



GLOBAL UAV
TECHNOLOGIES

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2024

Introduction

This Management's Discussion and Analysis ("MD&A") of Global UAV Technologies Ltd., including its wholly owned subsidiaries, is the responsibility of management and covers the year ended October 31, 2024. The MD&A takes into account information available up to and including February 26, 2025 and should be read together with the audited annual consolidated financial statements for the year ended October 31, 2024. Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

Throughout this document the terms we, us, our, the Company, and the Issuer refer to Global UAV Technologies Ltd. All financial information in this document is prepared and presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and is presented in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Issuer believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

Description of Business

The Company trades on the Canadian Securities Exchange (CSE) under the symbol UAV, the Frankfurt Stock Exchange under the symbol YAB, and over the counter in the United States under the symbol YRLLF.

In January of 2017, the Company moved into the Unmanned Aerial Vehicle ("UAV") sector and completed a Change of Business, (COB), with the CSE and is now designated as a Technology issuer. The Company is currently investigating new opportunities in both the UAV and wider technology sectors.

Outlook

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

The Company remains focused on restructuring the entity in order to attract investments and opportunities.

Performance Summary and Subsequent Events

Corporate Events

During the year ended October 31, 2024, and the subsequent period to the date of this report, the Company closed a non-brokered private placement offering for aggregate gross proceeds of \$140,400 from the issuance of 1,170,000 units of the Company at a price of \$0.12 per unit. Each unit comprises one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.15 per warrant for a period of 24 months from the date of issuance.

Unless described elsewhere in this report, there were no other significant events or transactions during or subsequent to the year ended October 31, 2024.

Please refer to the full news releases which are available on www.sedarplus.ca.

Results of Operations

For the three months ended October 31, 2024:

Loss and comprehensive loss for the three-month period ended October 31, 2024 was \$33,686 compared to a loss and comprehensive loss of \$25,667 during the comparative three-month period ended October 31, 2023, an increase of \$8,019. Included in loss were non-cash expenditures for depreciation of \$409 (2023 - \$512).

Significant variances in the Company's operational expenditures for the three-months ended October 31, 2024 compared to the three-months ended October 31, 2023, were as follows:

- i. Office and miscellaneous increased by \$7,278 to \$7,092 from \$(186) in 2023 as restructuring related activities increased.
- ii. Regulatory, listing and transfer agent fees increased by \$101 to \$2,625 from \$2,524 in 2023 due to the timing of filing fees.
- iii. Depreciation decreased by \$103 to \$409 from \$512 in 2023 due to the disposal and impairment of depreciable assets.
- iv. Rent decreased by \$2,095 to \$nil from \$2,095 in 2023 to due the termination of the storage locker rental agreement.

For the year ended October 31, 2024:

Loss and comprehensive loss for the year ended October 31, 2024 was \$115,681 compared to a loss and comprehensive loss of \$161,176 during the comparative year ended October 31, 2023, a decrease of \$45,495. Included in loss were non-cash expenditures for depreciation of \$1,636 (2023 - \$2,045).

Significant variances in the Company's operational expenditures for the year October 31, 2024 compared to the year ended October 31, 2023, were as follows:

- i. Accounting, audit and legal expenses decreased by \$6,156 to \$83,048 from \$89,204 in 2023. This decrease is due to decreased audit fees and a decrease in legal and accounting activities related to the Company's restructuring.
- ii. Office and miscellaneous decreased by \$34,390 to \$8,187 from \$42,577 in 2023 due the Company's effort to conserve working capital.
- iii. Regulatory, listing and transfer agent fees decreased by \$4,794 to \$14,704 from \$19,498 in 2023 due to the timing of filing fees.
- iv. Depreciation decreased by \$409 to \$1,636 from \$2,045 in 2023 due to the disposal and impairment of depreciable assets.
- v. Rent decreased by \$3,076 to \$4,776 from \$7,852 in 2023 to due the termination of the storage locker rental agreement.

