

**WESTBRIDGE ENERGY CORPORATION**

**Management's Discussion and Analysis**

**Three Months Ended February 28, 2022**

## MANAGEMENT'S DISCUSSION & ANALYSIS

### WESTBRIDGE ENERGY CORPORATION

The effective date of this management's discussion and analysis ("MD&A") is April 21, 2022.

#### Introduction

The following MD&A of the financial condition and results of the operations of Westbridge Energy Corporation (the "Company" or "Westbridge") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended February 28, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 Continuous Disclosure Obligations.

This discussion is prepared after having given effect to the reverse takeover of the Company by Georgetown Solar Inc ("Georgetown") which was completed on June 17, 2021 (the "RTO"). As a result of the RTO, the former shareholders of Georgetown acquired control of the Company and its listing status. The Company has adopted Georgetown's year end of November 30, and on consolidation Georgetown is treated as the continuing entity. As such, in accordance with International Financial Reporting Standard ("IFRS") No. 3 – "Business Combinations", all of the Company's share capital, contributed surplus and deficit prior to the RTO is eliminated, and comparatives presented for periods before June 17, 2021, represent unconsolidated Georgetown financial information.

This discussion should be read in conjunction with the audited financial statements of the Company for the year ended November 30, 2021, as well as the unaudited condensed consolidated interim financial statements for the three months ended February 28, 2022, together with the notes thereto (the "Financial Statements"). Results are reported in Canadian 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 for the periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at this date, unless otherwise indicated.

As of October 7, 2020, the Company adopted IFRS. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using accounting policies consistent with IFRS. The Financial Statements and this MD&A have been reviewed by the Company's Audit Committee and approved by the Company's board of directors (the "Board of Directors").

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 ("Westbridge 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.

Additional information about Westbridge is available at [www.sedar.com](http://www.sedar.com) and on Westbridge's website at [www.westbridge.energy](http://www.westbridge.energy).

## Description of the Business

Westbridge Energy Corporation is incorporated under the laws of British Columbia, with its head office located at Suite 615 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. The Westbridge Shares are traded on the TSX Venture Exchange (the "TSXV") under the ticker symbol "WEB". The Company's principal activities are focused on originating and profitably exiting utility-scale solar PV projects that use energy storage and enabling technologies. The Company was incorporated on February 9, 1956.

## Trends

The Company is actively developing solar PV projects in Canada and the United States and will be considering future acquisitions of additional solar PV projects to create additional value for shareholders and minimize concentration and other risks by diversifying the Company's portfolio. The jurisdictions in which the Company invests are favourable to renewable energy projects.

In Canada regulation is supportive of renewable energy projects and in particular Alberta's *Renewable Electricity Act, 2006*, seeks to achieve 30% of all power generation from renewables by 2030. There is rising demand for carbon offsets, with carbon prices anticipated to rise from \$40 per tonne to \$170 per tonne by 2030 (under the federal Greenhouse Gas Pollution Pricing Act, 2018) and the oil and gas industry is actively seeking ESG investments. If the regulatory environment is to change, the market demands could be negatively affected, which may have a negative effect on the Company's ability to generate revenues from its developments.

The United States is ranked #1 in Ernst and Young's Renewable Energy Country Attractiveness Index for 2021. Favourable legislation has been introduced at the federal level, which if passed, is anticipated to boost renewable energy generation. Texas in particular, where the Company has the Accalia Point project (see below), is expected to install one third of all utility scale solar set to come on line in 2021 and 2022 having retired around 6,000MW of coal and gas generation since 2016. Similar to Canada however, if the political or regulatory environment were to move against renewables, it may negatively impact the value of the Company's developments.

The recent volatility of power prices and intermittency of renewable energy generation has reiterated the increasing importance of developing battery energy storage projects. Battery storage assets allow the Company to store energy generation until it can be economically dispatched into the grid as well as providing services to the grid with the target of improving reliability, supporting renewables integration and deferring transmission upgrades. The Company is actively developing battery storage assets, to enhance the value of its developments, however as noted above, if the political or regulatory frameworks were to move away from supporting such assets, or materials for the manufacture of batteries were to become significantly more costly, it may negatively impact the value of the Company's assets.

Finally, the outbreak of the novel coronavirus (COVID-19) may cause disruptions to the Company's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) unavailability of contractors and subcontractors, (iii) restrictions that governments impose to address the COVID-19 outbreak, and (iv) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others.

