bus and charging stations classified as equipment on the balance sheet totaling $1,185,953.
- Work in process inventory and production supplies representing EV350's, EVStar's, and Synapse 72 school buses totaling $5,027,089 and;
- Finished goods inventory representing charging stations totaling $138,000.

Trends

The Company does not know of any trends, commitments, events, or uncertainty that are expected to have a material effect on the Company's business, financial condition, or results of operations other than as disclosed herein under "Risk Factors" and the paragraph below.

Results of Operations

For the three-month period ended December 31, 2018 and 2017

For the three-month period ended December 31, 2018 the Company recorded revenues of $1,106,530 and cost of revenues of $516,221 generating a gross profit of $590,309 or 53% of revenues. The revenue was generated from the sale of two EV Star's and from the sale of three vehicles for which GreenPower provided lease financing: an EV 250 and two EV 350's. Operating costs consists of administrative fees of $516,432 relating to salaries, project management, accounting, and administrative services; transportation costs of $58,780 which relate to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $48,281 related to travel for project management, demonstration of company products, and trade shows; product development costs of $108,157; sales and marketing costs of $90,618; interest and accretion on the convertible debentures, Line of Credit and promissory note of $375,601; professional fees of $67,872 consisting of legal and audit fees; as well as $57,282 of non-cash share-based compensation expense and depreciation of $114,239. The remaining operating costs for the period amounted to $68,781 in general corporate expenses resulting in a consolidated net loss of $915,734. Non-cash expenses consisting of depreciation, share-based compensation, and accretion totaled $298,841 in the three-month period.

The consolidated total comprehensive loss for the three-month period was impacted by $20,840 of other comprehensive loss as a result of the translation of the entities with a different functional currency than presentation currency.

The Company had a net loss from operations for the period of $1,081,095 for the three months ended December 31, 2017, including revenues of $20,453 which related to income generated from the lease of the EV550. Operating costs for the period amounted to $1,101,548 and consists of administrative fees of $287,603 relating to salaries, project management, accounting, and administrative services; transportation costs of $50,804 which related to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $81,106 related to travel for project management, demonstration of company products, and trade shows; product development costs of $98,459; sales and marketing costs of $96,662; interest and accretion on the convertible debentures and promissory note of $194,562; professional fees of $30,264 consisting of legal and audit fees; as well as $70,608 of share-based compensation expense and depreciation of $138,639. The remaining operating costs of the period amounted to approximately $52,841 in general corporate expenses.

The consolidated total comprehensive loss for the period was impacted by $2,033 of other comprehensive loss as a result of the translation of the entities with a different functional currency than presentation currency and the write down of exploration and evaluation assets in the amount of $28,817.

For the nine-month period ended December 31, 2018 and 2017

The Company had a consolidated net loss of $2,990,385 for the nine months ended December 31, 2018, including revenues of $3,595,892 which related to income generated from the sale of EV 350s to the City of Porterville, the sale of EV Stars, and from lease transactions with a customer for one EV 250 and 2 EV 350s. Operating costs consisted of administrative fees of $1,525,859 relating to salaries, project management, accounting, and administrative services; transportation costs of $188,144 which related to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $195,097 related to travel for project management, demonstration of company products, and trade shows; product development costs of $278,416; sales and marketing costs of $310,702; interest and accretion on the convertible debentures, Line of Credit and promissory note of $972,255; professional fees of $187,882 consisting of legal and audit fees; as well as $238,991 of share-based compensation expense and depreciation of $343,601. The remaining operating costs for the period amounted to approximately $216,880 in general corporate expenses.

The consolidated total comprehensive loss for the period was impacted by $38,863 of other comprehensive loss as a result of the translation of the entities with a different functional currency than presentation currency.

