GREENPOWER MOTOR COMPANY INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended March 31, 2017 and March 31, 2016

(Expressed in US dollars)

March 31, 2017 and 2016

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Independent Auditor's Report

To the Shareholders of
GreenPower Motor Company Inc.

We have audited the accompanying consolidated financial statements of GreenPower Motor Company Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at March 31, 2017 and March 31, 2016, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GreenPower Motor Company Inc. and its subsidiaries as at March 31, 2017 and March 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of GreenPower Motor Company Inc. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, British Columbia
July 21, 2017

GREENPOWER MOTOR COMPANY INC.
Consolidated Statements of Financial Position
As at March 31, 2017
(Expressed in US Dollars)

		March 31, 2017		March 31, 2016
Assets				
Current				
Cash	$	56,995	$	1,046,609
GST receivable		20,490		15,171
Inventory (Note 3)		1,209,786		2,242,254
Prepaids & deposits		32,435		24,175
		1,319,706		3,328,209
Non-current				
Deposits		47,042		-
Property and equipment (Note 4)		3,124,031		591,218
Exploration and evaluation assets (Note 5)		28,818		28,818
	$	4,519,597	$	3,948,245
Liabilities				
Current liabilities				
Accounts payable & accrued liabilities (Note 13)	$	868,639	$	776,625
Deposits from customers		224,177		224,177
Current portion of promissory note payable (Note 10)		54,675		-
Loans payable to related parties (Note 13)		172,326		425,354
		1,319,817		1,426,156
Non-current				
Convertible debentures (Note 9)		505,690		472,927
Promissory note payable (Note 10)		516,863		-
		2,342,370		1,899,083
Equity				
Share capital (Note 6)		12,144,019		9,164,266
Equity portion of convertible debentures (Note 9)		67,695		69,552
Reserves		1,358,503		1,399,905
Accumulated other comprehensive loss		(86,991)		(91,779)
Accumulated deficit		(11,305,999)		(8,492,782)
		2,177,227		2,049,162
	$	4,519,597	$	3,948,245

Nature and Continuance of Operations - Note 1
Events After the Reporting Period - Note 16

Approved on behalf of the Board on July 14, 2017

"Fraser Atkinson"
Director

"Mark Achtemichuk"
Director

(The accompanying notes are an integral part of these consolidated financial statements)

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended March 31, 2017 and 2016

(Expressed in US Dollars)

	March 31, 2017	March 31, 2016
Rental revenue	$ -	$ 10,696
Expenses		
Administrative fees (Note 13)	598,850	280,811
Depreciation (Note 4)	177,498	101,477
Foreign exchange loss (gain)	6,550	(5,814)
Interest and accretion (Notes 9 and 10)	95,629	24,908
Office	67,112	17,329
Product development costs (Note 13)	312,278	257,660
Professional fees (Note 13)	176,563	120,952
Rent and maintenance	64,400	63,091
Sales and marketing (Note 13)	234,395	232,453
Share-based payments (Notes 6, 7 and 13)	391,769	317,477
Transportation costs (Note 13)	257,352	132,872
Travel, accommodation, meals and entertainment (Note 13)	430,821	207,346
	2,813,217	1,750,562
Net loss for the year	(2,813,217)	(1,739,866)
Other comprehensive income		
Cumulative translation reserve	4,788	19,797
	4,788	19,797
Total comprehensive loss for the year	$ (2,808,429)	$ (1,720,069)
Loss per common share, basic and diluted	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding, basic and diluted	87,107,051	79,136,579

(The accompanying notes are an integral part of these consolidated financial statements)

GREENPOWER MOTOR COMPANY INC.
Consolidated Statements of Changes in Equity
For the Years Ended March 31, 2017 and 2016
(Expressed in US Dollars)

	Share Capital		Equity portion		Accumulated other		
	Number of Common shares	Amount	of convertible debentures	Reserves	comprehensive loss	Accumulated Deficit	Total
Balance, March 31, 2015	77,319,625	$ 7,748,096	$ -	$ 856,807	$ (111,576)	$ (6,752,916)	$ 1,740,411
Shares issued for cash at CDN $0.35 per Share Unit	6,201,699	1,577,156	-	-	-	-	1,577,156
Share issuance costs	-	(21,533)	-	-	-	-	(21,533)
Fair value assigned to the warrants on the issuance of the Share Units	-	(180,246)	-	180,246	-	-	-
Share issuance costs assigned to the warrants on the issuance of the Share Units	-	-	-	(2,778)	-	-	(2,778)
Fair value of the equity portion of the convertible debentures	-	-	69,552	-	-	-	69,552
Fair value assigned to the warrants on issuance of Convertible Debentures	-	-	-	66,418	-	-	66,418
Transaction costs assigned to the warrants on the issuance of Convertible Debentures	-	-	-	(898)	-	-	(898)
Fair value of broker options exercised	5,000	1,426	-	(488)	-	-	938
Fair value of stock options exercised	150,000	39,367	-	(16,879)	-	-	22,488
Share-based payments	-	-	-	317,477	-	-	317,477
Cumulative translation reserve	-	-	-	-	19,797	-	19,797
Net loss for the year	-	-	-	-	-	(1,739,866)	(1,739,866)
Balance, March 31, 2016	83,676,324	9,164,266	69,552	1,399,905	(91,779)	(8,492,782)	2,049,162
Shares issued for cash at CDN $0.30 per common share	1,000,000	232,440	-	-	-	-	232,440
Shares issued for cash at CDN $0.75 per share unit	684,541	391,557	-	-	-	-	391,557
Share issuance costs	-	(32,422)	-	-	-	-	(32,422)
Fair value of broker options exercised	284,520	79,951	-	(24,857)	-	-	55,094
Fair value of stock options exercised	1,338,750	423,659	-	(174,777)	-	-	248,882
Fair value of warrants exercised	4,408,318	1,870,708	-	(233,537)	-	-	1,637,171
Shares issued for conversion of debentures	50,000	13,860	(1,857)	-	-	-	12,003
Share-based payments	-	-	-	391,769	-	-	391,769
Cumulative translation reserve	-	-	-	-	4,788	-	4,788
Net loss for the year	-	-	-	-	-	(2,813,217)	(2,813,217)
Balance, March 31, 2017	91,442,453	$ 12,144,019	$ 67,695	$ 1,358,503	$ (86,991)	$ (11,305,999)	$ 2,177,227

(The accompanying notes are an integral part of these consolidated financial statements)

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2017 and 2016

(Expressed in US Dollars)

