



# **WestBond Enterprises Corporation**

## **Quarterly Report September 30, 2023**

### **Management Discussion and Analysis**

**Dated November 22, 2023 to Accompany the Interim Consolidated Financial Statements for the Three and Six Month Period Ended September 30, 2023**

**Caution Regarding Forward Looking Statements – There are many risk factors and uncertainties that may affect the company’s actual results, performance, achievements, or developments. Consequently, all forward-looking statements in this report are qualified by this cautionary statement and the company cannot assure investors that actual results, performance, achievements, or developments that the company anticipates will be realized. Forward-looking statements are based on the beliefs of management and reflect management’s current plans, expectations, estimates, projections, beliefs and opinions and the company does not undertake any obligation to update forward-looking statements should the assumptions related to these expectations, plans, estimates, projections, beliefs, and opinions change, except as required by law. The forward-looking statements contained in this MD&A speak only as of the date of this MD&A.**

### **Description of Our Business**

We, WestBond Enterprises Corporation or the “Company”, are a paper manufacturer and converter that manufactures disposable paper products for many market segments. A full description of our business and products is contained in the Management Discussion and Analysis included in our 2023 Annual Report. A pdf version of the 2023 Annual Report may be downloaded from our web site at [www.westbond.ca](http://www.westbond.ca) or from the SEDAR web site at [www.sedar.com](http://www.sedar.com). For a printed copy, please contact the Company. Additional information on the Company is also available on our web site and on the SEDAR web site.

### **Discussion of Operations and Financial Condition**

You should refer to our interim consolidated financial statements for the three and six month period ended September 30, 2023 and our consolidated financial statements for the year ended March 31, 2023 while you read this discussion. Those financial statements provide significant material information that is not meant to be, nor is it included in this discussion. This discussion is meant to provide information not included in the financial statements and an explanation of some of the financial statement information. You should also refer to the Management Discussion and Analysis that was included in our 2023 Annual Report. Information included in that discussion is only updated in this discussion. Information that has not changed materially since June 29, 2023, the date of the Management Discussion and Analysis in the 2023 Annual Report, is not repeated here.

Sales were \$2,718,170 for the three months ended September 30, 2023, which is 14.8% higher than the three months ended June 30, 2023 (6.2% lower than the three month period ending June 30, 2022). We realized a profit of \$74,763 (\$0.002 per share) for the three months ended September 30, 2023 compared to a loss of \$69,394 for the three months ended June 30, 2023. For the same three month period ending June 30, 2022, profits were \$182,923 (\$0.005 per share). The increase in profits compared to last quarter ending June 30, 2023 was a result of filling vacant production positions and filling orders faster. The decrease in profits compared to the quarter ending June 30, 2022 was due to decreased sales in air laid parent rolls. The table and graph on the next page show the trends over the past eight quarters.

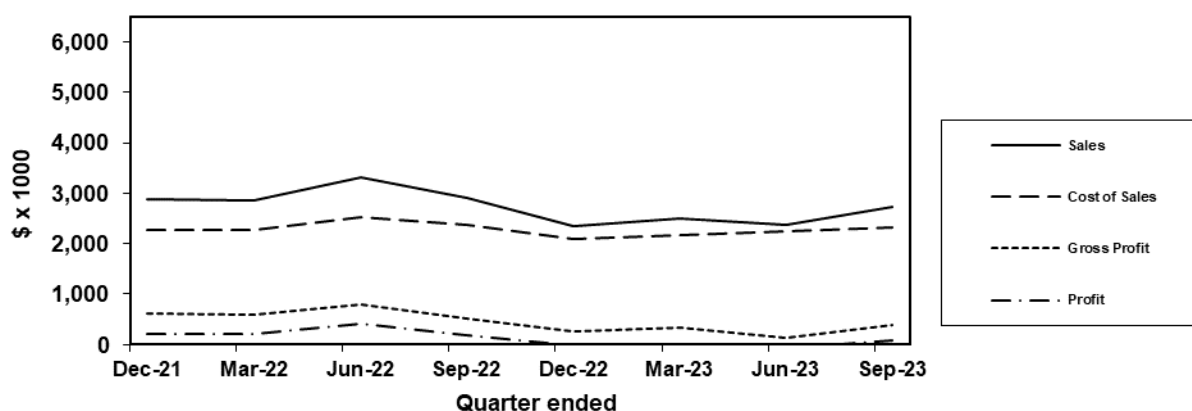
## Summary of Quarterly Results

The following table summarises the results of operations for the past eight quarters. We have extracted the data from our consolidated financial statements which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards.