The Company had a consolidated net loss of $3,410,382 for the nine months ended December 31, 2017, including revenues of $80,166 which related to income generated from the lease of the EV550. Operating costs consisted of administrative fees of $839,366 relating to salaries, project management, accounting, and administrative services; transportation costs of $172,646 which related to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $308,727 related to travel for project management, demonstration of company products, and trade shows; product development costs of $303,399; sales and marketing costs of $277,297; interest and accretion on the convertible debentures and promissory note of $345,948; professional fees of $87,664 consisting of legal and audit fees; as well as $677,275 of share-based compensation expense and depreciation of $398,569. The remaining operating costs of the period amounted to approximately $79,657 in general corporate expenses.

The consolidated total comprehensive loss for the period was impacted by $4,962 of other comprehensive loss as a result of the translation of the entities with a different functional currency than presentation currency.

Cash Expenses for the three and nine months ended December 31, 2018

	For the three months ended,		**For the nine months ended,**	
	December 31, 2018	**December 31, 2017**	**December 31, 2018**	**December 31, 2017**
Total Expenses	$ 1,506,043	$ 1,101,548	$ 4,457,827	$ 3,490,548
Depreciation	(114,239)	(138,639)	(343,601)	(398,569)
Accretion	(127,320)	(125,012)	(364,773)	(218,108)
Share-based payments	(57,282)	(70,608)	(238,991)	(677,275)
Total Cash Expenses (1)	$ 1,207,202	$ 767,289	$ 3,510,462	$ 2,196,596

Adjusted EBITDA for the three and nine months ended December 31, 2018

	For the three months ended,		For the nine months ended,	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net loss for the period	$ (915,734)	$ (1,081,095)	$ (2,990,385)	$ (3,410,382)
Depreciation	114,239	138,639	343,601	398,569
Interest and accretion	375,601	194,562	972,255	345,948
Share-based payments	57,282	70,608	238,991	677,275
Adjusted EBITDA (1)	$ (368,612)	$ (677,286)	$ (1,435,538)	$ (1,988,590)

(1) Non-IFRS Financial Measures: "Total Cash Expenses", as defined above, and "Adjusted EBITDA" reflects net income or loss before interest, taxes, share-based payments, depreciation and amortization. Adjusted EBITDA is a measure used by analysts and investors as an indicator of operating cash flow since it excludes the impact of movements in working capital items, non-cash charges and financing costs. Therefore, Adjusted EBITDA gives the investor information as to the cash generated from the operations of a business. However, Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered a substitute for other financial measures of performance. Adjusted EBITDA as calculated by GreenPower may not be comparable to Adjusted EBITDA as calculated and reported by other companies. The most comparable IFRS measure to Adjusted EBITDA is net income.

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

	Three Months Ended			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Financial results				
Revenues	$ 1,106,530	$ 9,008	$ 2,480,412	$ 3,435,990
Net income (loss) for the period	(915,734)	(1,445,472)	(629,179)	665,059
Basic and diluted earnings (loss) per share*	$ (0.01)	$ (0.02)	$ (0.01)	$ 0.01
Balance sheet data				
Working capital (deficit)	(80,804)	824,357	1,892,871	2,180,184
Total assets	12,843,812	11,698,365	8,814,984	7,490,466
Shareholders' equity	414,804	1,264,228	1,662,694	2,167,745

* Based upon the weighted average number of shares issued and outstanding for the period

	Three Months Ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Financial results				
Revenues	$ 20,453	$ 30,948	$ 28,765	$ -
Net income (loss) for the period	(1,081,095)	1,001,066	(1,328,221)	(888,792)
Basic and diluted loss per share*	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Balance sheet data				
Working capital (deficit)	2,056,090	1,158,588	901,578	(111)
Total assets	6,952,374	6,222,668	5,392,234	4,519,597
Shareholders' equity	1,877,410	1,935,380	2,174,280	2,177,227

* Based upon the weighted average number of shares issued and outstanding for the period

Liquidity

During the quarter, the Company increased its Line of Credit with a senior Canadian chartered bank by US $3,000,000 to a maximum amount of US $5,000,000. The Line of credit bears interest at the bank's US Base Rate rate plus 1.5% (6.0% at December 31, 2018). The Line of Credit is guaranteed by two of the Directors of the Company.