Apart from the foregoing, management is not aware of any trends which may have a material impact on the business of the Company.

## **Business Combination with Georgetown Solar**

On June 17, 2021, the Company completed the RTO with Georgetown pursuant to the business combination agreement dated March 4, 2021. On June 17, 2021, the Company met the requirement to be listed as a TSX Venture Tier 2 Company. Therefore, effective at the opening of trading, Monday June 21, 2021, the Company's listing was transferred from the NEX board to the TSX Venture Exchange and the Company's classification was changed from NEX to Tier 2.

Prior to the RTO (described below), Georgetown was a privately held company focused on the development of large-scale utility solar PV projects. Georgetown is currently in the process of assessment for development of the solar property known as the Georgetown project, which is comprised of approximately 710 acres located in Vulcan County, Alberta (the "Georgetown Project"). To date, Georgetown has conducted environmental fieldwork, wetland delineation and classification and engineering assessments with respect to the Georgetown Project, with a view to the development of the project to "ready to build" status and divestiture (see "Status of the Company's Projects", below). Following completion of the RTO, Westbridge is focussing primarily upon the further assessment and development of the Georgetown Project and other projects as further described below, while seeking additional solar project development opportunities to enhance the overall value of the Company.

### Transaction Structure

The RTO was structured as a three-cornered amalgamation pursuant to which Georgetown amalgamated with a wholly owned subsidiary of Westbridge and Westbridge acquired all of the issued and outstanding shares of Georgetown from the shareholders of Georgetown in exchange for the issuance of an aggregate of 20,000,000 Westbridge Shares to such shareholders (being calculated based on a ratio of 2,000 Westbridge Shares for each one share of Georgetown outstanding). An aggregate of 1,200,000 Westbridge Shares were issued to Invictus Investments Ltd. in connection with the RTO.

### Concurrent Financings

As a condition of the closing of the RTO, Westbridge completed an oversubscribed private placement (the "Private Placement") of 32,060,000 subscription receipts ("Subscription Receipts") at a price of \$0.125 per Subscription Receipt to raise aggregate gross proceeds of \$4,007,500. Immediately prior to the closing of the RTO, each Subscription Receipt automatically converted, for no additional consideration, into one unit (a "Westbridge Unit") comprised of one Westbridge Share and one-half of one share purchase warrant (each whole such share purchase warrant, a "Westbridge Warrant"). Each Westbridge Warrant entitles the holder thereof to purchase one additional Westbridge Share at an exercise price of \$0.20 for a period of two years from the date of issuance of the Westbridge Warrants, provided that in the event that, at any time following August 16, 2021, the closing price of the Westbridge Shares is equal to or exceeds \$0.35 per share for any 10 trading days within any 30-trading day period, Westbridge may accelerate the expiry date of the outstanding Westbridge Warrants by providing 10 days' notice pursuant to the dissemination of a press release announcing such accelerated expiry date. The gross proceeds of the Private Placement were deposited in escrow at closing of the Private Placement with a mutually acceptable escrow agent and released to Westbridge immediately prior to the closing of the RTO.

In addition, as a condition to the closing of the RTO, Georgetown issued convertible debentures in the aggregate principal amount of \$350,000 which, as of closing of the RTO, were automatically converted into an aggregate of 2,800,000 Westbridge Units at a deemed price of \$0.125 per Westbridge Unit (the

“Convertible Debt”). Following the completion of the RTO, the net proceeds from the Private Placement and Debenture Financing were principally used to further assess and develop the Georgetown Project and potential future projects, and for general working capital purposes. While Westbridge intends to spend the funds available to it as stated above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

### **Important Note on Comparative Periods and Change in Year-End**

In connection with the RTO and in accordance with IFRS 3, the Company’s fiscal year-end was changed from December 31 to November 30. The change in year-end aligns Westbridge’s fiscal year-end with that of Georgetown, thereby permitting the reader to undertake a comparative review of previous fiscal periods that are reflective of the historical financial performance of Westbridge’s current solar PV business.