Cdn\$ x 1,000	Quarters ended							
	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021
Sales	2,718	2,367	2,510	2,360	2,898	3,321	2,845	2,883
Cost of Sales	2,322	2,237	2,166	2,100	2,372	2,513	2,264	2,276
Gross Profit	396	130	344	260	526	808	581	607
Selling and distribution expenses	46	44	39	40	35	34	28	33
General and administrative expenses	201	149	269	193	202	196	203	235
Operating profit	149	(63)	36	27	289	578	350	339
Other expenses	46	31	2	45	37	11	39	41
Profit before Tax	103	(94)	34	(18)	252	567	311	298
Income Tax Expense	28	(25)	40	1	69	152	88	79
Profit	75	(69)	(6)	(19)	183	415	223	219
Earnings per share, basic and diluted-Cdn\$	0.002	(0.002)	0.000	(0.001)	0.005	0.012	0.006	0.006
Dividends paid per share - Cdn\$	-	-	-	-	0.005	0.005	0.005	-
<b>Sales % change over previous quarter</b>	<b>14.80</b>	<b>-5.70</b>	<b>6.40</b>	<b>-18.60</b>	<b>-12.70</b>	<b>16.80</b>	<b>-1.30</b>	<b>-2.00</b>

### Costs, expenses and net income - % of Sales

Cost of Sales	85.4	94.5	86.3	89.1	81.8	75.7	79.6	79.0
Selling and distribution expenses	1.7	1.9	1.5	1.7	1.2	1.0	1.0	1.1
General and administrative expenses	7.4	6.3	10.7	8.2	7.0	5.9	7.1	8.2
Other expenses	1.7	1.3	0.1	1.9	1.3	0.3	1.4	1.4
Income Tax Expense	1.0	-1.1	1.6	0.0	2.4	4.6	3.1	2.7
Net profit	2.8	-2.9	-0.2	-0.8	6.3	12.5	7.8	7.6



## Sales

Sales for the three months ended September 30, 2023 were 14.8% higher than the previous quarter ended June 30, 2023 and 6.2% lower than the same period last year. Compared to the same period last year, the decrease in both sales and profitability are mainly due to the decrease in sales of airlaid parent rolls. This is because one of our customers had a change in ownership and ceased purchasing from us. With the decrease in parent roll sales, we now focus on developing additional end user markets which yield higher profit margins. With the return to full production staff levels, sales and profitability have improved. Compared to the quarter ended March 31, 2023, and the quarter ended December 31, 2022, sales have increased for our personal hygiene, clinical, and wipes product categories. Sales of personal hygiene products decreased by 6%, while sales of non-clinical air laid parent rolls increased by 56% when compared to the previous quarter.

We are now supplying air laid napkins to a major, high profile national restaurant chain with a customized product. Additionally, major American restaurant supply distributors have placed trial orders for our airlaid napkins. Demand for our products remain high. With improved staffing, we have been able to reduce our backlog of unshipped orders. With the return to full production staff levels in this quarter, sales and profitability have improved when compared with the quarter ended June 30, 2023.

Sales	Three Months ended		Change over last year	Six Months ended		Change over last year
	September 30			September 30		
Product Line	2023	2022		2023	2022	
	\$	\$		\$	\$	
Personal Hygiene	647,458	727,671	-11.0%	1,337,489	1,196,811	11.8%
Clinical	434,934	265,522	63.8%	935,967	652,319	43.5%
Wipes	659,593	425,917	54.9%	1,156,916	910,073	27.1%
Non-clinical air laid products	966,286	1,476,674	-34.6%	1,584,710	3,452,316	-54.1%
Other	9,899	2,332	324.4%	69,926	8,015	772.4%
	<u>2,718,170</u>	<u>2,898,116</u>	<u>-6.2%</u>	<u>5,085,008</u>	<u>6,219,534</u>	<u>-18.2%</u>