	March 31, 2017	March 31, 2016
Cash flows from (used in) operating activities		
Loss for the year	$ (2,813,217)	$ (1,739,866)
Items not affecting cash		
Share-based payments	391,769	317,477
Accrued interest and accretion	95,629	24,908
Foreign exchange loss	6,550	-
Depreciation	177,498	101,477
Cash flow used in operating activities before changes in non-cash working capital items	(2,141,771)	(1,296,004)
Changes in non-cash working capital items:		
Accounts receivable	-	1,163
GST receivable	(5,319)	32,609
Inventory	(998,706)	(1,695,642)
Prepaids & deposits	(55,302)	5,622
Deposits from customers	-	224,177
Accounts payable & accrued liabilities	92,014	520,639
	(3,109,084)	(2,207,436)
Cash flows from (used in) investing activities		
Additions to exploration and evaluation assets	-	(1,628)
Purchase of property and equipment	(86,216)	(53,023)
	(86,216)	(54,651)
Cash flows from (used in) financing activities		
Repayment of loans payable to related parties	(253,028)	(29,502)
Principal payments on promissory note	(22,462)	-
Interest payments on promissory note	(4,855)	-
Issuance of common shares	623,997	1,577,156
Share issuance costs	(32,422)	(24,311)
Proceeds from issuance of convertible debentures	-	572,571
Convertible debenture costs	-	(7,746)
Proceeds from exercise of broker options	55,094	938
Proceeds from exercise of stock options	248,882	22,488
Proceeds from exercise of warrants	1,637,171	-
Interest paid on debentures	(45,420)	-
Interest paid on converted debentures	(588)	-
	2,206,369	2,111,594
Foreign exchange on cash	(683)	30,221
Net decrease in cash	(989,614)	(120,272)
Cash, beginning of year	1,046,609	1,166,881
Cash, end of year	$ 56,995	$ 1,046,609

Supplemental Cash Flow Disclosure:

Interest paid	50,863	-
Taxes paid	-	194
Non-cash transactions:		
Fair value assigned to the warrants pursuant to the issued convertible debentures	-	66,418
Fair value assigned to the warrants pursuant to the issued shares	-	180,246
Fair value of the equity portion of the convertible debentures	-	69,552
Property and equipment acquired by issuance of promissory note payable	594,000	-
Assets transferred from Inventory to Property and equipment	2,031,174	-

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature and Continuance of Operations

GreenPower Motor Company Inc. (the "Company") was incorporated in the Province of British Columbia on September 18, 2007. The Company is in the business of manufacturing and distributing all-electric transit, school and charter buses.

The primary office is located at Suite 240-209 Carrall St., Vancouver, Canada.

The consolidated financial statements were authorized by the Board of Directors on July 14, 2017.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations are dependent upon its ability to raise capital and generate cash flows. At March 31, 2017, the Company had working capital deficiency of $111 and an accumulated deficit of $11,305,999. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The continuation of the Company as a going concern is dependent on future cash flows from operations including the successful sale and manufacture of electric buses to achieve a profitable level of operations and obtaining necessary financing to fund ongoing operations. The Company's ability to achieve these objectives is subject to material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of presentation

Statement of Compliance with IFRS

These annual consolidated financial statements for the year ended March 31, 2017 were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements are presented on a historical cost basis, except for financial instruments classified as available-for-sale or fair value through profit or loss ("FVTPL"), in U.S. dollars. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and all of its wholly-owned subsidiaries:

1. GP GreenPower Industries Inc. (registered in Canada)
2. GreenPower Motor Company, Inc. (registered in the United States)
3. 0939181 BC Ltd (registered in Canada) and Utah Manganese, Inc. (registered in the United States)
4. 0999314 B.C. Ltd. (registered in Canada).

2. Significant Accounting Policies (continued)

(b) Basis of consolidation (continued)

All intercompany balances, transactions, revenues and expenses are eliminated upon consolidation. Certain information and note disclosures which are considered material to the understanding of the Company's consolidated financial statements are provided below.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(c) Financial instruments

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: available-for-sale, loans-and-receivables, held-to-maturity or at FVTPL. Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company's accounting policy for each category is as follows:

i. <u>Loans-and-receivables</u>

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the Consolidated Statements of Operations when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has classified its cash as loans-and-receivables as at March 31, 2017 and March 31, 2016.

ii. <u>Held-to-maturity investments</u>

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the Consolidated Statements of Operations. The Company did not have any assets classified as held-to-maturity as at March 31, 2017 and March 31, 2016.

2. Significant Accounting Policies (continued)

(c) Financial instruments (continued)

iii. Financial assets at FVTPL

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the Consolidated Statements of Operations. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date. The Company did not have any assets classified as FVTPL as at March 31, 2017 and March 31, 2016.

iv. Available-for-sale assets (“AFS”)

Non-derivative financial assets not included in the above categories are classified as AFS. AFS are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an AFS (which constitutes objective evidence of impairment), the full amount of impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, AFS are carried at cost. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to the Consolidated Statements of Operations. The Company did not have any assets classified as AFS as at March 31, 2017 and March 31, 2016.

v. Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. The Company did not record any impairments on financial assets during the year ended March 31, 2017 and March 31, 2016.

Financial liabilities are classified into one of the following categories based on the purpose for which the liability was incurred.

vi. Other financial liabilities (“OTL”)

Financial liabilities classified as OTL are comprised of accounts payable and accrued liabilities, promissory note payable, the liability component of convertible debentures and loans payable to related parties. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and are subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

2. Significant Accounting Policies (continued)

(c) Financial instruments (continued)

vii. Financial liabilities at FVTPL

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the Consolidated Statements of Operations. The Company did not have any liabilities classified as FVTPL as at March 31, 2017 and March 31, 2016.

Derivative financial assets and liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit and loss. Derivative financial assets and liabilities include warrants purchased or issued by the Company denominated in a currency other than the Company's functional currency. As at March 31, 2017 and March 31, 2016, the Company did not have any derivative financial assets or liabilities.

viii. Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

When the Company extinguishes convertible debentures before maturity through early redemption or repurchase where the conversion option is unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of settlement. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with the method used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued. The amount of gain or loss relating to the early redemption or repurchase of the liability component is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

(d) Cash and cash equivalents

Cash and cash equivalents usually consist of highly liquid investments which are readily convertible into cash with maturity of three months or less and are subject to an insignificant risk of change in value. As at March 31, 2017 and March 31, 2016, the Company had no cash equivalents.