At December 31, 2018, the Company had drawn $3,387,527 against its line of credit, with $1,612,473 available, and had a working capital deficit of $80,804. The Company will continue to rely on additional financings and the sale of its inventory to further its operations and meet its capital requirements to manufacture EV vehicles, complete the Altoona test, initiate construction of the manufacturing facility, and further develop its sales and marketing, engineering, and technical resources.

Capital Resources

Period ended December 31, 2018 and up to the date of this report

Authorized: Unlimited number of common shares without par value
Authorized: Unlimited number of preferred shares without par value

On December 11, 2018 the convertible debentures issued on December 11, 2015, with a remaining balance prior to maturity of CDN$757,000 matured. In December, CDN$40,000 worth of debentures from this series were converted into 100,000 common shares at a conversion price of CDN$0.40 per share. $15,000 of the debentures were repaid during December, and the remaining investors have agreed to be repaid between January 2019 and December 2019.

Investing Activities

For the three-month period ended December 31, 2018

See the Operations section above for a summary of the Company's business activities during the quarter. In December 2018, a wholly owned subsidiary of the Company agreed to lease one EV 250 and two EV 350s to a customer. These vehicles were previously held as equipment and inventory of GreenPower.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company has entered into two leases with a customer to finance EV 350 buses, where the Company is a lessor and the customer is a lessee. Each lease has a firm term of three years, and each includes an option that allows the Customer to exchange the bus underlying the lease for a new bus. In accordance with IFRS 16, the Company has classified these two leases as operating leases and has not recorded an asset relating to these operating leases on its balance sheet as at December 31, 2018. The Company will recognize rental revenue from the leases over the term of the leases as it is earned and received, and so long as the Customer does not exercise its option to exchange the equipment prior to the end of the lease term. To the extent rental revenue is earned and received these operating leases may have an impact on the future results of operations of the Company.

Related Party Transactions

A summary of compensation for directors, officers and key management personnel is as follows:

	Nine Month Period Ended December 31, 2018	December 31, 2017
Salaries and benefits, consulting fees	$420,492	$ 366,750
Accommodation	$24,804	52,966
Truck and trailer rentals	$105,892	97,920
Share based payments	$168,707	533,031
Total	$719,895	$ 1,050,667

Salaries and benefits and consulting fees incurred with directors and officers are included in Administrative fees and Professional fees on the Consolidated Condensed Interim Statements of Operations.

Accommodation expense paid to Stage Coach Landing, Inc., a company that the Chairman of GreenPower is an officer and director. These costs are expensed on the Consolidated Condensed Interim Statements of Operations.

Truck and trailer rental fees paid to Maple Leaf Equipment Aircraft and Recovery Inc., a company that the Chairman of GreenPower is an officer and director. These costs are included in Transportation costs on the Consolidated Condensed Interim Statements of Operations.

Amounts recognized for related party stock-based compensation are included in Share-based payments on the Consolidated Condensed Interim Statements of Operations.

Accounts payable and accrued liabilities at December 31, 2018, included nil (March 31, 2018 - $57,755) owed to officers, directors, companies controlled by directors and officers, and shareholders, which is non-interest bearing, unsecured and has no fixed terms of repayment.

During the nine-month period ended December 31, 2018, a company beneficially owned by the Chairman of the Company loaned the Company an additional CAD $955,000 and US $100,000, bringing the aggregate balance at December 31, 2018 to CDN $1,455,000 and US $120,000 both at a rate of 10% per annum with no fixed terms of repayment.

During the period ended December 31, 2018, there were $187,305 (March 31, 2018 - $38,034) of shareholder loan repayments.

Loans payable to related parties of $1,532,647 at December 31, 2018 (March 31, 2018 - $756,261) includes the CDN $1,465,000 and US $120,000 loans with terms described above and other loans payable to directors and officers, companies controlled by directors and officers, and shareholders of the Company, which are unsecured and have no fixed terms of repayment.

The outstanding balance of unconverted convertible debentures at December 31, 2018 (Note 12), includes CDN$3,025,000 owed to directors and companies controlled by directors.