## Cost of Sales

Materials are the most significant component of cost of sales. Bulk paper and pulp are our main materials cost. All of our products have a high materials component and a low labour component. Materials costs were higher in the quarter ended September 30, 2023 than in the quarter ended September 30, 2022 as a percentage of sales due to higher costs of raw materials compared to the previous year. Compared to the same quarter in 2022, production labour costs increased because of a general wage rate increase for most production employees and overtime pay made necessary to fill backlogged orders. Compared to the previous quarter, factory overhead labour costs decreased slightly. The increase in warehouse and training wages and benefits, and other training costs were offset by the decrease in maintenance and factory supervisor wages and benefits. The general increase in variable overhead is due to higher costs in factory overhead supplies and utility charges, offset by lower costs relating to purchase of maintenance parts. Shipping cost has been increasing steadily over the last four quarters, largely due to increasing sales. As recommended by our external auditors, the shipping costs that were reported as selling and distribution expenses in the previous fiscal year, are now reported as cost of sales. Depreciation increased in 2023 as more assets were put into service.

Cost of Sales	Three Months ended September 30		Six Months ended September 30	
	% of Sales			
	2023	2022	2023	2022
Materials	44.3%	42.9%	46.1%	44.2%
Production labour	9.5%	7.3%	10.3%	7.4%
Factory overhead labour	4.5%	3.6%	4.8%	3.8%
Variable overhead	4.3%	5.2%	4.6%	5.2%
Fixed overhead	2.9%	2.2%	3.1%	2.3%
Shipping	8.5%	6.7%	8.6%	7.0%
Depreciation of plant equipment	9.2%	6.0%	9.6%	6.5%
Depreciation of right of use assets	2.4%	1.9%	2.5%	2.1%
Gross Profit	14.6%	24.3%	10.4%	21.5%

### ***Selling and Distribution Expenses***

Selling and distribution expenses during the three months ended September 30, 2023 were 1.7% of sales, compared to 1.2% for the three months ended September 30, 2022. The percentage cost in 2023 was higher due to an increase in sales commission, and shipping wages. As recommended by our external auditors, the shipping costs that were previously reported in this category are now reported as cost of sales.

### ***General and Administrative Expenses***

Administrative and office expenses are higher in the three months ended September 30, 2023 than in the quarter ended June 30, 2023 due to the reversal of the expected credit loss adjustment made on March 31, 2023. We have received payments for the adjustment created at March 31, 2023. The increase in administrative and office expenses and professional fees are offset by decrease in salaries and benefits due to vacations taken in this quarter.

During the six months ended September 30, 2023 the company incurred total short-term employee benefits of \$186,920 (2022 – \$201,595) to its key management personnel, comprising the directors and officers of the company, and incurred \$11,590 (2022 – \$9,796) of professional fees in the normal course of operations paid to DuMoulin Black LLP, a law firm with which J. Douglas Seppala, a director of the company, is associated. The professional fees are for legal services provided to the Company at rates normally charged to arm's length parties.

### ***Other Income and Expenses***

Fluctuations in the US dollar exchange rate resulted in a \$9,273 loss during the three months ended September 30, 2023, compared with a \$5,128 loss in the same period last year. Compared to the previous quarter, interest expense on bank loans is higher because of a balance on the revolving bank loan. Interest on lease liabilities is lower in 2023 than 2022 because of a lower principal balance.

### **Liquidity, Financial Position and Capital Resources**

Our operating cash flows, before accounting for fluctuations in non-cash working capital were \$487,291 during the six months ended September 30, 2023, an average of \$81,215 per month, compared to an average of \$181,109 per month during the year ended March 31, 2023. The decrease is a result of lower sales for the period. We had working capital of \$1,747,007 at September 30, 2023, compared to \$1,606,819 at March 31, 2023. The change is due to increased inventory, trade and other receivables, cash and cash equivalents, and revolving bank loan, offset by decreased prepaid expenses, term bank loans, and trade and tax payables.