2. Significant Accounting Policies (continued)

(e) Revenue recognition

The Company, from time to time, earns rental fees from the rental of its developmental technologies. Revenue is recorded in the month the rentals are made. Revenue is only recognized when reasonableness of collection is assured. Rental assets have been capitalized to equipment in the Consolidated Statements of Financial Position.

Revenue from electric bus sales is recognized when a customer obtains control of the product. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the product.

(f) Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Consolidated Statements of Operations for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Consolidated Statements of Operations. There was no impairment recorded in the year ended March 31, 2017 or year ended March 31, 2016.

(g) Foreign currency translation

The consolidated entities and their respective functional currencies are as follows:

Entity	Functional Currency
GreenPower Motor Company Inc. (parent)	Canadian Dollar
GP GreenPower Industries Inc.	Canadian Dollar
GreenPower Motor Company, Inc.	U.S. Dollar
0939181 BC Ltd	Canadian Dollar
Utah Manganese, Inc.	Canadian Dollar
0999314 B.C. Ltd.	Canadian Dollar

2. Significant Accounting Policies (continued)

(g) Foreign currency translation (continued)

Translation to functional currency

Foreign currency transactions are translated into U.S. dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at FVTPL. Gains and losses arising from foreign exchange are included in the Consolidated Statements of Operations.

Translation to presentation currency

The results and financial position of those entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the Statements of Financial Position;

- income and expenses are translated at average exchange rates; and

- all resulting exchange differences are recognized in accumulated other comprehensive loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising on translation of foreign operations are recognized in accumulated other comprehensive loss. On disposal of a foreign operation (that is, a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified from accumulated other comprehensive income/loss to net income/loss for the period.

(h) Inventory

Inventory is recorded at the lower of cost and net realizable value with cost determined on a specific item basis. The Company's inventory consists of electric buses in process, production supplies, and finished goods. In determining net realizable value for new buses, the Company primarily considers the age of the vehicles along with the timing of annual and model changeovers. For used buses, the Company considers recent market data and trends such as loss histories along with the current age of the inventory.

2. Significant Accounting Policies (continued)

(i) Property, plant, and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the following rates/estimated lives and methods:

Computers	3 years, straight line method
EV equipment	3 years, straight line method
Diesel bus and EV 350	7 years, straight line method
Leased asset	7 years, straight line method
Furniture	7 years, straight line method
Automobile	10 years, straight line method

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the Consolidated Statements of Operations. Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE is accounted for separately, including major inspection and overhaul expenditures are capitalized.

(j) Exploration and evaluation assets

Once a permit to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets. PPE used in exploration and evaluation activities are likewise capitalized to exploration and evaluation assets.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Management reviews the carrying value of capitalized exploration costs when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within PPE.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If put into production, the costs of acquisition and exploration will be amortized over the life of the property, based on estimated economic reserves. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off. As at March 31, 2017, there was no production activity.

Mineral exploration and evaluation expenditures are classified as intangible assets.

2. Significant Accounting Policies (continued)

(k) Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is insignificant.

(l) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(m) Share capital

Common shares are classified as equity. Finders fees and other related share issue costs, such as legal, regulatory, and printing, on the issue of the Company's shares are charged directly to share capital, net of any tax effects. During the year ended March 31, 2017, the Company recorded $32,422 (March 31, 2016 - $21,533) in share issuance costs on its Consolidated Statements of Changes in Equity in regards to the issuance of shares (Note 6).

(n) Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in net income/loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

2. Significant Accounting Policies (continued)

(n) Income taxes (continued)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect to previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(o) Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments 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. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to critical accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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 inputs used in the Black-Scholes option pricing model to measure stock-based compensation and the equity portion of convertible debentures, determination of the useful life of equipment, net realizable value of inventory, and the $nil provision for income taxes.

Critical accounting judgments

i. the assessment of the carrying value of the exploration and evaluation assets included in the consolidated statements of financial position for indicators of impairment;
ii. the determination of categories of financial assets and financial liabilities;
iii. the determination of the functional currency of each entity within the consolidated Company;
iv. the allocation between debt and equity for the convertible debentures; and
v. the Company’s ability to continue as a going concern (Note 1).

2. Significant Accounting Policies (continued)

(p) Share-based payment transactions

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. For equity-settled awards, the fair value is charged to the Statement of Operations and credited to the share-option reserve account, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest.

The fair value of the equity-settled awards is determined at the date of the grant. In calculating fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value is determined by using the Black-Scholes option pricing model. At each financial reporting date, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the Consolidated Statements of Operations with a corresponding entry against the related equity settled share-based payments reserve account. No expense is recognized for awards that do not ultimately vest. If the awards expire unexercised, the related amount remains in share-option reserve.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the Consolidated Statements of Operations, 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 valuation model. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

(q) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

2. Significant Accounting Policies (continued)

(r) Adoption of accounting standards

The following new or amended standards were adopted during the year ended March 31, 2017:

Amendments to IFRS 7 Financial Instruments
The amendments clarify the applicability of the amendments to IFRS 7 Disclosure–Offsetting Financial Assets and Financial Liabilities to condensed interim financial statements.

Amendments to IAS 1 Presentation of Financial Statements
These amendments clarify existing IAS 1 requirements resulting from the Disclosure Initiative. It is designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements.

IAS 16 Property, Plant and Equipment
The amendment clarifies the acceptable methods of depreciation and amortization.

Amendments to IFRS 10, IFRS 12, and IAS 28
These amendments (Investment Entities: Applying the Consolidation Exception) clarify and confirm that: (1) the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; (2) a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; (3) when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and (4) an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The adoption of the above accounting policies did not have an effect on the consolidated financial statements for the year ended March 31, 2017.

(s) Future accounting pronouncements

Certain new accounting standards and interpretations have been published by the IASB or the IFRS Interpretations Committee that are not mandatory for the March 31, 2017 reporting period.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. These amendments are effective for reporting periods beginning on or after January 1, 2017.

(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

(s) Future accounting pronouncements (continued)

IFRS 15 Revenue from Contracts with Customers provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard has an effective date of January 1, 2018.