These transactions were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the calculation of the fair value of stock options and warrants issued by the Company
- the determination of the useful life of equipment
- the allocation between debt and equity for the convertible debentures
- the calculation for provision for warranty expense
- the Company's ability to continue as a going concern
- the determination of the discount rate to use to discount the promissory note receivable;
- the determination of categories of financial assets and financial liabilities;
- the determination of the functional currency of each entity within the consolidated Company;

Financial Instruments

The Company's financial instruments consist of the bank line of credit, receivables, promissory note receivable, accounts payable and accrued liabilities, loans payable, promissory note and convertible debentures. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at December 31, 2018, the Company had a working capital deficit of $80,804. The Company's continuing operations are dependent upon its ability to raise capital and generate cash flows from operations.

The Company has exposure to the following financial instrument related risks.

<u>Credit risk</u>

The Company's exposure to credit risk is on its cash, receivables, and promissory note receivable. The maximum exposure to credit risk is their carrying amounts in the consolidated condensed interim statement of Financial Statements. Cash consists of cash bank balances held in major Canadian and United States financial institutions with a high credit quality and therefore the Company is exposed to minimal risk. The Company assesses the credit risk of its promissory note receivable counterparty on an annual basis and believes it is exposed to minimal credit risk.

<u>Liquidity risk</u>

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in a bank and is available on demand. The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

As at December 31, 2018 the Company's Line of Credit had a maximum limit of US $5,000,000, which was increased during the quarter by an additional US $3,000,000 from a limit of US $2,000,000 at September

30, 2018. The Line of Credit bears interest at the bank's US Base Rate rate plus 1.5% (December 31, 2018 – 6.0%). As of December 31 2018 the outstanding balance owing on the Company's Line of Credit was $3,387,527 with $1,612,473 available to be drawn.

Market risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange. The Company believes interest rate risk is not material.

The Company is exposed to foreign exchange risk as it conducts business in both the United States and Canada. Management monitors its foreign currency balances; the Company does not engage in any hedging activities to reduce its foreign currency risk.

At December 31, 2018, the Company was exposed to currency risk through the following monetary assets and liabilities in CDN Dollars.

	CDN$
GST Receivable	$149,292
Promissory note receivable	$780,357
Accounts payable and accrued liabilities	$(215,172)
Loans payable to related parties	$(1,875,629)
Convertible debentures	$(5,021,000)
Notes payable	$(683,985)

Based on the net exposure and assuming all other variables remain constant, a 10% change in the appreciation or depreciation of the Canadian dollar relative to the US dollar would result in a change of approximately $686,614 to other comprehensive income/loss.

Capital Management

The capital structure of the Company consists of cash and equity attributable to the common shareholders, consisting of share capital and deficit.

There has been no change with respect to the overall capital risk management strategy during the three months ended December 31, 2018. The Company is not subject to any externally imposed capital requirement.

Outlook

For the immediate future, the Company intends to:

- facilitate demonstrations of its EV Stars and Synapse 72 across the US and Canada
- manufacture the remaining EV350's for the City of Porterville, six Synapse 72 school buses pursuant to customer orders and remaining EV Stars
- conduct the Altoona test
- initiate the construction of the manufacturing facility in Porterville, California
- further develop its sales and marketing, engineering and technical resources.

Capitalization and Outstanding Security Data

The total number of common shares issued and outstanding is 93,607,453 as of December 31, 2018. There are no preferred shares issued and outstanding.

An incentive stock option plan was established for the benefit of directors, officers, employees and consultants of the Company. As of December 31, 2018, there are 8,582,217 options granted and outstanding. The total number of common share warrants outstanding as of December 31, 2018 is 17,263,197.

The Company has CAD $5,021,000 in convertible debentures outstanding as at December 31, 2018. The convertible debentures are convertible into GreenPower common shares at conversion prices per share ranging between CAD $0.40 and CAD $0.65.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

> (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
>
> (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company has not paid any dividends and may not produce earnings or pay dividends in the immediate or foreseeable future.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers. The success of the Company is dependent upon the efforts and abilities of its directors, officers and employees. The loss of any of its directors, officers or employees could have a material adverse effect upon the business and prospects of the Company.