We intend to spend around \$300,000 on production equipment additions and improvements over the next year, which we will finance from operating cash flows, supplemented by our revolving bank loan facility.

We have a revolving bank loan facility of \$1,500,000. The loan outstanding at any time may not be greater than an amount based on percentages of accounts receivable and inventory less accounts payable having priority over the bank. The amount currently available, based on our Consolidated Statement of Financial Position at September 30, 2023, is \$1,500,000. Loans outstanding under the facility bear interest at bank prime plus 0.5%. Substantially all of our assets are pledged as collateral for the revolving bank loan facility. \$780,000 was outstanding under the revolving bank loan facility at September 30, 2023.

We use the revolving bank loan facility primarily to finance operating working capital. Inventory and accounts receivable levels normally fluctuate by as much as \$400,000. Accounts payable can also fluctuate by as much as \$400,000. We purchase our pulp and paper supplies in relatively large quantities and often have large shipments to customers on credit, which are the main reasons for these fluctuations.

We had a term loan credit facility which was used for the purchase of our binder bonded air laid paper making machine. The final payment of the balance of principal was made on August 31, 2023. This loan is now fully repaid.

At September 30, 2023 we are in compliance with all of our covenants to the bank regarding the revolving bank loan facility and do not anticipate difficulty maintaining this compliance during the forthcoming year. If we are not compliant with the covenants and are unable to obtain a waiver from the bank, the revolving bank loan will become payable on demand.

## Share Capital

The Company has only one class of share capital, common shares without par value. The Company also has a stock option plan.

	<u>November 22, 2023</u>
Authorized common shares without par value	Unlimited
Issued common shares	35,625,800
Shares issuable on exercise of outstanding stock options	960,000
Shares available for future stock option grants	2,602,580

The stock option plan permits the directors of the Company to grant incentive options to the employees, directors, officers and consultants of the Company.

## Changes in accounting policies including first-time adoption

The company notes that there is a change in the classification of "Shipping" costs in our financial reports starting in quarter ended June 30, 2023. Upon our external auditor's recommendation, we have added shipping costs to the Cost of sales category and removed it from Selling and distribution expenses category. For equitable comparison in this report, we have adjusted all numbers reported in previous periods to reflect this change.

## Other Information

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's web-site at [www.westbond.ca](http://www.westbond.ca).



***WestBond Enterprises Corporation***

***Notice to Reader***

The accompanying interim consolidated financial statements of WestBond Enterprises Corporation for the three and six month periods ended September 30, 2023 and 2022 have been prepared by and are the responsibility of the company's management. They are unaudited and have not been reviewed by independent auditors.

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

	<b>September 30</b>	<b>March 31</b>
	<b>2023</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	7,960,152	8,192,735
Right-of-use assets	1,687,105	1,825,989
Deferred tax asset	53,949	41,777
	9,701,206	10,060,501
<b>Current Assets</b>		
Inventory	2,031,546	1,809,934
Trade and other receivables	1,546,979	1,082,042
Prepaid expenses	124,583	394,757
Cash and cash equivalents	99,690	73,471
	3,802,799	3,360,205
<b>Total Assets</b>	<b>13,504,005</b>	<b>13,420,706</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Common shares issued and outstanding	4,206,910	4,206,910
Stock options	67,200	81,200
Contributed surplus	325,589	311,589
Retained earnings	3,237,025	3,231,637
<b>Equity attributable to common shareholders</b>	<b>7,836,724</b>	<b>7,831,336</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Lease liability	1,657,871	1,794,257
Deferred tax liability	1,953,618	2,041,727
	3,611,489	3,835,984
<b>Current Liabilities</b>		
Revolving bank loans	780,000	12,351
Term bank loans	-	297,783
Lease liability	270,194	264,215
Income tax payable	204,379	322,449
Trade and other payables	801,219	856,588
	2,055,792	1,753,386
<b>Total Liabilities</b>	<b>5,667,281</b>	<b>5,589,370</b>
<b>Total Equity and Liabilities</b>	<b>13,504,005</b>	<b>13,420,706</b>