IFRS 16 Leases was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

3. Inventory

The following is a listing of inventory as at March 31, 2017 and 2016:

	March 31, 2017	March 31, 2016
Work in-Process	$ 1,078,324	$ 1,004,459
Production Supplies	81,462	73,997
Finished Goods	50,000	1,163,798
	$ 1,209,786	$ 2,242,254

(Expressed in US Dollars)

4. Property and Equipment

The following is a summary of activities from March 31, 2015 to March 31, 2017:

					Demonstration Buses					
Cost	Computers	Furniture	Automobiles	Diesel Bus	EV 350's	WIP	Leased Asset	EV Equipment	Land	Total
Balance, March 31, 2015	$ 2,250	$ -	$ -	$ 46,623	$ 652,836	$ -	$ -	$ -	$ -	$ 701,709
Additions	4,409	23,331	25,283	-	-	-	-	-	-	53,023
Foreign exchange translation	(42)	122	-	(1,348)	-	-	-	-	-	(1,268)
Balance, March 31, 2016	6,617	23,453	25,283	45,275	652,836	-	-	-	-	753,464
Additions	962	-	-	-	-	-	-	-	679,254	680,216
Transfers from inventory	-	-	-	-	527,985	217,325	669,373	616,491	-	2,031,174
Foreign exchange translation	(151)	(539)	-	(1,310)	-	-	-	-	-	(2,000)
Balance, March 31, 2017	$ 7,428	$ 22,914	$ 25,283	$ 43,965	$ 1,180,821	$ 217,325	$ 669,373	$ 616,491	$ 679,254	$ 3,462,854
Depreciation and impairment losses										
Balance, March 31, 2015	$ 2,250	$ -	$ -	$ 12,270	$ 46,631	$ -	$ -	$ -	$ -	$ 61,151
Depreciation	434	-	1,347	6,434	93,262	-	-	-	-	101,477
Foreign exchange translation	(62)	-	-	(320)	-	-	-	-	-	(382)
Balance, March 31, 2016	2,622	-	1,347	18,384	139,893	-	-	-	-	162,246
Depreciation	1,738	3,323	2,528	6,417	112,119	-	-	51,373	-	177,498
Foreign exchange translation	(354)	(49)	-	(518)	-	-	-	-	-	(921)
Balance, March 31, 2017	$ 4,006	$ 3,274	$ 3,875	$ 24,283	$ 252,012	$ -	$ -	$ 51,373	$ -	$ 338,823
Carrying amounts										
As at March 31, 2016	$ 3,995	$ 23,453	$ 23,936	$ 26,891	$ 512,943	$ -	$ -	$ -	$ -	$ 591,218
As at March 31, 2017	$ 3,422	$ 19,640	$ 21,408	$ 19,682	$ 928,809	$ 217,325	$ 669,373	$ 565,118	$ 679,254	$ 3,124,031

During the year ended March 31, 2017, the Company completed the acquisition of 9.3 acres of land in Porterville, California at a purchase price of $660,000 for the construction of a 150,000 square foot manufacturing facility and offices on this property to facilitate the production of all-electric buses. The purchase price was comprised of a $66,000 deposit, which will be used for the construction, made in June 2016 and the remaining balance through the issuance of a $594,000 promissory note (Note 10). In addition to the land acquisition price, the Company also capitalized $19,254 in legal and closing fees.

(Expressed in US Dollars)

4. Property and Equipment (continued)

On March 7, 2017, the Company entered into a one-year lease agreement with a private tour operator (the "Lessee") in Victoria, Canada to lease an all-electric bus (the "Vehicle"). Commencing April 5, 2017, the lessee will pay the Company CDN$12,895 per month, plus applicable taxes. The Lessee has the option to acquire the Vehicle before the end of the lease term for the amount of CDN$ 1,275,111, plus applicable taxes.

5. Exploration and Evaluation Assets

The Company, through its wholly-owned subsidiary Utah Manganese, Inc. ("Utah Manganese"), which was incorporated in the State of Utah, is in the business of owning, exploiting, exploring, developing and evaluating mineral properties, as well as future production and future disposal once production is completed. The Company owns interests in multiple mineral titles and claims in the southwest region of Utah. Utah Manganese staked 150 claims on four properties near Moab, Utah including:

- Dubinky Well (50 claims)
- Duma Point (70 claims)
- Moab Fault (15 claims)
- Flat Iron (15 claims)

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historic characteristic of many mining properties. The Company has made a decision not to renew the annual maintenance fees on these claims at this time. The impairment assessment of exploration and evaluation assets resulted in a write-down in the carrying value of exploration and evaluation assets in the amount of $584,436 during the year ended March 31, 2015 to account for the reduced scope of activities.

	Gross value	Impairment	Carrying value
March 31, 2015	$ 611,626	$ (584,436)	$ 27,190
Additions	1,628	-	1,628
March 31, 2016 and 2017	$ 613,254	$ (584,436)	$ 28,818

6. Share Capital

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

Issued
On December 17, 2015, the Company completed a non-brokered private placement for a total of 6,201,699 units at a price of CDN$0.35 per unit for gross proceeds of CDN$2,170,595 (USD$1,577,156). Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share with an exercise price of CDN$0.50 per share until and on December 16, 2016, CDN$0.75 per share until

6. Share Capital (continued)

and on December 17, 2017 and at CDN$1.00 per share until and on December 17, 2018. The Company issued 3,100,846 common share purchase warrants (Note 8), and incurred $21,533 in share issuance costs including $2,772 in finder's fees.

During the year ended March 31, 2016, the Company issued a total of 155,000 shares pursuant to the exercise of 5,000 broker options and 150,000 stock options.

On May 25, 2016, the Company completed a non-brokered private placement of 1,000,000 common shares at a subscription price of CDN$0.30 per share for gross proceeds of CDN$300,000 (USD$232,440) and incurred $22,004 in share issuance costs including $11,613 in finder's fees.

On June 2, 2016, CDN$20,000 (USD$13,860) worth of convertible debentures were converted into 50,000 common shares with a conversion price of CDN$0.40.

On October 17, 2016, the Company completed a non-brokered private placement for a total of 684,541 units at a price of CDN$0.75 per unit for gross proceeds of CDN$513,406 (USD$391,557). Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share with an exercise price of CDN$1.10 per share until and on October 16, 2017 and CDN$1.50 per share until and on October 16, 2018. The Company issued 342,270 common share purchase warrants (Note 8), and incurred $10,418 in share issuance costs including $5,412 in finder's fees.

During the year ended March 31, 2017, the Company issued a total of 6,031,588 shares pursuant to the exercise of 284,520 broker options, 1,338,750 stock options, and 4,408,318 warrants.

As at March 31, 2017, the Company had 15,154,197 shares held in escrow (March 31, 2016 – 23,545,848).