### **Acquisition of Accalia Point Solar LLC**

On September 28, 2021, the Company acquired a 221 MWp solar development project known as Accalia Point Solar located in Cameron County, Texas, U.S. (the “Accalia Project”) from Aelius Solar Corp. (the “Seller”). The Accalia Project assets are owned by Accalia Point Solar (“Accalia”), LLC. Westbridge acquired 100% of the issued and outstanding membership interests of Accalia from the Seller, an arms’ length party, under a Membership Interest Purchase Agreement (“MIPA”).

The Accalia Project has secured site control in the form of long-term solar leases covering approximately 1,120 acres of primarily cultivated farmland, has kicked off interconnection studies and has completed preliminary environmental analyses. Westbridge anticipates completing the development of the Accalia Project and expects to have obtained all necessary permits and be ready to execute an interconnection agreement in Q1 2023.

Under the terms of the MIPA, the total consideration paid at closing was US\$576,000 and milestone payments are payable as follows: US\$442,000 based on certain development milestones over the next 6 to 12 months; US\$331,500 on signing of interconnection agreement and US\$10,000 per MWp installed capacity on the final sale of the Accalia Project.

### **Acquisition of Sunnynook Solar Energy Inc**

On November 30, 2021, the Company acquired a 75% controlling interest in Sunnynook Solar Energy Inc (“Sunnynook”), which is developing a 236MWp solar PV plant with a 100MW Battery Energy Storage System (“BESS”) project located in Sunnynook, Alberta, Canada (the “Sunnynook Project”).

The Sunnynook Project has secured site control in the form of a long-term solar lease covering approximately 940 acres and is currently in Stage 2 of the Alberta Electric System Operator (the “AESO”) interconnection process. Environmental studies are underway in accordance with Alberta Environment and Parks guidelines.

Under the terms of the definitive agreement dated November 30, 2021, total consideration paid at closing was \$301,718 and the Company expects to invest an additional in the region of \$1,500,000 developing the project.

## Caution Regarding Forward-Looking Statements

This MD&A contains certain “forward-looking information” and “forward-looking statements”, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). Such forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company’s control. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking statements contained herein may include, but are not limited to, information with respect to the Company’s expectations regarding: potential future acquisitions, the use of proceeds of the Private Placement and Debenture Financing, anticipated permit availability and timing for the Accalia Project, the execution of an interconnection agreement for the Accalia Project in Q1 2023, the anticipated timing of approval for completion of the AESO interconnection process stages at the Georgetown Project, future trends regarding renewable energy generation in Canada and the United States and the opinion of management that the Company has the requisite financial resources to continue its operations and future growth plans for the next 12 months. These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. By identifying such statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such information and statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A are as of the date of this MD&A.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to availability of capital, permitting and regulatory matters, competition, unexpected costs, risks relating to COVID-19 and other pandemics, community relations, general economic conditions, environmental matters, land use regulations and wildlife and indigenous law matters, availability of labour, access rights, title matters and the risk factors discussed in this MD&A under the heading “Risks Factors”.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All forward-looking statements herein are qualified by this cautionary statement. The Company does not undertake to update any forward-looking

information, except in accordance with applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

### **Status of the Company's Projects**

As of the effective date of this MD&A, the Company is developing three solar utility scale solar PV projects, the Georgetown Project, the Accalia Project, and the Sunnynook Project.

The Georgetown Project has completed necessary project feasibility tasks, including an interconnection feasibility analysis and a constraints and environmental analysis based on land features such as slope data, wetlands, potential impacts to wildlife and the presence of native prairie grasses. A wildlife field study program which began in fall 2020 was completed in summer 2021. The Georgetown Project has completed stage 2 of the 6-stage AESO interconnection process and is currently in stage 3. Formal sign off on stage 2 from the AESO was received on March 31, 2022.

The Accalia Project has secured site control in the form of long-term solar leases covering approximately 1,120 acres of land, has started off interconnection studies and has completed preliminary environmental analyses. The Company anticipates completing the development of the Accalia Project and being ready to execute an interconnection agreement in Q1 2023.

The Sunnynook Project, acquired on November 30, 2021, has secured site control in the form of a long-term solar lease covering approximately 940 acres and is currently in Stage 2 of the AESO interconnection process. Environmental studies are underway in accordance with Alberta Environment and Parks guidelines.

The Company has an active origination pipeline and expects to add additional development projects in fiscal year 2022.

### **Financing Activity During the three months ended February 28, 2022**

There was no financing activity during the three months ended February 28, 2022.