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

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

	Notes	Three months ended		Six months ended	
		September 30		September 30	
		2023	2022	2023	2022
		\$	\$	\$	\$
Sales	5	2,718,170	2,898,116	5,085,008	6,219,534
Cost of sales	6	2,321,940	2,155,998	4,559,183	4,886,005
<b>Gross Profit</b>		396,230	742,118	525,825	1,333,529
<b>Selling and distribution expenses</b>	7	46,417	250,663	90,813	68,384
<b>General and administrative expenses</b>	8	201,142	202,208	349,957	397,728
<b>Operating Profit (Loss)</b>		148,671	289,247	85,055	867,417
Foreign exchange (gain) loss		9,273	5,128	7,748	(14,260)
Interest expense-bank loans		14,319	7,943	24,230	17,831
Interest expense on lease liability		21,859	24,699	44,202	49,750
Unrealized loss on interest rate swap		-	(477)	-	(5,460)
<b>Profit (Loss) Before Tax</b>		103,220	251,954	8,875	819,556
<b>Income tax expense</b>		28,457	69,031	3,486	221,281
<b>Profit (Loss) and Comprehensive Income</b>		74,763	182,923	5,389	598,275
<b>Weighted average shares outstanding</b>		35,625,800	35,625,800	35,625,800	35,625,800
<b>Earnings per share, basic and fully diluted</b>		0.002	0.005	0.000	0.017

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



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

	Common Shares	Stock Options	Contributed Surplus	Retained Earnings	Total
	\$	\$	\$	\$	\$
<b>Balance as at March 31, 2022</b>	4,206,910	98,700	294,089	3,191,474	7,791,173
<b>Profit for the period</b>	-	-	-	598,275	598,275
<b>Balance as at September 30, 2022</b>	4,206,910	98,700	294,089	3,789,749	8,389,448
<b>Balance as at March 31, 2023</b>	4,206,910	81,200	311,589	3,231,636	7,831,335
<b>Forfeiture of stock options</b>	-	(14,000)	14,000	-	-
<b>Profit (Loss) for the period</b>	-	-	-	5,389	5,389
<b>Balance as at September 30, 2023</b>	4,206,910	67,200	325,589	3,237,025	7,836,724

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

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

Notes	Three months ended		Six months ended	
	September 30		September 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Operating Activities</b>				
Profit (Loss)	74,763	182,923	5,389	415,352
Adjustments to reconcile profit to cash flows from operating activities				
- depreciation of plant and office equipment	251,928	208,840	492,936	200,894
- depreciation of right-of-use assets	69,822	69,822	138,884	69,062
- unrealized gain on interest rate swap	-	(477)	-	(4,983)
- interest expense on bank loans	14,319	7,943	24,230	9,888
- interest expense on lease liabilities	21,859	24,699	44,202	25,051
- income tax expense	28,457	69,031	3,486	152,250
- income tax recovered (paid)	(200,326)	142,765	(221,836)	(21,510)
Cash flows from operating activities before changes in non-cash working capital	260,822	705,546	487,291	846,004
Decrease (increase) in				
- inventory	(29,334)	4,504	(221,612)	(42,627)
- trade and other receivables	37,256	(37,394)	(464,937)	33,570
- prepaid expenses	86,279	(80,056)	270,174	35,535
- trade and other payables	(121,917)	(79,963)	(56,115)	209,112
Net Cash Flow from Operating Activities	233,106	512,637	14,800	1,081,594
<b>Investing Activities</b>				
Purchase of plant and equipment	9	(101,836)	(153,361)	(266,656)
Net Cash Flow from Investing Activities	(101,836)	(153,361)	(266,656)	(41,067)
<b>Financing Activities</b>				
Repayment of term bank loans	(116,944)	(178,572)	(297,783)	(178,572)
Interest paid on bank loans	(14,319)	(8,292)	(24,230)	(9,729)
Increase (decrease) in revolving bank loans	167,004	-	767,649	(86,537)
Interest portion of lease payments	(22,099)	(15,410)	(37,155)	(26,355)
Principal portion of lease payments	(65,570)	(56,311)	(130,407)	(55,682)
Dividends paid	-	(178,129)	-	(178,129)
Net Cash Flow from Financing Activities	(51,928)	(436,714)	278,074	(535,004)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	79,341	(77,438)	26,200	505,523
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	20,349	773,593	73,490	268,070
<b>Cash and Cash Equivalents at the End of the Period</b>	99,690	696,155	99,690	773,593

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

# WESTBOND ENTERPRISES CORPORATION

## Notes to the Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Canadian Dollars)

(unaudited)

### 1. GENERAL INFORMATION

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

The interim consolidated financial statements of the company for the three and six month periods ended September 30, 2023 were approved and authorized for issue by resolution of the directors on November 22, 2023.