7. Stock Options

The Company has an incentive stock option plan whereby it grants options to directors, officers, employees, and consultants of the Company. On March 9, 2016, the shareholders approved the current plan which allows for the issuance of up to 10,440,790 shares (the "2016 Plan"). The exercise price of options granted under the 2016 Plan may not be less than the minimum prevailing price permitted by the TSXV policies with a maximum term of 10 years. Prior to the adoption of the 2016 Plan, the Company had adopted an incentive stock option plan (the "Plan"), whereby it could grant options to directors, officers, employees, and consultants of the Company.

On March 30, 2017, the shareholders approved an increase in the number of common shares available for issuance under the 2016 Plan from 10,440,790 to 13,656,367.

(Expressed in US Dollars)

7. Stock Options (continued)

The Company had the following incentive stock options granted under its Plan and 2016 Plan that are issued and outstanding at March 31, 2017:

			Incentive Stock Options					
Expiry Date	Exercise Price (CDN$)		Balance March 31, 2016	Granted	Exercised	Forfeited	Balance March 31, 2017	
December 23, 2016	$	0.25	215,000	-	(215,000)	-	-	
February 22, 2017	$	0.25	45,000	-	(45,000)	-	-	
April 25, 2017	$	0.82	-	100,000	-	(75,000)	25,000	(1)
July 3, 2017	$	0.25	45,000	-	-	-	45,000	
February 22, 2018	$	0.25	250,000	-	-	-	250,000	
July 3, 2018	$	0.40	200,000	-	-	(50,000)	150,000	
July 3, 2018	$	0.25	750,000	-	-	-	750,000	
September 1, 2018	$	0.25	20,000	-	-	-	20,000	
October 20, 2018	$	0.25	90,000	-	(67,500)	(22,500)	-	
January 20, 2019	$	0.225	85,000	-	(42,500)	(42,500)	-	
April 20, 2019	$	0.19	-	175,000	(43,750)	(131,250)	-	
December 23, 2019	$	0.25	450,000	-	(25,000)	(50,000)	375,000	
December 23, 2019	$	0.25	4,684,717	-	(800,000)	-	3,884,717	
December 23, 2019	$	0.25	500,000	-	(100,000)	(100,000)	300,000	
March 25, 2020	$	0.25	200,000	-	-	-	200,000	
September 1, 2020	$	0.25	100,000	-	-	-	100,000	
January 8, 2021	$	0.30	50,000	-	-	(50,000)	-	
February 4, 2021	$	0.35	500,000	-	-	-	500,000	
May 6, 2021	$	0.35	-	530,000	-	-	530,000	
October 27, 2021	$	0.62	-	500,000	-	-	500,000	
February 2, 2022	$	0.75	-	715,000	-	-	715,000	
Total outstanding			8,184,717	2,020,000	(1,338,750)	(521,250)	8,344,717	
Total exercisable			6,507,217				6,272,217	
Weighted Average Exercise Price (CDN$)			$ 0.26	$ 0.57	$ 0.25	$ 0.33	$ 0.33	
Weighted Average Remaining Life							2.95 years	

(1) Expired unexercised subsequent to the year-end

As at March 31, 2017, there are 3,822,900 options available for issuance under the 2016 Plan.

(Expressed in US Dollars)

7. Stock Options (continued)

The Company had the following incentive stock options granted under its Plan and 2016 Plan that are issued and outstanding at March 31, 2016:

		Incentive Stock Options				
Expiry Date	Exercise Price (CDN$)	Balance March 31, 2015	Granted	Exercised	Forfeited	Balance March 31, 2016
June 21, 2016	$ 0.20	200,000	-	(150,000)	(50,000)	-
December 23, 2016	$ 0.25	215,000	-	-	-	215,000
February 22, 2017	$ 0.25	45,000	-	-	-	45,000
February 22, 2018	$ 0.25	250,000	-	-	-	250,000
July 3, 2017	$ 0.25	-	45,000	-	-	45,000
July 3, 2018	$ 0.40	250,000	-	-	(50,000)	200,000
July 3, 2018	$ 0.25	-	750,000	-	-	750,000
September 1, 2018	$ 0.25	-	20,000	-	-	20,000
October 20, 2018	$ 0.25	-	90,000	-	-	90,000
January 20, 2019	$ 0.225	-	85,000	-	-	85,000
December 23, 2019	$ 0.25	550,000	-	-	(100,000)	450,000
December 23, 2019	$ 0.25	4,684,717	-	-	-	4,684,717
December 23, 2019	$ 0.25	600,000	-	-	(100,000)	500,000
March 25, 2020	$ 0.25	200,000	-	-	-	200,000
September 1, 2020	$ 0.25	-	100,000	-	-	100,000
January 8, 2021	$ 0.30	-	50,000	-	-	50,000
February 4, 2021	$ 0.35	-	500,000	-	-	500,000
Total outstanding		6,994,717	1,640,000	(150,000)	(300,000)	8,184,717
Total exercisable		450,000				6,507,217
Weighted Average Exercise Price (CDN$)		$ 0.25	$ 0.28	$ 0.20	$ 0.27	$ 0.26
Weighted Average Remaining Life						3.4 years

During the year ended March 31, 2017, the Company incurred share-based compensation to employees, advisors, and directors with a measured fair value of $391,769 (March 31, 2016 - $317,477). The fair value of the option granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

On July 3, 2015, the Company granted 795,000 options to two consultants with an exercise price of CDN$0.25 per share with a term of 2 to 3 years. 750,000 of the options vest on the completion of various sales targets and the remaining 45,000 options fully vested 4 months from the grant date.

On September 2, 2015, the Company granted 120,000 options to an employee and consultant with an exercise price of CDN$0.25 per share at various vesting periods and with terms of 3 to 5 years. 100,000 of the options fully vested 4 months from the grant date, and the other 20,000 options vested immediately.

On October 20, 2015, the Company granted 90,000 options to a consultant (IR provider) with an exercise price of CDN$0.25 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

7. Stock Options (continued)

On January 8, 2016, the Company granted 50,000 options to a consultant with an exercise price of CDN$0.30 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of 5 years.

On January 20, 2016, the Company granted 85,000 options to a consultant (IR provider) with an exercise price of CDN$0.225 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

On February 4, 2016, the Company granted 500,000 options to Directors of the Company with an exercise price of CDN$0.35 per share which vest 25% at the end of 4 months, 6 months, 9 months and 1 year and with a term of 5 years.

On April 20, 2016, the Company granted 175,000 options to a consultant (IR provider) with an exercise price of CDN$0.19 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

On May 6, 2016, the Company granted 530,000 options to Directors and an employee with an exercise price of CDN$0.35 per share with a term of 5 years. The options vest 25% at the end of 4 months, 6 months, 9 months and 1 year.