### **Incentive Share Options**

At February 28, 2022, the Company had the following share options outstanding, each enabling holders to acquire one Westbridge Share:

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Number	Exercise Price	Expiry Date
175,000	\$ 0.10	January 7, 2026
5,950,000	\$ 0.30	November 2, 2026
6,125,000		

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## Share Purchase Warrants

At February 28, 2022, the Company had the following share purchase warrants outstanding, each enabling holders to acquire one Westbridge Share:

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Number	Exercise Price	Expiry Date
16,245,000	\$ 0.20	June 17, 2023

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## Selected Summary of Quarterly results

	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
General and admin expenses	\$ 331,170	\$ 351,872	\$ 144,802	\$ 130,996	\$ 17,788	\$ 21,753
Loss before other items	(331,170)	(351,872)	(144,802)	(130,996)	(17,788)	(21,753)
Interest expense	(21)	355	(8,667)	(6,021)	(344)	(229)
Foreign exchange gain (loss)	(4,411)	1,733	7,730	(361)	-	-
Share based payment expense	(403,088)	(470,258)	-	-	-	-
Listing expense on RTO	-	-	(2,549,665)	-	-	-
<b>Comprehensive loss for the period</b>	<b>\$ (738,690)</b>	<b>\$ (820,042)</b>	<b>\$ (2,695,404)</b>	<b>\$ (137,377)</b>	<b>\$ (18,132)</b>	<b>\$ (21,982)</b>
Basic loss per share	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (13.74)	\$ (1.81)	\$ (2.20)
Diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (13.74)	\$ (1.81)	\$ (2.20)

## Results of operations for the three months ended February 28, 2022

General and administrative costs for the three months ended February 28, 2022, are consistent with the three months ended November 30, 2021. These costs increased compared with the three months ended May 31, 2021, and August 31, 2021, as a result of the completion of the RTO in June 2021.

Interest expenses increased during the quarters ended May 31, 2021, and August 31, 2021, as compared to previous quarters due to the interest on the Convertible Debt in Georgetown. In the quarter ended February 28, 2022, this reflects interest on lease liabilities in accordance with IFRS 16 "Leases".

Foreign exchange gains increased during the quarter ended August 31, 2021, as compared to previous quarters as a result of the completion of the RTO and the acquiring of cash denominated in US Dollars. In the quarter ended February 28, 2022, the relative movement in the currencies the Company is exposed to, specifically the US Dollar, has resulted in foreign exchange losses for the three months.

The share based payment expense in the quarter ended February 28, 2022, reflects the expense recorded to reflect the vesting of a portion of the 5,950,000 share options issued on November 2, 2021.

The listing expense on RTO in the quarter ended August 31, 2021, reflects the cost of Georgetown acquiring the business and listing status of Westbridge on June 17, 2021.

## General and Administrative Expenses

For the three months ended February 28, 2022, general and administrative expenses totaled \$331,170. These were due to:

- Office and miscellaneous costs of \$187,754 (2021: \$nil), which included fees payable to management of \$63,014 (2021: \$nil);
- A credit on professional fees of \$8,639 (2021: \$nil) resulting from the release of an accrual for audit fees to reflect the appropriate expense;
- Depreciation of right of use assets of \$2,152 (2021: \$2,152); and
- Consultancy fees of \$149,903 (2021: \$15,636) due to the cost of consultants assisting with the development projects and marketing expenditure, which included research and origination costs of \$94,743 (2021: \$nil).

## **Interest Expense**

For the three months ended February 28, 2022, interest expenses totalled \$21 (2021: \$344), reflecting interest expenses on lease liabilities. Interest expenses in previous quarters were higher due to interest on convertible debt in Georgetown, which was fully converted as part of the RTO.

## **Foreign Exchange Gain (Loss)**

For the three months ended February 28, 2022, foreign exchange losses totaled \$4,411 (2021: \$nil). Foreign exchange gains and losses increased following the RTO due to cash acquired denominated in US Dollars, and variances between quarters arise from the relative movements in currencies, specifically the US and Canadian Dollars.

## **Listing Expense on RTO**

For three months ended August 31, 2021, the listing expense resulting from the RTO totaled \$2,549,665. This reflects the cost of Georgetown acquiring the business and listing status of Westbridge on June 17, 2021. This does not recur in future quarters.

