Introduction

This Management's Discussion and Analysis ("MD&A") is dated as of October 28, 2019 unless otherwise indicated and should be read in conjunction with the unaudited consolidated financial statements of GreenPower Motor Company Inc. ("GreenPower", "the Company", "we", "our" or "us") for the period ended September 30, 2019 and the related notes. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in US dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the period ended September 30, 2019 are not necessarily indicative of the results that may be expected for any future period. The consolidated financial statements are prepared in compliance with International Financial Reporting Standards.

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

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

Cautionary Note Regarding Forward-Looking Information

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

Description of Business

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

Operations

The following is a description of GreenPower's business activities during the three months ended September 30, 2019. During the quarter, the Company completed and delivered a total of 27 buses, including 24 EV Stars, one EV 350, and two Synapse Type D school buses.

During the three-month period ended September 30, 2019, the company delivered a total of 24 EV Stars to three customers. GreenPower delivered three EV Stars to Green Commuter, and one EV Star was delivered to Sacramento Regional Transit ("SacRT"), completing its initial order of six EV Stars from GreenPower. In addition, GreenPower delivered 20 EV Stars to Creative Bus Sales, fifteen of which were equipped with disability lifts, and five of which were outfitted with the max seating configuration. With the first 20 EV Stars in hand, Creative Bus Sales is now actively marketing the EV Stars through its national sales network of 18 locations. To date, EV Stars have been delivered to Creative Bus Sales dealerships in California, Oregon, Washington, Texas, Arizona, Colorado, Indiana, Pennsylvania, and Georgia.

During the quarter GreenPower delivered one EV350 forty-foot low floor transit bus to the City of Porterville, which represents the tenth and final EV 350 to be delivered to the City of Porterville, thereby completing its order of ten buses. Finally, GreenPower delivered two Synapse Type D school buses for the Rialto Unified School District pursuant to its sales agreement with Adomani Electric, Inc. The delivery of these two vehicles marks GreenPower's first deliveries of all-electric Type D school buses, which were at a low margin. The company has an additional four Synapse Type D school buses in inventory which it expects to deliver to customers in the coming months, pursuant to existing orders.

The Company has its vehicles listed under the California HVIP (Hybrid and Zero-emission truck and bus voucher incentive project) for vouchers ranging from $80,000 to $220,000 for a bus purchased for use in the State of California. Presently the Company has approved HVIP voucher requests for 118 vehicles totalling $12,300,000 that have been reserved from funds allocated to the program in 2019. On July 23, 2019 all funds available for HVIP for the current year had been requested and a wait list for future allocations was started, which currently has requests in excess of $125 million. On October 24, 2019 the California Air Resource Board approved funding of $142 million for next year and these funds are expected to be advanced in January 2020. These issues have impacted the timing and availability of funds for new purchasers of GreenPower buses in the State of California.

The state of California recently announced a first round of funding of $65 million from VW Mitigation Trust funds allocated to the state. This funding offers between $120,000 and $160,000 for each EV Star sold in California, and between $135,000 and $180,000 for each transit bus sold. GreenPower anticipates that sales of its all-electric buses, and EV Stars in particular, will receive funding from this program over time.

The Company continues to manage several vehicle production-runs concurrently, with the following major projects underway:

- Production of five EV 250's for Airline Coach Services;
- Production of ten EV Star Plus buses, three of which are for an existing order with SacRT;
- Production of EV Stars, with 42 vehicles in process.

As at September 30, 2019, the Company had:

- Three EV350's, a Synapse shuttle and ancillary equipment classified as property and equipment totaling approximately $660,000;
- Finished goods inventory of approximately $2.6 million comprised of 16 EV Stars, one Synapse school bus, one EV350 and charging stations;
- Work in process Inventory of $4.3 million including 42 EV Stars, 10 EV Star Plus, three Synapse school buses and five EV 250s.

Trends

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

Results of Operations

For the three-month period ended September 30, 2019

For the three-month period ended September 30, 2019 the Company recorded revenues of $5,430,503 and cost of revenues of $4,038,365 generating a gross profit of $1,392,138 or 26% of revenues. Revenue was generated from the sale of one EV 350, two Synapse Type D school buses and 24 EV Stars, as well as revenue from finance and operating leases and other sources. Operating costs consisted of administrative fees of $780,466 relating to salaries, project management, accounting, and administrative services; transportation costs of $56,884 which relate to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $99,403 related to travel for project management, demonstration of company products, and trade shows; product development costs of $301,313; sales and marketing costs of $49,322; professional fees of $52,940 consisting of legal and audit fees; and office expense of $36,125 consisting of rent and other office expenses, as well as non-cash expenses including $53,025 of share-based compensation expense and depreciation of $160,661, generating a loss from operations before interest, accretion and foreign exchange of $(198,001).