Operational Risk

The Company is exposed to many types of operational risks that affect all companies. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and/or systems. Operational risk is present in all of the Company's business activities, and incorporates exposure relating to fiduciary breaches, product liability claims, product recalls, regulatory compliance failures, legal disputes, business disruption, technology failures, business integration, damage to physical assets, employee safety, dependence on suppliers, foreign exchange fluctuations, insurance coverage and rising insurance costs. Such risks also include the risk of misconduct, theft or fraud by employees or others, unauthorized transactions by employees, operational or human error or not having sufficient levels or quality of staffing resources to successfully achieve the Company's strategic or operational objectives.

As a result of the acquisition of land in Porterville described in the Investing Activities section, the Company is subject to the risks normally associated with the construction of a manufacturing facility, including, but not limited to, construction delays, natural disasters, labour disputes, cost overruns, insufficient financing and requirements for governmental permits or approvals.

The occurrence of an event caused by an operational risk that is material could have a material adverse effect on the Company's business, financial condition, liquidity and operating results.

Volatile Operating Results

Our orders with our customers generally require time-consuming customization and specification. We incur significant operating expenses when we are building a bus prior to sale or designing and testing a new bus. If there are delays in the sale of buses to customers, such delays may lead to significant fluctuations in results of operations from quarter to quarter, making it difficult to predict our financial performance on a quarterly basis.

Competition in the industry

The Company competes against a number of existing manufacturers of all-electric buses, traditional diesel buses and other buses with various models based on size, purpose or performance features. The Company competes in the non-diesel or alternative fuel segment of this market. There are existing competitors in the various market segments with the potential for future competitors.

Provision for Warranty Costs

The Company offers warranties on the transit, charter and school buses it sells. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives as well as parts and labour costs. Actual warranty expense will differ from the provisions which are estimated by management based on assumptions

Sales and Marketing

Presently, the initial price of the Company's products are higher than a traditional diesel bus. There are some grants and subsidies that are available to offset these higher prices. Sales of Company products may also be impacted by the current market price of diesel fuel, along with the values placed on avoiding other ancillary costs such as noise and vehicle emissions. The Company's products are based on emerging technologies which seek to provide operators and users with vehicles that are all-electric, emission free, and with reduced noise. Any change in these factors could have an impact on the market adoption of the Company's products.

Current requirements and regulations may change or become more onerous

The Company's products must comply with local regulatory and safety requirements in order to be allowed to operate within the relevant jurisdiction or to qualify for funding. These requirements are subject to change and one regulatory environment is not indicative of another.

Trade Tariffs

The Company manufactures and imports key components from overseas that may be subject to tariffs on importation into the United States.

Events After the Reporting Period

Subsequent to the quarter the Company agreed to issue 4,800,000 non-transferrable common share purchase warrants to two Directors of the Company in consideration for guarantees offered by the two directors on the Company's Line of Credit. The warrants will be exercisable at an exercise price of CDN $0.60 per share, expire three years after the issue date, and remain subject to the approval of the TSX Venture Exchange.

In February, the Company received proceeds of CDN $100,000 from the exercise of 400,000 stock options which were exercised at an exercise price of CDN $0.25 per share. In addition, the Board agreed to issue a total of 600,000 options to directors and officers of the Company and 50,000 options to employees. The stock options have a 5-year term and an exercise price of CDN $0.50 per share. The options issued to employees will vest 25% after 4 months and then 25% after years 1, 2 and 3. The stock options issued to directors and officers will vest 25% after 4 months and then 25% after 6 months, 9 months and 12 months.

Additional Disclosure for Venture Issuers Without Significant Revenue

Expenses:

	Nine months ended			
	December 31, 2018		December 31, 2017	
Product Development costs	$	278,416	$	303,399
Intangible assets from development		-		-
Deferred development costs		-		-
General and Administrative expenses	$	1,525,859	$	839,366
Other material costs *	$	238,991	$	677,275

* Share based payments

Further information about the Company and its operations can be obtained from www.sedar.com