## **Liquidity and Capital Resources**

At February 28, 2022, the Company had cash on hand of \$2,327,440 (November 30, 2021- \$3,244,436) and working capital of \$2,044,350 (November 30, 2021 – \$2,867,625).

Cash used during the three months ended February 28, 2022, was \$915,377 (2021: \$nil) of which:

- \$144,000 was provided by financing activities (2021: \$nil);
- \$523,577 was used in operating activities (2021: \$nil);
- \$535,819 was used by investing activities (2021: \$nil); and
- \$1,619 was as a result of losses on foreign exchange (2021: \$nil).

Cash provided by financing activities consisted of \$160,000 in proceeds from the exercise of share purchase warrants. \$16,000 was used in making payments on leases.

Cash used in operating activities for the three months ended February 28, 2022, is as a result of a loss from operations after adjusting for non-cash items of \$333,436, a net increase in accounts receivable and prepaid expenses of \$37,979 and an increase in accounts payable and accrued liabilities of \$152,143.

Cash used by investing activities consisted of \$535,819 used in the purchase of assets, specifically the development of the Georgetown Project, the Accalia Project and the Sunnynook Project.

At February 28, 2022, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business but had working capital of \$2,044,350. At this time, the Directors are of the opinion that that the Company has the requisite financial resources to continue its operations and future growth plans for the next 12 months.

## Commitments

The Company has no commitments for capital expenditures.

At February 28, 2022, and November 30, 2021, the Company had the following commitments under lease obligations:

	<b>February 28, 2022</b>	<b>November 30, 2021</b>
	Present value	Present value
Within one year	\$ 17,719	\$ 3,273
Within two to five years	64,731	3,662
In over 5 years	28,207	-
<b>Total</b>	<b>\$ 110,657</b>	<b>\$ 6,935</b>

## Off-Balance Sheet Transactions

The Company does not have any off-balance sheet transactions.

## Related Party Transactions for the year ended November 30, 2021

The Company entered into the following transactions with related parties during the three months ended February 28, 2022.

	February 28,	February 28,
	2022	2021
Management fees, Executive Chairman	\$ 12,500	\$ -
Management fees, Chief Executive Officer	\$ 18,776	-
Management fees, Chief Operating Officer	\$ 17,336	-
Management fees, Chief Financial Officer	\$ 11,902	-
Consulting fees, party related to Director	\$ 2,500	-
Rental fees, party related to Executive Chairman	\$ 2,500	-
Share based payments, directors and officers	\$ 300,172	-
<b>Total</b>	<b>\$ 365,686</b>	<b>-</b>

The Company did not enter into any additional transactions with related parties during the period other than as specified above.

Amounts due to related parties are non-interest bearing, unsecured and have no specific terms of repayment. Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

### Financial Instruments

The Company's financial assets consist of cash, which is designated as held for trading and measured at fair value; and amounts receivable which are designated as loans and receivables and measured at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities which are designated as other financial liabilities and measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

### Outstanding Share Data

The following table summarizes the outstanding share capital as at April 21, 2022, the effective date of this MD&A:

	Number	Weighted Average Price	Life in Years
Common shares – issued and outstanding	80,038,585		
Share options	6,125,000	\$0.29	4.51
Share purchase warrants	16,245,000	\$0.20	1.16
Fully Diluted	<u>102,408,585</u>		

## Recent Accounting Pronouncements and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

### i) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same table entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

### ii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

iii) Property, plant and equipment – development expenditure

Development expenditure encompasses investment in new solar PV projects for costs including but not limited to:

- Consulting and planning services for regulatory and permitting activities;
- Design works;
- Environmental studies;
- Interconnection engineering services;
- Grid connection costs; and
- Planning fees.

Research and site selection costs are expensed as incurred. The costs of the development are capitalized as assets, where the investment they represent has demonstrable value and the technical and commercial feasibility is assured. Costs eligible for capitalization must be incremental, clearly identified and directly attributable to a particular project. The resulting assets are amortized over their estimated useful lives. Impairment reviews are carried out at least annually where indicators of impairment are identified. Judgement is required in the assessment of the potential value of a development project, the identification of costs eligible for capitalization and the selection of appropriate asset lives.

iv) Future accounting policies:

At the date of authorization of the consolidated financial statements, certain new standards, amendments and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

## **Risk Factors**

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Westbridge Shares could decline, and investors may lose all or part of their investment.