Significant variances in the Issuer's financial position for the year ended October 31, 2024 compared to October 31, 2023 were as follows:

- i. Cash increased by \$139,432 to \$141,994 at October 31, 2024 from \$2,562 at October 31, 2023. Refer to the cash-flow discussion below for a description of operating, investing and financing activities.
- ii. Equipment decreased by \$1,636 to \$6,545 at October 31, 2024 from \$8,181 at October 31, 2023. The decrease relates to depreciation for the year.

- iii. Accounts payable and accrued liabilities increased by \$120,868 to \$1,405,717 at October 31, 2024 from \$1,284,849 at October 31, 2023. The Company is focused on reducing costs during periods of decreased operating activities in order to conserve working capital.

Selected Annual Information

The following selected financial information is taken from the Annual Consolidated Financial Statements and should be read in conjunction with those statements.

	Oct. 31, 2024 \$	Oct. 31, 2023 \$	Oct. 31, 2022 \$
Total revenue	-	-	-
Loss for the year	(115,681)	(161,176)	(182,515)
Basic and diluted loss per share	(0.10)	(0.14)	(0.17)
Total assets	174,955	31,846	147,288
Total long-term financial liabilities	-	60,000	60,000

The loss in the year ended October 31, 2024 was primarily the result of general operating expense of \$113,351 (2023 - \$161,176). The decrease in total assets for the years ended October 31, 2022 and 2023 was the result of impairment and sale of certain UAV assets held by the Company. The increase in total assets for the year ended October 31, 2024 was the result of subscriptions received in advance of \$140,400.

Summary of Quarterly Results

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Revenue	\$ -	\$ -	\$ -	\$ -
Loss for the quarter	(33,686)	(26,952)	(29,265)	(25,778)
Basic and diluted loss per share	(0.03)	(0.02)	(0.02)	(0.02)
	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Loss for the quarter	(25,667)	(27,893)	(67,775)	(39,841)
Basic and diluted loss per share	(0.02)	(0.02)	(0.06)	(0.03)

The variability in the Company's loss over the last eight quarters resulted primarily from general corporate activities.

Related Party Transactions

Transactions with management and related parties during the year ended October 31, 2024 and 2023:

Supplier	Nature of Transaction	2024	2023
Red Fern Consulting Ltd ⁽ⁱ⁾	Accounting Services	\$ 60,000	\$ 60,000

- I. Red Fern Consulting Ltd is a private company of which Stephen Sulis, the Company's CFO, is an employee.

Included in accounts payable and accrued liabilities is \$1,061,624 (October 31, 2023 - \$961,808) due to officers, former officers, and directors of the Company.

Liquidity and Capital Resources

As at October 31, 2024, the Issuer had cash totaling \$141,994 compared to \$2,562 as at October 31, 2023. As at October 31, 2024, the Company had a working capital deficit of \$1,299,637 (October 31, 2023 – deficit of \$1,261,184).

The Company has no source of revenue and will require additional capital. To maintain liquidity in the future, the Company continues to investigate additional financing opportunities and would consider raising capital via share issuances, debt facilities, or a combination of these options.

Significant variances in the Issuer's cash flows for the year ended October 31, 2024 compared to the year ended October 31, 2023, were as follows:

- i. Cash used in operating activities for the year ended October 31, 2024 was \$968 which was largely due to payments of accounts payables.
- ii. Cash provided by financing activities for the year ended October 31, 2024 was a result of subscriptions received in advance of \$140,400.

The Issuer's objectives when managing capital are to safeguard the Issuer's ability to continue as a going concern in order to pursue the development of its new businesses, and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Issuer's capital consists of shareholders' deficit. The Issuer manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Issuer may issue new shares or debt or acquire or dispose of assets. In order to maximize ongoing development efforts, the Issuer does not pay out dividends.