Interest and accretion on the line of credit, convertible debentures and promissory notes totalled $510,042, and a foreign exchange loss of $4,325 resulted in a loss for the period of $(712,368). Non-cash expenses consisting of depreciation, accretion and accrued interest, share-based compensation, warranty accrual and amortization of deferred financing fees totaled $690,496 in the three-month period.

The consolidated total comprehensive loss for the three-month period was impacted by $15,379 of other comprehensive income as a result of the translation of the entities with a different functional currency than presentation currency.

For the six-month period ended September 30, 2019

For the six-month period ended September 30, 2019 the Company recorded revenues of $7,880,454 and cost of revenues of $5,764,920 generating a gross profit of $2,115,534 or 27% of revenues. Revenue was generated from the sale of two EV 350s, two Synapse Type D school buses and 27 EV Stars, as well as revenue from finance and operating leases and other sources. Operating costs consisted of administrative fees of $1,449,369 relating to salaries, project management, accounting, and administrative services; transportation costs of $118,864 which relate to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $187,750 related to travel for project management, demonstration of company products, and trade shows; product development costs of $515,726; sales and marketing costs of $146,480; professional fees of $113,632 consisting of legal and audit fees; and office expense of $93,608 consisting of rent and other office expenses, as well as non-cash expenses including $146,569 of share-based compensation expense and depreciation of $304,247, generating a loss from operations before interest, accretion and foreign exchange of $(960,711).

Interest and accretion on the line of credit, convertible debentures and promissory notes totalled $1,010,654, and a foreign exchange loss of $4,487 resulted in a loss for the period of $(1,975,852).

The consolidated total comprehensive loss for the six-month period was impacted by $10,868 of other comprehensive income as a result of the translation of the entities with a different functional currency than presentation currency.

For the three-month period ended September 30, 2018

For the three-month period ended September 30, 2018 the Company recorded revenues of $9,008 and cost of revenues of nil generating a gross profit of $9,008. Operating costs consisted of administrative fees of $532,789 relating to salaries, project management, accounting, and administrative services; transportation costs of $74,503 which relate to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $80,104 related to travel for project management, demonstration of company products, and trade shows; product development costs of $6,637; sales and marketing costs of $93,710; professional fees of $38,834 consisting of legal and audit fees; and office expense of $68,724 consisting of rent and other office expenses; non-cash expenses including $88,903 of share-based compensation expense and depreciation of $114,672, generating a loss from operations before interest, accretion and foreign exchange of $(1,089,868).

Interest and accretion on the line of credit, convertible debentures and promissory notes totalled $354,180, and a foreign exchange loss of $1,424 resulted in a loss for the period of $(1,445,472). Non-cash expenses consisting of depreciation, accretion and accrued interest, share-based compensation, and amortization of deferred financing fees totaled $403,000 in the three-month period.

The consolidated total comprehensive loss for the three-month period was impacted by $(12,151) of other comprehensive loss as a result of the translation of the entities with a different functional currency than presentation currency.

For the six-month period ended September 30, 2018

For the six-month period ended September 30, 2019 the Company recorded revenues of $2,489,362 and cost of revenues of $1,612,229 generating a gross profit of $877,133 or 35% of revenues. Revenue was generated from the sale of three EV 350s. Operating costs consisted of administrative fees of $1,009,427 relating to salaries, project management, accounting, and administrative services; transportation costs of $129,364 which relate to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $146,816 related to travel for project management, demonstration of company products, and trade shows; product development costs of $170,259; sales and marketing costs of $220,084; professional fees of $120,010 consisting of legal and audit fees; and office expense of $147,548 consisting of rent and other office expenses, as well as non-cash expenses including $181,709 of share-based compensation expense and depreciation of $229,362, generating a loss from operations before interest, accretion and foreign exchange of $(1,477,446).

Interest and accretion on the line of credit, convertible debentures and promissory notes totalled $596,654, and a foreign exchange loss of $551 resulted in a loss for the period of $(2,074,651).

The consolidated total comprehensive loss for the six-month period was impacted by $(18,023) of other comprehensive income as a result of the translation of the entities with a different functional currency than presentation currency.