On August 22, 2016, the Company granted 100,000 options to an employee with an exercise price of CDN$0.82 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

On October 27, 2016, the Company granted 500,000 options to an employee with an exercise price of CDN$0.62 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

On February 2, 2017, the Company granted an aggregate of 715,000 incentive stock options to certain directors, officers, employees and consultants of the Company. The stock options are exercisable for a period of five years at a price of $0.75 per share. The 548,000 stock options granted to the directors and officers vest as to 25% four months after the grant date, 25% six months after the grant date, 25% nine months after the grant date and 25% one year after the grant date and the 167,000 stock options granted to employees and consultants vest as to 25% four months after the grant date, 25% one year after the grant date, 25% two years after the grant date and 25% three years after the grant date.

During the year ended March 31, 2017, 521,250 stock options (2016 – 300,000) expired or were forfeited, 1,338,750 stock options (2016 – 150,000) were exercised at a weighted average price of CDN$0.25 (2016 – CDN$0.20) per share for proceeds of CDN$331,000 (USD$ - 248,882). The weighted average fair value of the shares on the date of exercises was CDN$0.70 (2016 - CDN$0.30).

(Expressed in US Dollars)

7. Stock Options (continued)

The following weighted-average assumptions were used for the Black-Scholes valuation of stock option grants:

For the year ended	March 31, 2017	March 31, 2016
Share price on grant date	CDN$0.57	CDN$0.27
Exercise price	CDN$0.57	CDN$0.28
Risk-free interest rate	0.01%	0.03%
Expected life of options	5 years	3.7 years
Annualized volatility[1]	100%	100%
Dividend rate	n/a	n/a

(1) Expected volatility was determined by reference to historical volatility of similar entities following a comparable period of lives.

The Company had the following broker agent stock options issued and outstanding during the year ended March 31, 2017 and March 31, 2016:

		Broker Agent Stock Options				
Expiry Date	Exercise Price (CDN$)	Balance March 31, 2016	Granted	Exercised	Forfeited	Balance March 31, 2017
December 23, 2016	$ 0.25	279,620	-	(279,620)	-	-
January 7, 2017	$ 0.25	4,900	-	(4,900)	-	-
Total outstanding		284,520	-	(284,520)	-	-
Total exercisable		284,520				-
Weighted Average Exercise Price (CDN$)		$ 0.25	$ -	$ 0.25	$ -	$ -
Weighted Average Remaining Life						-

(Expressed in US Dollars)

7. Stock Options (continued)

		Broker Agent Stock Options				
Expiry Date	Exercise Price (CDN$)	Balance March 31, 2015	Granted	Exercised	Forfeited	Balance March 31, 2016
December 23, 2016	$ 0.25	284,620	-	(5,000)	-	279,620
January 7, 2017	$ 0.25	4,900	-	-	-	4,900
Total outstanding		289,520	-	(5,000)	-	284,520
Total exercisable		289,520				284,520
Weighted Average Exercise Price (CDN$)		$ 0.25	$ -	$ 0.25	$ -	$ 0.25
Weighted Average Remaining Life						0.7 years

During the year ended March 31, 2017, all 284,520 broker agent stock options were exercised at a price of CDN$0.25 per share for proceeds of CDN$71,130 (USD$ - 55,094).

8. Warrants

As at March 31, 2017, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price (CDN$)	Balance March 31, 2016	Issued	Exercised	Expired	Balance March 31, 2017
July 3, 2016	$0.40	525,000	-	(335,000)	(190,000)	-
October 1, 2018	$0.25	400,000	-	-	-	400,000
October 17, 2018	$1.10 - $1.50	-	342,270	-	-	342,270
December 10, 2018	$0.75 - $1.00	1,126,650	-	(1,126,400)	-	250
December 16, 2018	$0.75 - $1.00	3,100,846	-	(2,946,918)	-	153,928
Total		5,152,496	342,270	(4,408,318)	(190,000)	896,448
Weighted Average Exercise Price (CDN$)		$ 0.47	$ 1.10	$ 0.49	$ 0.40	$ 0.66
Weighted Average Remaining Life						1.56 years

(Expressed in US Dollars)

8. Warrants (continued)

As at March 31, 2016, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price (CDN$)	Balance March 31, 2015	Issued	Exercised	Expired	Balance March 31, 2016
July 3, 2016	$ 0.40	525,000	-	-	-	525,000
October 1, 2018	$ 0.25	-	400,000	-	-	400,000
December 10, 2018	$0.50 - $1.00	-	1,126,650	-	-	1,126,650
December 16, 2018	$0.50 - $1.00	-	3,100,846	-	-	3,100,846
Total		525,000	4,627,496	-	-	5,152,496
Weighted Average Exercise Price (CDN$)		$ 0.40	$ 0.48	$ -	$ -	$ 0.47
Weighted Average Remaining Life						2.4 years

On September 29, 2015, the Company entered into a Warrant Agreement with EV Power Corp. whereby the Company issued 400,000 common share purchase warrants, each of which is exercisable into one common share with an exercise price of CDN$0.25 per common share on or before October 1, 2018. The Warrants will vest as to 10,000 Warrants for each completed sale of a GreenPower bus by EV Power Corp. prior to the expiry date.

During the year ended March 31, 2016, there were 3,100,846 warrants issued as a result of the Private Placement of Share Units (Note 6) and there were 1,126,650 warrants issued with a fair value of $66,418 as a result of the issuance of Convertible Debentures (Note 9). The transaction costs assigned to the issuance of the warrants with regards to the Share Units (Note 6) and Convertible Debentures (Note 9) was $2,778 and $898 respectively.

On October 17, 2016, there were 342,270 warrants issued as a result of the October Placement (Note 6).

The following assumptions were used for the Black-Scholes valuation of warrants issued with Convertible Debentures (Note 9):

Share price on date of issuance	CDN$0.32
Risk-free interest rate	0.54%
Expected life of warrants	1.5 years
Annualized volatility(1)	100%
Dividend rate	n/a

(1) Expected volatility was determined by reference to historical volatility of similar entities following a comparable period of lives.

During the year ended March 31, 2017, 4,408,318 warrants (2016 - nil) were exercised at a weighted average price of CDN$0.49 per share for proceeds of CDN$2,170,659 (USD$1,637,171) and 190,000 warrants (2016 – nil) expired.