Financial Instruments and Risk Management

The Issuer's financial assets and liabilities were categorized as follows:

	October 31, 2024	October 31, 2023
Financial assets		
Cash	\$ 141,994	\$ 2,562
Amounts receivable	26,416	21,103
Total financial assets	\$ 168,410	\$ 23,665
Financial liabilities		
Accounts payable and accrued liabilities	\$ 1,405,717	\$ 1,284,849
Loan payable	62,330	60,000
Total financial liabilities	\$ 1,468,047	\$ 1,344,849

The fair values of the Company's cash, amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments. The fair value of the Company's loan payable approximates their carrying value and contractual interest rates are comparable to current market interest rates.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk with respect to its cash and amounts receivable.

The Issuer deposits substantially all of its cash at a Canadian chartered bank. The Company's amounts receivable consist of Goods and Services Tax receivable from the Canadian government. Management considers the risk of non-performance related to cash and amounts receivable to be minimal.

b) Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they fall due. The Issuer manages liquidity risk through the management of its capital structure.

As at October 31, 2024, the Company had cash in the amount of \$141,994 (October 31, 2023 - \$2,562), accounts payable and accrued liabilities of \$1,405,717 (October 31, 2023 - \$1,284,849) and loans payable of \$62,330 (October 31, 2023 - \$nil).

The Issuer aims to manage liquidity risk by maintaining adequate cash balances to meet payables as the fall due. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company is currently focused on negotiating payment plans and settlements on aged payables, combined with cost-cutting and efficiencies to enable the Company to start to pay down its debt.

c) Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed below:

Interest rate risk

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Issuer's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Issuer is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Issuer's monetary assets and liabilities, the Issuer is exposed to interest rate price risk.

The Issuer is not exposed to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any material other price risk.

As this sensitivity analysis does not take into account any variables other than the marketable securities rate fluctuations, the above information may not fully reflect the fair value of the assets and liabilities involved.

d) Fair value of financial instruments

IFRS 7 Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and amounts receivable are classified at Level 1 of the fair value hierarchy. As the carrying values of the Company's remaining financial instruments approximate their fair values, disclosure is not made of their level in the fair value hierarchy.

Management of Capital

The Issuer's objectives when managing capital are to safeguard the Issuer's ability to continue as a going concern in order to pursue development of the Issuer's UAV business, and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Issuer's capital consists of shareholders' deficit.

The Issuer manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Issuer may issue new shares or debt or acquire or dispose of assets.

To effectively manage its resources and minimize risk, the Issuer maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a cash call process. The Issuer prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors. In order to maximize ongoing development efforts, the Issuer does not pay dividends.

The Issuer's investment policy is to invest any excess cash in liquid short-term interest-bearing instruments callable at any time.

There have been no changes to the Issuer's approach to capital management during the year ended October 31, 2024.

Off-Balance Sheet Arrangements

The Issuer does not have any off-balance sheet arrangements.

Proposed Transactions

There are currently no proposed transactions contemplated by the Issuer.

Contractual Obligations

Except as described herein or in the Company's audited consolidated financial statements at October 31, 2024, the Company had no material contractual obligations.

Risks Related to Nature of Ownership of Common Shares

Dilution

Shareholders may suffer immediate and/or future dilution with respect to future private and or public offerings of common shares currently being contemplated in order to secure needed capital to facilitate Issuer growth.

Market Volatility

The trading price of the common shares may be subject to wide fluctuations in response due to variations in operating results, and other events and factors. In addition, the stock market may experience price and volume fluctuations, which may adversely affect the market price of the common shares of the Issuer.

Significant accounting judgements and estimates

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

Critical judgments used in applying accounting policies

In the preparation of the consolidated financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the consolidated financial statements.

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. 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. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Utilization of deferred income tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

New accounting standards adopted during the year

The Company adopted the following amendments to accounting standards, which are effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendment was applied effective November 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

New standards not yet adopted

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at October 31, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its consolidated financial statements.

Disclosure of Outstanding Share Data

As at the date of this report the Company had the following common shares, stock options and warrants outstanding:

Common shares	2,341,167
Stock options	-
Warrants	1,170,000
Fully diluted outstanding	3,511,167

The Issuer’s ongoing business development is dependent on raising additional capital to develop its operations and the Issuer is continually assessing overall market conditions to ensure this need is fulfilled to the benefit of the Issuer and its shareholders.