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

	Three Months Ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Financial results				
Revenues	$ 5,430,503	$ 2,449,951	$ 2,486,611	$ 1,106,530
Net income (loss) for the period	(712,368)	(1,263,484)	(1,553,824)	(915,734)
Basic and diluted earnings/(loss) per share*	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
Balance sheet data				
Working capital (deficit)	1,648,610	2,775,679	(155,176)	(80,804)
Total assets	14,515,250	15,620,864	11,910,299	12,843,812
Shareholders' equity	1,951,725	2,439,746	(85,636)	414,804

	Three Months Ended			
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Financial results				
Revenues	$ 9,008	$ 2,480,412	$ 3,435,990	$ 20,453
Net income (loss) for the period	(1,445,472)	(629,179)	665,059	(1,081,095)
Basic and diluted earnings/(loss) per share*	$ (0.02)	$ (0.01)	$ 0.01	$ (0.01)
Balance sheet data				
Working capital (deficit)	824,357	1,892,871	2,180,184	2,056,090
Total assets	11,698,365	8,814,984	7,490,466	6,952,374
Shareholders' equity	1,264,228	1,662,694	2,167,745	1,877,410

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

The following table summarizes vehicle deliveries pursuant to vehicle leases and vehicle sales for the last four quarters:

	For the three months ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Vehicle Sales				
EV 350	1	1	3	0
EV Star	24	3	3	2
Synapse school bus	2	0	0	0
Total	27	4	6	2
Vehicle Leases				
EV 350	0	0	0	2
EV 250	0	0	0	1
EV Star	0	2	0	0
Total	0	2	0	3
Total Deliveries	**27**	**6**	**6**	**5**

The following table summarizes cash expenses for the last four quarters:

	For the three months ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Total Expenses	$ 2,104,506	$ 1,986,880	$ 1,866,235	$ 1,506,043
Less:				
Depreciation	(160,661)	(143,586)	(172,607)	(114,239)
Accretion	(133,373)	(129,989)	(127,002)	(127,320)
Share-based payments	(53,025)	(93,544)	(93,750)	(57,282)
Amortization of deferred financing fees	(154,883)	(156,732)	(92,948)	(75,973)
Warranty Accrual	(188,554)	(38,864)	(88,589)	(38,420)
Total Cash Expenses (1)	$ 1,414,010	$ 1,424,165	$ 1,291,339	$ 1,092,809

The following table summarizes adjusted EBITDA for the last four quarters:

	For the three months ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Net loss for the period	$ (712,368)	$ (1,263,484)	$ (1,553,706)	$ (915,734)
Plus:				
Depreciation	160,661	143,586	172,607	114,239
Interest and accretion	510,042	500,612	428,668	375,601
Share-based payments	53,025	93,544	93,750	57,282
Warranty Accrual	188,554	38,864	88,589	38,420
Adjusted EBITDA (1)	$ 199,914	$ (525,742)	$ (858,681)	$ (368,612)

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

Liquidity

At September 30, 2019, the Company had a cash and restricted cash balance of $487,230, available funds on its Line of Credit of $366,084 which are reflected in the working capital of $1,648,610. The Company manages its capital structure and makes adjustments to it based on available funds to the Company. The Company will continue to rely on additional financings and the sale of its inventory to further its operations and meet its capital requirements to manufacture EV vehicles, complete the Altoona test, initiate construction of the manufacturing facility, and further develop its sales and marketing, engineering, and technical resources.

Capital Resources

Three months ended September 30, 2019 and up to the date of this report

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

As at September 30, 2019, the Company had the following outstanding convertible debentures all with an 8% interest rate and a term of four years. The Convertible Debentures have effective rates ranging from 28.3% - 38.5%.

Issue Date	Amount ($CDN)	Converted Amount ($CDN)	Matured Amount ($CDN)	Outstanding Amount ($CDN)	Conversion Price ($CDN)	Shares on Conversion
Dec 11, 2015	777,000	(60,000)	(717,000)	-	0.40	n/a
May 17, 2017	1,900,000	-		1,900,000	0.65	2,923,077
May 31, 2017	250,000	-		250,000	0.65	384,615
Sep 25, 2017	1,476,000	-		1,476,000	0.40	3,690,000
Oct 16, 2017	2,220,000	(250,000)		1,970,000	0.40	4,925,000
Total	6,623,000	(310,000)	(717,000)	5,596,000		11,922,692

On July 19, 2019 CDN $50,000 worth of debentures (issued on October 16, 2017) were converted into 125,000 common shares with a conversion price of CDN $0.40.

During the three-month period ended September 30, 2019, the Company incurred share-based compensation expense with a measured fair value of $53,025. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Condensed Interim Statements of Operations.