(Expressed in US Dollars)

9. Convertible Debentures

On December 11, 2015, the Company issued CDN$777,000 (USD$ – 572,571) convertible debentures (the "Debentures") and 1,126,650 non-transferrable common share purchase warrants (the "Debenture Warrants") with the following terms:

- the Debentures mature on December 11, 2018 (the "Maturity date"), and the principal amount of the Debentures, together with accrued and any unpaid interest, will be payable on the Maturity Date;
- the Debentures bear interest at a rate of 8% per annum and will be payable annually;
- the principal amount of the Debentures is convertible into common shares of the Company at a price of CDN$0.40 per common share at any time, until the Maturity Date;
- each Debenture Warrant is exercisable into one Share with an exercise price of CDN$0.50 per Share until and on December 10, 2016, CDN$0.75 per common share until and on December 10, 2017 and at CDN$1.00 per common share until and on December 11, 2018, subject to adjustment; and
- the Company may, at any time after the second anniversary of the issuance date and prior to the Maturity Date, repay the principal amount and any accrued and unpaid interest of the Debentures.

On initial recognition, the Company bifurcated CDN$94,215 (USD$ – 69,552) to equity and CDN$582,141 (USD$ – 428,855) to the carrying value of the loan. The Company incurred transaction costs of CDN$9,293 (USD$ - 6,848) including finder's fees of $1,732 paid to arm's length finders. The initial carrying value of the loan of CDN$583,190 (USD$ – 429,753) will be accreted to CDN$777,000 (USD$ – 572,571) over the term of the Debentures. The effective interest rate of the Debentures is 18.55%. The initial treatment of the Debentures is shown below:

	USD$	**CDN$**
Proceeds bifurcated to carrying value of the loan	$428,855	$582,141
Proceeds bifurcated to equity	69,552	94,215
Transaction costs related to the Debentures	7,746	10,512
Fair value assigned to the issuance of warrants	66,418	90,132
Proceeds on issuance of Convertible Debentures	$572,571	$777,000

On June 2, 2016, CDN$20,000 (USD$13,860) worth of Debentures were converted into 50,000 common shares with a conversion price of CDN$0.40.

	CDN $
Initial proceeds - Debentures	$ 777,000
Debenture conversions - June 2, 2016	(20,000)
Unconverted Debentures - March 31, 2017	$ 757,000

During the year ended March 31, 2017, the Company recognized interest and accretion of $90,774 (March 31, 2016 - $24,908).

(Expressed in US Dollars)

10. Promissory Note Payable

During the year ended March 31, 2017, the Company issued a $594,000 promissory note (the "Note") to the City of Porterville to acquire land (Note 4). The Note bears interest at 2.0% per annum and is payable in blended monthly installments of $5,463, beginning November 1, 2016. The monthly installments will occur for five years, at which point a balloon payment of $311,764 is due and payable. The Note is secured by an interest in the land in favour of the City of Porterville.

A summary of the remaining principal payments over the next five years are as follows:

Year	*Payment*
1	$ 54,675
2	55,774
3	56,895
4	58,038
5	346,156
	$ 571,538

During the year ended March 31, 2017, the Company incurred $4,855 of interest on the Note. This amount is included in Interest and accretion on the Consolidated Statements of Operations.

11. Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, loans payable to related parties, promissory note payable and convertible debentures.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and
Level 3: Inputs that are not based on observable market data

The Company does not currently hold any financial instruments measured at fair value on the Consolidated Statements of Financial Position.

The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Overview

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

Credit risk

The Company's exposure to credit risk is on its cash. 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.

11. Financial Instruments (continued)

Liquidity risk

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.

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 March 31, 2017, the Company was exposed to currency risk through the following monetary assets and liabilities in CDN Dollars.

	CDN$
Cash	$19,881
GST receivable	$27,252
Accounts payable and accrued liabilities	$(86,499)
Loans payable to related parties	$(140,948)
Convertible debentures	$(672,569)

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 $64,000 to other comprehensive income/loss.

12. Capital Management

As the Company is seeking business opportunities, its principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements on specific business opportunities on a case-by-case basis. The capital structure of the Company consists of cash and equity attributable to common shareholders, consisting of issued share capital and deficit. There was no change to the Company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

(Expressed in US Dollars)

13. Related Party Transactions

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

	2017	**2016**
Administrative and professional fees	$ 352,900	$ 180,335
Accomodation	22,328	-
Equipment rental	174,756	88,436
Share-based payments (options)	275,196	205,300
	$ 825,180	$ 474,071

During the year ended March 31, 2017, the Company engaged the services of several shareholders and related parties of the Company, including Koko Financial Services Ltd., MSA Holdings Inc., and S&P 500 Financial and Corporate Services Inc., to provide accounting, management consulting and director services. Details of these agreements are as follows:

- Pursuant to a consulting agreement dated August 6, 2014 as amended from time to time, among the Company, Fraser Atkinson and Koko Financial Services Ltd., a company beneficially owned by Fraser Atkinson, the Company retained Fraser Atkinson to provide consulting services to the Company. GreenPower Motor Company Inc. paid Koko Financial Services Ltd. CDN$112,500 for the nine month period ended December 31, 2016 and $30,000 for the three month period ended March 31, 2017.

- Pursuant to a consulting agreement dated August 6, 2014 as amended from time to time, among the Company, Mark Achtemichuk and MSA Holdings Inc., a company beneficially owned by Mark Achtemichuk, the Company retained Mark Achtemichuk to provide consulting services to the Company. GreenPower Motor Company Inc. paid MSA Holdings Inc. CDN$30,000 for the year ended March 31, 2017.

- Effective January 1, 2016, GreenPower Motor Company, Inc. (the U.S subsidiary of the Company, “GreenPower USA”), agreed to pay $10,000 per month to S & P 500 Financial and Corporate Services Inc. (“S&P 500”), a U.S. company where Mr. Oldridge served as a director. As a result, GreenPower USA paid S&P 500 $120,000 for the year ended March 31, 2017.

During the year ended March 31, 2016, the Company engaged the services of several shareholders and related parties of the Company, including Koko Financial Services Ltd., MSA Holdings Inc., and Phillip Oldridge, to provide accounting, management consulting and director services. Details of these agreements are as follows:

- Pursuant to a consulting agreement dated August 6, 2014, among the Company, Fraser Atkinson and Koko Financial Services Ltd., a company beneficially owned by Fraser Atkinson, the Company retained Fraser Atkinson to provide consulting services to the Company. GreenPower Motor Company Inc. paid Koko Financial Services Ltd. CDN$86,650 for the year ended March 31, 2016.