### **Risks Relating to Company's Business**

*The Company's History of Operating Losses is likely to continue leading to the need for additional potentially unavailable financings and related problems*

The Company has a history of losses. Despite recent successful financings which the Directors expect will provide sufficient resources to complete the development of both the Georgetown Project, the Accalia Project, and the Sunnynook Project (together, the "Projects"), the Company may require additional funding to meet its business objectives. Capital may need to be available to help acquire and develop future projects. The Company may not be able to obtain additional financing on reasonable terms, or at all. If equity financing is required, then such financings could result in significant dilution to existing shareholders. If the Company is unable to obtain sufficient financing, the Company might have to slow further exploration/development efforts. The Company has historically obtained its financing through the issuance of equity. The Company has no current plans to obtain financing through means other than equity financing and/or loans.

### *Negative Cash Flow from Operating Activities*

The Company has no history of earnings and had no cash inflow from operating activities since inception. To date, the Company has not received any revenues from the sales of electricity generated and will not receive any revenues until either of the Projects are operational or sold to a third party. The Company has accumulated net losses (after adjusting for the gain on bargain purchase resulting from the RTO) and expects to continue to incur such losses until such time as either of the Projects are operational. The Company's ability to attain profitability will depend on a number of factors, some of which are outside its control. These factors include the following:

- its ability to obtain necessary permits, planning and regulatory approvals;
- its ability to obtain suitable connection to the local electricity grid;
- its ability to raise additional capital as and when needed and on acceptable terms;
- its ability to manage community relations in the vicinity of the Projects;
- electricity generation market conditions and prevailing power prices; and
- other adverse economic conditions, including the impact of COVID-19.

### *Infrastructure*

The development of solar PV projects depends, to one degree or another, on adequate infrastructure.

Reliable roads, bridges, power sources, available transmission capacity and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

#### *Permitting*

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary permits and approvals for the Company's existing projects, additional permits for any possible future changes to projects, or additional permits associated with new legislation. Prior to construction of any of its projects, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will obtain all permits necessary to construct or to continue developing any particular project. Any of these factors could have a material adverse effect on the Company's results of operations and financial position.

#### *Insurance and Uninsured Risks*

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, catastrophic equipment failures or unavailability of materials and equipment, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to its properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability.

The Company's insurance will not cover all the potential risks associated with the Company's operations. Even if available, the Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards is not generally available to the Company or to other companies in its industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. Losses from these events could cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. Should the Company be unable to fully fund the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which may have a material adverse effect. The Company may suffer a material adverse effect on its business, results of operations, cash flows and financial position if it incurs a material loss related to any significant event that is not covered, or adequately covered, by its insurance policies.

The Company may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs or for other reasons. Furthermore, the Company may incur liability to third parties in excess of any insurance coverage or for which the Company is not insured arising from any damage or injury caused by the Company's operations, which may have a material adverse effect on the Company's financial position.

#### *Increase in Costs*

Changes in the Company's anticipated development costs could have a major impact on its profitability. Its



main expenses are related to the development of solar PV projects, grid connection costs, project approvals and project engineering. Changes in costs of the Company's operations could occur as a result of unforeseen events, including international and local economic and political events, increased costs and scarcity of labour, regulatory hearings, engineering and permitting obstacles, and could result in changes in profitability. Many of these factors may be beyond the Company's control.

The Company relies on third party suppliers for a number of raw input materials and equipment. Any material increase in the cost of raw materials and equipment, or the inability by the Company to source third party suppliers for the supply of its raw materials, could have a material adverse effect on the Company's results of operations or financial condition.

The Company prepares estimates of future cash costs and capital costs for its operations and projects. There is no assurance that actual costs will not exceed such estimates. Exceeding cost estimates could have an adverse impact on the Company's future results of operations or financial condition.

### *Competition*

The solar PV development industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than itself. Competition is primarily for adequate land rights in favourable jurisdictions and access to transmission capacity with minimal upgrades required; the technical expertise to find and develop such properties; the labour to develop the properties; and the capital for the purpose of funding such properties. Competition in the industry may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties.