On May 14, 2019 the shareholders approved a new rolling stock option plan with a limit of 10% of the issued shares (the "2019 Stock Option Plan"). As at September 30, 2019, there were 5,015,412 options available for issuance under the 2019 Stock Option Plan. The Company did not issue any stock options during the quarter ended September 30, 2019.

Investing Activities

For the three months ended September 30, 2019

See the Operations and Capital Resources sections above for a summary of the Company activities during the three months ended September 30, 2019.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed, other than payments on one lease that is classified as a short term lease, which totaled $8,020 for the three months ended September 30, 2019, and was recognized in rent and maintenance expense. This lease is scheduled to terminate during the year ended March 31, 2020, and the remaining minimum lease payments until the end of the respective lease is $12,271.

Related Party Transactions

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

	For the Six Months Ended	
	September 30, 2019	**September 30, 2018**
Salaries and Benefits (1)	$ 211,105	$ 312,203
Consulting fees (2)	120,000	-
Accommodation (3)	762	-
Truck and Trailer Rentals (4)	54,403	73,250
Options Vested (5)	129,463	122,514
Total	$ 515,732	$ 507,967

1) Salaries and benefits incurred with directors, officers and a former officer are included in Administrative fees on the Consolidated Statements of Operations.

2) Consulting fees included in professional fees and sales and marketing on the Consolidated Statements of Operations are paid to the directors, the Chairman, and to the CEO of the Company to provide accounting, management consulting and director services.

3) Accommodation expense paid to Stage Coach Landing, Inc., a company that the Chairman of GreenPower and former CEO are officers and directors. These costs are expensed on the Consolidated Statements of Operations.

4) Truck and trailer rental fees paid to Maple Leaf Equipment Aircraft and Recovery Inc., a company that the Chairman of GreenPower and former CEO are officers and directors. These costs are included in Transportation costs on the Consolidated Statements of Operations.

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

Accounts payable and accrued liabilities at September 30, 2019 included CDN $21,998 and USD $12,276 (March 31, 2019 – CDN $38,768) owed to officers, directors, and companies controlled by officers and directors, and shareholders, which is non-interest bearing, unsecured and has no fixed terms of repayment.

Notes payable as at September 30, 2019 includes CAD$230,000 (March 31, 2019 – CAD$230,000) owed to a company beneficially owned by the Chairman of the Company.

As at September 30, 2019, two companies beneficially owned by the Chairman of the Company had loans outstanding to the Company with a total value of CDN $1,250,000 and USD $120,000 (March 31, 2019 - CDN $1,430,000 and USD $120,000). On March 31, 2019, the two companies renewed loans to the Company for CDN $1,050,000 and USD $120,000. The principal and interest on the loans is repayable on the earlier of the date that (i) the Company completes an equity financing of more than US$5,000,000, (ii) from receipt of proceeds on the sale of buses in excess of US$5,000,000, or (iii) July 1, 2020. Loans outstanding with one company beneficially owned by the Chairman totaling CAD $380,000 plus accrued interest were repaid on May 31, 2019. During June 2019, a company beneficially owned by the Chairman loaned the Company an additional CAD$200,000. The Company has agreed to grant the lender in each of these loans a general security assignment on the assets of GreenPower Motor Company Inc., which will be subordinated to the BMO Bank of Montreal.

Loans payable to related parties of $1,336,492 (March 31, 2019 - $1,498,907) include the loans with terms described above, including accrued interest, and other loans payable to directors and officers, companies controlled by directors and officers, which are unsecured and have no fixed terms of repayment.

The outstanding balance of unconverted convertible debentures at September 30, 2019 (Note 13), includes CDN$3,025,000 (March 31, 2019 – CDN$3,025,000) owed to directors and companies controlled by directors.

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

New and Amended Standards

Adoption of accounting standards

The following new or amended standards were adopted during the year ended March 31, 2019:

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.

The adoption of the above accounting policies impacted the consolidated financial statements for the three months ended September 30, 2019 as described in the respective notes.

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 September 30, 2019 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.

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 warrants, determination of the liability portion of convertible debentures, determination of the useful life of equipment, net realizable value of inventory, provision for warranty expense, and the $nil provision for income taxes. Critical estimates used in the preparation of these accounting statements include but are not limited to the following:

Critical accounting judgments

i. the determination of the discount rate to use to discount the promissory note receivable, finance lease receivable and lease liabilities;
ii. the determination of the functional currency of each entity within the consolidated Company;
iii. the Company's ability to continue as a going concern;
iv. The classification of leases as either financial leases or operating leases; and
v. The identification of performance obligations in revenue contracts and the determination of when they are satisfied.