- Pursuant to a consulting agreement dated August 6, 2014, among the Company, Mark Achtemichuk and MSA Holdings Inc., a company beneficially owned by Mark Achtemichuk, the Company retained Mark Achtemichuk to provide consulting services to the Company. GreenPower Motor Company Inc. paid MSA Holdings Inc. CDN$18,500 for the year ended March 31, 2016.

13. Related Party Transactions (continued)

- The Company, and its wholly-owned subsidiaries, entered into a consulting agreement with Phillip Oldridge, on February 1, 2013, pursuant to which Mr. Oldridge provided consulting services. Pursuant to the foregoing arrangement, GreenPower USA paid the sum of $70,000 for the year ended March 31, 2016.

- Effective January 1, 2016, GreenPower USA agreed to pay $10,000 per month to S&P 500. As a result, GreenPower USA paid S&P 500 $30,000 for the year ended March 31, 2016.

The amounts are classified as either Administrative fees, Product development costs or Sales and marketing in the Consolidated Statements of Operations for each of the years.

The Company incurred share-based compensation in the amount of $275,196 during the year ended March 31, 2017 (March 31, 2016 – $205,300) for stock options granted in current and prior periods to Directors of the Company.

During the years ended March 31, 2017 and March 31, 2016, the Company incurred equipment rental expenses of $174,756 (March 31, 2016 - $88,436) with Maple Leaf Equipment Aircraft and Recovery Inc., a company that the Chairman of GreenPower is an officer and director. These costs are expensed in Transportation costs on the Consolidated Statements of Operations for each of the years.

During the year ended March 31, 2017, the Company incurred accommodation expenses of $22,328 (March 31, 2016 - $nil) with Stage Coach Landing, Inc., a company that the Chairman of GreenPower is an officer and director. These costs are expensed in Travel, accommodation, meals and entertainment expense on the Consolidated Statements of Operations for the year.

Accounts payable and accrued liabilities at March 31, 2017, included $115,464 (March 31, 2016 - $101,819) 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.

Loans payable to related parties of $172,326 at March 31, 2017 (March 31, 2016 - $425,354) includes loans payable to directors and officers, companies controlled by directors and officers, and shareholders of the Company, all of which are non-interest bearing, unsecured and have no fixed terms of repayment.

During the year ended March 31, 2017, there were $253,028 (March 31, 2016 - $29,502) of shareholder loan repayments.

For the outstanding balance of unconverted convertible debentures at March 31, 2017 of CDN$757,000 (Note 9), includes CDN$230,000 owed to Koko Financial Services Ltd., a company controlled by the Chairman of GreenPower (March 31, 2016 – CDN$230,000).

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

(Expressed in US Dollars)

14. Income Taxes

Income tax expense is recognized based on management's best estimate of weighted average annual income tax rate for the full financial year applied to the pre-tax income of the reporting period. The Company's effective tax rate for the years ended March 31, 2017 and March 31, 2016 was 26.00%.

The difference between tax expenses for the years and the expected income taxes based on the statutory rate are as follows:

		Year ended March 31 2017		Year ended March 31 2016
Combined statutory tax rate		26.00%		26.00%
Expected income tax expense (recovery)	$	(731,436)	$	(452,402)
Items not deductible for tax purposes		115,295		91,817
Difference in tax rate in other jurisdictions		(105,162)		(50,542)
Unrecognized (recognized) loss carryforwards		721,303		411,127
Income tax expense (recovery)	$	-	$	-

The nature and effect of the temporary differences giving rise to the deferred income tax assets as of March 31, 2017 and March 31, 2016 are summarized below:

Deferred income tax assets		**March 31 2017**		**March 31 2016**
Non-capital loss carry-forwards	$	2,081,207	$	1,304,287
Investment in subsidiary		90,883		93,014
Capital assets		112,745		53,682
Resource properties		102,332		106,993
Convertible debentures		(11,889)		(16,849)
Other carryforward balances		4,090		4,186
Share issue costs		44,659		62,285
Unrecognized deferred tax assets		(2,424,027)		(1,607,598)
Net deferred income tax asset (liability)	$	-	$	-

As at March 31, 2017, and March 31, 2016, the Company has approximately $4,900,500 and $3,876,000 of non-capital losses carry forwards available to reduce Canadian and US taxable income for future years, respectively. The losses expire between 2030 and 2037 if unused. The potential benefits of these carry-forward non-capital losses has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

15. Segmented Information

The Company operates in one reportable operating segment, being the manufacture and distribution of all-electric charter, school and city buses. As at March 31, 2017 and March 31, 2016 the majority of the Company's non-current assets, being property and equipment are located in the U.S.A.

16. Events After the Reporting Period

In May 2017, the Company announced the closing of a private placement, which raised gross proceeds of CDN$2,150,000 (USD$1,578,500) through the issuance of convertible debentures (the "2017 Debentures").

The terms of the 2017 Debentures include:

- the 2017 Debentures mature four years after issuance (the "Maturity Date"), and the principal amount of the 2017 Debentures, together with accrued and any unpaid interest, will be payable on the Maturity Date;
- the 2017 Debentures bear interest ("Interest") at the greater of 8% per annum or BMO bank prime rate of lending plus 2.5% per annum, which Interest will be payable monthly;
- the principal amount of the Debentures is convertible into common shares of the Company at a price of CDN$0.65 per share at any time, until the Maturity Date;
- the Company may, at any time after the second anniversary of the issuance date and prior to the Maturity Date, repay the principal amount and any accrued and unpaid Interest of the Debentures.

Pursuant to the debenture financing, the Company issued 3,306,700 non-transferrable common share purchase warrants, with each warrant exercisable into one Share for a period of three years at an exercise price of CDN$0.75 per share, subject to adjustment.

Subsequent to March 31, 2017 782,500 stock options were exercised at prices between CDN$0.25 – CDN$0.40 per share for proceeds of CDN$201,250 (USD$148,029).

On May 26, 2017, the Company granted:

- 1,037,500 options to Directors with an exercise price of CDN$0.75 per share with a term of 5 years. The options fully vest on the grant date.
- 100,000 options to an advisor with an exercise price of CDN$0.60 per share with a term of 3 years. The options fully vest on the grant date.
- 200,000 options to an employee with an exercise price of CDN$0.60 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.
- 50,000 options to a consultant (IR provider) with an exercise price of CDN$0.60 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

On July 10, 2017, the Company granted 50,000 options to a consultant (IR provider) with an exercise price of CDN$0.55 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

Subsequent to March 31, 2017 25,000 stock options expired unexercised.