### 2. BASIS OF PREPARATION AND INTERIM PERIOD REPORTING

The interim consolidated financial statements of the company have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, ("IAS 34"). The policies applied in these interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the company's annual consolidated financial statements for the year ending March 31, 2024 could result in restatement of these interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The company notes that there is a change in the classification of "Shipping" costs in our financial reports starting in quarter ended June 30, 2023. Upon our external auditor's recommendation, we have added shipping costs to the Cost of sales category and removed it from Selling and distribution expenses category. For equitable comparison, in this report we have adjusted all numbers reported in previous periods to reflect this change.

Except for the allocation of the Shipping cost, as explained above, the same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as in the consolidated financial statements for the year ended March 31, 2023.

The disclosure contained in these interim consolidated financial statements is condensed and includes only selected explanatory notes and does not duplicate or repeat disclosure reported in the consolidated financial statements for the year ended March 31, 2023 that has not changed materially since their date of issue. Accordingly, these interim consolidated financial statements should only be read in conjunction with the consolidated financial statements of the company for the year ended March 31, 2023.

### 3. RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2023 the company incurred total compensation, comprising short-term employee benefits, of \$186,920 (2022 – \$201,595), to the directors and officers of the company and incurred \$11,590 (2022 – \$9,796) of legal fees in the normal course of operations with a firm in which a director of the company is associated.

**Notes to the Interim Consolidated Financial Statements**  
**September 30, 2023 and 2022**  
**Canadian Dollars**  
**(unaudited)**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>5. SALES</b>				
Personal hygiene products	647,459	727,671	1,337,489	1,196,811
Clinical products	434,934	265,522	935,967	652,319
Wipes	659,593	425,917	1,156,916	910,073
Non-wipe air laid products	966,286	1,476,674	1,584,710	3,452,316
Other products	9,898	2,332	69,926	8,015
	<u>2,718,170</u>	<u>2,898,116</u>	<u>5,085,008</u>	<u>6,219,534</u>
<b>6. COST OF SALES</b>				
Materials	1,202,920	1,324,424	2,344,617	2,747,869
Production labour	257,701	220,672	521,813	462,243
Factory overhead labour	121,265	116,819	245,946	236,789
Variable overhead	118,036	149,630	232,301	321,780
Fixed overhead	77,536	72,649	159,021	145,332
Shipping	230,389	216,031	438,902	437,074
Depreciation of plant equipment	249,019	206,730	487,143	405,478
Depreciation of right-of-use assets	65,074	65,074	129,440	129,440
	<u>2,321,940</u>	<u>2,372,029</u>	<u>4,559,183</u>	<u>4,886,005</u>
<b>7. SELLING AND DISTRIBUTION EXPENSES</b>				
Wages, commissions and other employee benefits	38,365	31,962	80,464	61,859
Other	8,052	2,670	10,349	6,525
	<u>46,417</u>	<u>34,632</u>	<u>90,813</u>	<u>68,384</u>
<b>8. GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Administration and office	37,377	39,153	68,172	72,410
Corporate promotion	2,457	3,878	4,225	5,680
Depreciation of right-of-use assets	4,748	4,748	9,444	9,444
Impairment (gain) loss on trade receivables	-	(234)	(50,000)	(490)
Professional fees	28,230	26,335	47,471	49,441
Salaries and other employee benefits	128,330	128,328	270,645	261,243
	<u>201,142</u>	<u>202,208</u>	<u>349,957</u>	<u>397,728</u>
<b>9. NON-CASH INVESTING ACTIVITIES</b>				
Increase (decrease) in accounts payable related to purchase of plant and equipment	(9,442)	20,353	(6,302)	26,444