

# WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Interim MD&A - Quarterly Highlights  
For the three months ended August 31, 2017 and 2016

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The Quarterly Highlights of Westbay Ventures Inc. (the “Company” or “Westbay”, formerly Afrasia Mineral Fields Inc.) provide a summary of the activities, results of operations and financial condition of the Company as at and for the three months ended August 31, 2017. The Quarterly Highlights have been prepared by management as of October 30, 2017 and should be read in conjunction with the condensed interim financial statements and related notes thereto of the Company for the three months ended August 31, 2017 and 2016, the audited financial statements and related notes thereto of the Company for the years ended May 31, 2017 and 2016, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), and the annual Management Discussion and Analysis (“MD&A”) of the Company prepared by management as of September 25, 2017.

The Company continues to review and investigate potential business opportunities for possible acquisition.

## **Forward-looking statements**

Certain statements contained in the following Quarterly Highlights constitute forward-looking statements. Such forward-looking statements include, but are not limited to statements regarding the Company’s ability to identify and pursue a suitable business opportunity and its ability to raise sufficient financing to continue its operations. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors including financial, operational, environmental and political risks, general equity and market conditions. The outcome of these factors may cause the actual results and performance of the Company to be materially different from any plans or results expressed or implied by such forward-looking statements. Readers are cautioned not place undue reliance on these forward-looking statements.

## **Analysis of the Company’s financial performance and conditions**

During the three months ended August 31, 2017, the Company reported a net loss of \$19,868 compared to a net loss of \$13,665 for the three months ended August 31, 2016, an increase in net loss of \$6,203. The increase in net loss was a result of the following:

- During the three months ended August 31, 2016, the Company negotiated a settlement of outstanding audit and accounting fees from prior periods and recognized a gain of \$3,459 on partial forgiveness of debt. There were no similar transactions recorded in the current quarter ended August 31, 2017.
- Office and administration expenses increased by \$1,875 due to the Company’s increased fees from its administrative services fees with Varshney Capital Corp effective June 1, 2017.
- Professional fees increased by \$900 as a result of the Company accruing for its 2017 year-end tax preparation fee.

As at August 31, 2017, the Company reported a working capital of \$95,526 compared to \$115,394 at May 31, 2017, representing a decrease in working capital of \$19,868. The decrease in working capital was a result of cash used in operating activities.

As at August 31, 2017, the Company had net cash on hand of \$117,703 compared to \$126,801 as at May 31, 2017, representing a decrease of \$9,098.

Current assets excluding cash as at August 31, 2017 consisted of receivables of \$10,314 (May 31, 2017 - \$9,218), which comprised of government sales tax credits of \$9,994 (May 31, 2017 - \$9,011) and other receivables of \$320 (May 31, 2017 - \$207), and prepaid regulatory fees of \$417 (May 31, 2017 - \$418).

Current liabilities as at August 31, 2017 consisted of trade payables of \$21,883 (May 31, 2017 - \$20,958), and amounts due to related parties of \$11,025 (May 31, 2017 - \$85).

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The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. The Company has been successful in re-negotiating its indebtedness, however, there is no assurance the success of these efforts will continue.

The Company is exposed in varying degrees to a variety of financial instrument related risks, including liquidity risk and market risks with respect to its ability to raise capital through equity markets under acceptable terms and conditions. Management monitors its activities and various factors that could impact the risks in order to manage risks and make timely decisions. For further discussion of financial risks, please refer to Note 7 of the condensed interim financial statements for the three months ended August 31, 2017.

To date, the Company has not generated any revenues and accumulated a deficit of \$8,858,140 including a loss for the three months ended August 31, 2017 of \$19,868 (2016 - \$13,665).

These uncertainties and risks may cast significant doubt upon the Company's ability to continue as a going concern.

## **Transactions with Related Parties**

On June 1, 2015, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay administrative services fees of \$3,000 per month. Effective April 1, 2017, the Company terminated its administrative agreement with VCC.

On June 1, 2017, the Company entered into a new administrative agreement with VCC whereby the Company agreed to pay administrative services fees of \$3,500 per month. The agreement has an initial 3 year term and auto renews annually thereafter.

During the three months ended August 31, 2017, the Company incurred \$10,500 (2016- \$9,000) for administrative fees to VCC.

As at August 31, 2017, \$11,025 (May 31, 2017 - \$nil) was owed to VCC for administrative services.

As at August 31, 2017, \$nil (May 31, 2017-\$85) was due to a director for reimbursement of a business expense.

As at August 31, 2017, \$320 (May 31, 2017 - \$207) in cost recoveries was due from companies with directors and officers in common. The amount was included in the receivables and collected in full subsequent to August 31, 2017.

## **Summary of outstanding share data as at October 30, 2017:**

Authorized: Unlimited common shares without par value

Issued and outstanding: 7,006,669

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors, thank you for your continued support.

*"Praveen Varshney"*

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Praveen Varshney, FCPA, FCA  
Director