

# **GLOBAL UAV TECHNOLOGIES LTD.**

**(formerly Alta Vista Ventures Ltd.)**

**FORM 51-102F1  
MANAGEMENT DISCUSSION AND ANALYSIS**

**QUARTER ENDED APRIL 30, 2017**

**Date Submitted: JUNE 29, 2017**

## **Introduction**

The following discussion and analysis, prepared as of June 29, 2017 is prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the condensed consolidated interim financial statements of Global UAV Technologies Ltd. (formerly Alta Vista Ventures Ltd.) (the “Issuer” or “Global UAV”) for the quarter ended April 30, 2017.

Additional information related to the Issuer is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise.

## **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 Issuer 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 Issuer moved into the Unmanned Aerial Vehicle (“UAV”) sector and completed a Change in Business with the Canadian Securities Exchange and is now in the Technology Sector. In May of 2017 the Issuer changed its name of Global UAV Technologies in order to better reflect its business.

The Issuer acquired a one hundred percent interest in High Eye Aerial Imaging (“High Eye”) for 4,500,000 shares of the Issuer and \$100,000 in the form of a promissory note. The promissory note was paid in full in March of 2017.

The Issuer signed a definitive agreement for the acquisition of a one hundred percent interest in the UAV assets of Pioneer Exploration Consultants (“Pioneer”) for a total of 9,000,000 shares of the Issuer and \$500,000 in cash, which are to be paid in three installments over 12 months from closing. The Issuer issued 6,000,000 shares and paid \$300,000 to Pioneer as an initial payment with the final of 3,000,000 shares and \$200,000 due on, or before, the twelve month anniversary. Once the final payment is made the Issuer will grant a 10% royalty on the profits of the Pioneer Aerial Surveys for a period of five years to Pioneer.

With the payment for sixty percent of the Assets, all of the Assets have been transferred to the Issuer’s wholly owned subsidiary Pioneer Aerial Surveys Ltd. (“Pioneer Aerial”). Should the final payment not be made, Pioneer will have the right to purchase Pioneer Aerial for \$1.

The Issuer signed a Letter of Intent for the purchase of a one hundred percent interest in Aeromao Inc. (“Aeromao”), a manufacturer of fixed wing UAVs. The Issuer agreed to acquire Aeromao for \$1,400,000 in cash and 2,200,000 shares of the Issuer in one payment due three months after signing of a definitive agreement. A definitive agreement has yet to be signed between the two parties.

The Letter of Intent has since expired.

The Issuer signed a Letter of Intent to purchase a 100% interest in Easy SFOC for a total consideration of CAD \$100,000. The compensation is payable as \$70,000 in cash and \$30,000 in shares of Global UAV Technologies.

In addition, the Issuer signed a Letter of Intent to purchase a 100% interest in the Canadian-based company, NOVAerial Robotics Inc. for a total consideration of CAD \$700,000 - payable as \$300,000 in cash and \$400,000 in shares of Global UAV Technologies. \$10,000 of the funds was paid as a refundable deposit. The shares that will be issued will be released per a three year escrow period.

In early 2016, the Issuer signed a definitive agreement for the purchase of an early stage Marijuana for Medical Purposes Regulations (MMPR) applicant called Thor Pharma and a letter of intent for the purchase of a 90% interest in a licensed MMPR producer called Redecan Pharm. The Issuer subsequently cancelled the agreement for the purchase of Redecan Pharm and terminated the agreement for the purchase of Thor Pharma. The Issuer has no ongoing participation in the medical marijuana sector. In connection with these definitive agreements, the Company issued 7,000,000 shares and made cash payments of \$25,000. During the year ended October 31, 2016, the Company recorded an impairment expense to investments of \$1,455,054.

Prior to 2016, the Issuer's previous principal business activity was the acquisition and exploration of mineral properties with a focus on northwest Mexico. The Issuer utilized the project generator business model to maximize its exposure to discovery while minimizing shareholder risk. As a project generator the Issuer acquired early stage, under developed properties with high potential and then optioned a percentage interest in them to other public companies for a combination of cash, shares and exploration commitments. The Issuer had six projects in its portfolio, which remain in the Issuer's wholly owned Mexican subsidiary. Biannual taxes have not been paid on the properties for several years and portions of properties are currently in the process of being cancelled. As a result of a change in its business, the Issuer no longer intends to use its resources on its mineral exploration properties and wrote them down to \$nil in the year ended October 31, 2015.

### **Performance Summary for the quarter**

The Issuer had \$181,203 of revenue during the quarter.

As at April 30, 2017 the Issuer had cash totaling \$296,809.

Given the financial write downs, debts and future financial commitments, as at April 30, 2017, the Issuer had working capital deficit of \$296,973 (October 31, 2016 – \$17,055 capital). This is not sufficient to fund the Issuer's operating expenses and business activities in the medium to long term, and additional funds will need to be raised through equity markets to provide additional financing for operating expenses and exploration activities.

However, management anticipates that with the continued growth of its subsidiaries the financial commitments may be dealt with from internal sources. In addition, if existing warrants were to be exercised that could materially change the Issuer's finances.