### *Regulatory Risks*

The activities of the Company are subject to various laws governing electricity generation, taxes, labour standards and occupational health, safety, wildlife and the environment and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail development of the Company's properties. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for project development. The Company cannot predict the time required to secure all appropriate regulatory approvals or conclude any regulatory hearings which may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of the Company's projects and could have a material adverse effect on the business, results of operations and financial condition of the Company. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

### *Community Relations*

The Company's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of development on the environment and on communities impacted by such activities. The evolving expectations related to human rights, indigenous rights, and environmental protection may result in opposition to the Company's current

and future operations or further development or new development of the Company's projects. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities, and may have a negative impact on the Company's reputation and operations.

Opposition by any of the aforementioned groups to the Company's operations may require modification of, or preclude the development of, the Company's projects or may require the Company to enter into agreements with such groups or local governments with respect to the Company's projects in some cases, causing increased cost and considerable delays to the advancement of the Company's projects. Further, publicity adverse to the Company, its operations or industry generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

#### *Dependence on Management and Key Personnel*

The success of the Company for the foreseeable future will depend largely upon the ability of its management team and other key personnel. The loss of any one of these individuals could have a material adverse effect on the Company's business, and the Company would need to devote substantial resources to finding replacements. The Company currently does not carry "key-man" life insurance policies covering any of these officers.

Competition for qualified and experienced personnel in the field in which the Company will operate is generally intense, and the Company will rely heavily on its ability to attract and retain qualified personnel in order to successfully implement its business objectives. The failure to attract or retain key executives and personnel could impact the Company's operations.

#### *No Production History*

The Company has no sales history its ultimate success will depend on its operating ability to generate cash flow from sales of projects or electricity generated in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future.

The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of its ultimate strategy of developing and constructing or selling the Projects.

#### *Use of Funds*

The Company has prepared a detailed budget setting out the way in which it proposes to expend the funds raised under the Transaction. However, the quantum and timing of expenditure will necessarily be dependent upon the Company's ultimate strategy of successfully developing the Projects. As the Company continues to develop the Projects it is possible that circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilize part of its financial resources (including the funds raised as part of the Transaction) to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

#### *COVID-19*

The outbreak of the novel coronavirus (COVID-19) may cause disruptions to the Company's business and

operational plans. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which the Company relies, (iv) restrictions that governments impose to address the COVID-19 outbreak, and (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these disruptions. These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, physical distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic including delays in commencing operations, reduced resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

#### *Adverse General Economic Conditions*

Events in the global financial markets in the past several years, including in relation to the COVID-19 pandemic have had a profound and lasting impact on the global economy. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and overall liquidity, volatile energy, commodity and consumables prices and currency exchange rates could impact costs and the devaluation and volatility of global stock markets could impact the valuation of the Company's equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

#### **Risks Relating to the Company's Use of Financial Instruments**

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

##### *Credit risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is primarily held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of government sales tax receivable due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in receivables is minimal.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to

meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk but considers that at this time the going concern assumption remains appropriate.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates, and commodity and equity prices.

Cash held in foreign currencies other than the Canadian dollar is subject to currency risk. The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing financial instruments are comprised of cash which bears interest at variable rates. The Company considers its interest rate risk as minimal and insignificant.

### **Risks Relating to the Company's Management**

#### *Conflicts of Interest*

The Company's Directors and officers may act as directors and/or officers of other companies engaged in the development of large scale utility solar PV projects. As such, the Company's Directors and officers may be faced with conflicts of interests when evaluating alternative opportunities. In addition, the Company's Directors and officers may prioritize the business affairs of another Company over the affairs of the Company

#### *The Company's future performance is dependent on its management team*

The Company has a small management team, and the loss of any key individual could affect the Company's business. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

### **Risks Relating to the Westbridge Shares**

#### *Dilution*

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Westbridge Shares. If the Company issues Westbridge Shares from its treasury for financing purposes, control of the Company may change, and purchasers may suffer additional dilution.

#### *Tax Issues*

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal

advisers prior to subscribing for the securities.

## **General**

Although management believes that the above risks fairly and comprehensively illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Although the Directors will seek to minimize the impact of the risk factors, an investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

## **Officers Certification of Evaluation of Disclosure Controls and Internal Controls Over Financial Reporting**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited consolidated 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 unaudited consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows 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 filed by the Company 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 such 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 consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company'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 such 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.