Financial Instruments

The Company's financial instruments consist of cash and restricted cash, accounts receivable, finance lease receivable, promissory note receivable, line of credit, accounts payable and accrued liabilities, note payable, loans payable to related parties, promissory note payable, convertible debentures and lease liabilities. As at September 30, 2019, the Company had working capital $1,648,610. The Company's continuing operations are dependent upon its ability to raise capital and generate cash flows from operations.

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

Credit risk
The Company's exposure to credit risk is on its cash, finance lease, and promissory note receivable. Cash consists of cash bank balances held in major financial institutions in Canada and the United States with a high credit quality and therefore the Company is exposed to minimal risk. The Company assesses the credit risk of its promissory note receivable counterparty and lease counterparty on an annual basis and believes it is exposed to minimal credit risk.

Liquidity risk
The Company tries to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's cash balances and available liquidity on the Company's $5 million operating line of credit. The Company's cash is invested in bank accounts at major financial institutions in Canada and the United States and is available on demand. The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

Trade Tariffs
The Company manufactures and imports key components from overseas that are subject to tariffs on importation into the United States, and for which the Company is currently paying tariffs. Recently announced tariff increases on goods imported from China will have a small increase in the cost of key components imported from China.

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, but the Company does not engage in any hedging activities to reduce its foreign currency risk.

At September 30, 2019, the Company was exposed to currency risk through the following monetary assets and liabilities in CDN Dollars.

Cash	$	83,504
Accounts Receivable		41,554
Promissory Notes Receivable		1,000,000
Accounts Payable and Accrued Liabilities		(209,922)
Loans Payable to Related Parties		(1,250,000)
Convertible Debentures		(5,646,000)
Note Payable	$	(380,000)

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 $480,000 to other comprehensive income/loss.

Capital Management

The capital structure of the Company consists of cash, operating line of credit, secured and unsecured promissory notes and convertible debentures 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.

Outlook

For the immediate future, the Company plans to:

- Complete production and delivery of EV Stars currently in various stages of production
- Deliver the remaining EV350 to the City of Porterville
- Deliver Synapse school buses to various customers
- Conduct the Altoona test
- Expand assembly and manufacturing capabilities in the Company's leased facility in Porterville, including "Complete Knock Down" assembly of an EV Star
- Uplist the Company's shares to Nasdaq
- Further develop its sales and marketing, engineering and technical resources

Capitalization and Outstanding Security Data

The total number of common shares issued and outstanding is 108,207,251 as of September 30, 2019. There are no preferred shares issued and outstanding.

An incentive stock option plan was established for the benefit of directors, officers, employees and consultants of the Company. As of September 30, 2019, there are 5,805,313 options granted and outstanding. The total number of common share warrants outstanding as of the same date is 28,490,568.

As at October 30, 2019, the company had 108,257,251 issued shares, 5,522,313 options outstanding, and 28,490,568 warrants outstanding.

Disclosure of Internal Controls

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

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

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

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

Risk Factors

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

No Operating History

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

Reliance on Management

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

Operational Risk

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

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

Volatile Operating Results

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

Competition in the industry

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

Provision for Warranty Costs

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

Sales and Marketing

Presently, the initial price of the Company's products are higher than a traditional diesel bus and certain grants and subsidies are available to offset these higher prices. Sales of Company products may also be impacted by the current market price of diesel fuel, along with the values placed on avoiding other ancillary costs such as noise and vehicle emissions. The Company's products are based on emerging technologies which seek to provide operators and users with vehicles that are all-electric, emission free, and with reduced noise. A reduction or cancellation of these grants would negatively impact our sales program.

Current requirements and regulations may change or become more onerous

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

Additional Disclosure for Venture Issuers Without Significant Revenue

Annual Expenses:

	March 31, 2019	March 31, 2018	March 31, 2017
Research and development costs	$ 437,208	$ 251,826	$ 312,278
General and administrative expenses	2,144,423	1,231,041	598,850
Other material costs *	$ 332,741	$ 744,801	$ 391,769

* Share-based payments

Annual Information:

	March 31, 2019	March 31, 2018	March 31, 2017
Revenues	$ 6,082,561	$ 3,516,156	$ -
Total net loss for the year	$ (4,544,151)	$ (2,774,140)	$ (2,813,217)
Basic and diluted loss per share	$ (0.05)	$ (0.03)	$ (0.03)
Total comprehensive loss	$ (4,567,842)	$ (2,752,826)	$ (2,808,429)
Total assets	$ 11,910,299	$ 7,490,466	$ 4,519,597
Total long-term financial liabilities	$ 4,657,588	$ 2,796,058	$ 1,022,553

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