### **Unmanned Aerial Vehicle Sector Activities:**

Summary:

This was the first quarter that the Issuer was working with its wholly owned subsidiaries – High Eye Aerial Imaging and Pioneer Aerial Surveys. Pioneer Aerial completed its first contracts and expanded its operations while High Eye finished contracts started in 2016 and prepared for the coming busier flying season in Ontario.

Details:

The following is the detailed breakdown of Global UAV's activities in the Unmanned Aerial Vehicle sector that occurred during the quarter and up to the filing date of this MD&A:

On February 7, 2017, the Issuer reported that as a result of the high level of demand for its unmanned geophysics survey services, Pioneer Aerial Surveys, a wholly owned subsidiary of the Issuer, has accelerated its growth plans by purchasing an additional UAV.

This new Unmanned Aerial Vehicle, or UAV, is a “Responder” single rotor helicopter, manufactured by ING Robotic Aviation Inc. of Ottawa, Ontario. The UAV will be further customized for the UAV-MAG™ payload and survey flight requirements by Pioneer Aerial Surveys and ING Robotic Aviation.

“The Responder UAV platform was chosen after a comprehensive review process that included the flying of two complete commercial UAV-MAG™ surveys. The performance, safety, reliability and support of the ING product surpassed that of other comparable commercial grade UAV’s on the market today, and were key factors in the purchase decision,” stated Michael Burns, director of the Issuer Ventures and creator of the UAV-MAG™.

Pioneer Aerial has added multiple confirmed UAV-MAG™ surveys to its spring 2017 schedule throughout Quebec, Nunavut, British Columbia and the Yukon. Pioneer Aerial is currently mobilizing field crews to Quebec to fly three surveys before the end of February.

“The strong growth of Pioneer Aerial after only one month of operation reaffirms [the Issuer’s] decision to purchase the UAV-MAG™ assets. We remain committed to providing support that accelerates growth of our subsidiary companies in this rapidly expanding technology sector as we focus on further business developments in [the Issuer],” stated Jason Springett, president of [the Issuer].

On February 15, 2017, the Issuer reported that its wholly-owned subsidiary High Eye Aerial Imaging Ltd. (“High Eye”) has completed its largest project to date. The project was done as part of the Mapping Dynamic Beach Flood Hazard Limit for Wasaga Beach and Collingwood, a federally funded project by the Ministry of Environment and Climate Change. The total area covered was approximately 1,100 hectares.

High Eye provided aerial mapping topographical data for 36 kilometres of shoreline in the Georgian Bay in order to determine the flood hazard limit elevation. The first phase of the project consisting of capturing the aerial data was completed in the fall prior to snow cover. The final delivery included high definition geo-referenced orthomosaic imagery of the entire project area and a 0.5 metre contoured Digital Elevation Contour Model with a vertical elevation tolerance of only 20 centimetres.

“Completing a project of this magnitude is important in order to show potential customers the scope of projects that High Eye can take on”, stated Murray Hunt, High Eye’s General Manager.

High Eye will be displaying at the Ontario Stone, Sand and Gravel Association (or ‘OSSGA’) Annual Conference and AGM that is being held at the Westin Ottawa Hotel from February 15 to 17. High Eye is an active member of OSSGA and has performed work for a half dozen companies that are members of OSSGA. Associations like these are important client pools for High Eye.

On March 2, 2017, the Issuer reported that their wholly owned subsidiary Pioneer Aerial Surveys Ltd. (“Pioneer Aerial”) had signed a term sheet establishing a strategic partnership with Abitibi Geophysics Inc. (“Abitibi”), an internationally renowned geophysics company.

Under the terms of the agreement Abitibi and Pioneer Aerial will operate on a revenue sharing basis for surveys organized by Abitibi. These airborne magnetometer surveys will be branded as AeroVision™ and use Pioneer Aerial’s UAV-MAG™ system.

Michael Burns, director of [the Issuer] comments “This partnership is an exciting opportunity for Pioneer Aerial to significantly expand its market presence and deliver high quality surveys in partnership with an internationally respected geophysics company. We have already successfully completed two joint surveys this year, and are looking forward to performing additional surveys with Abitibi.”

On March 7, 2017, the Issuer reported that its wholly owned subsidiary, Pioneer Aerial Surveys, had successfully completed its first three contracts.

Pioneer Aerial completed these three aeromagnetic surveys using its proprietary UAV-MAG™ system. In excess of 900 line kilometers were flown, which resulted in \$100,002 of revenue.

“This is an excellent start for Pioneer Aerial Surveys”, stated Jason Springett, president of [the Issuer], “we are very enthusiastic for how the rest of the year is shaping up.”

Moving forward, the Issuer will be reporting Pioneer Aerial's revenue on a quarterly basis with those results supported by the Company's financial statements. The Issuer's second quarter financials will be the first financials that contain revenues and they will be filed at the end of June, 2017.

On March 22, 2017, the Issuer reported that it has completed the final cash payment to High Eye Aerial Imaging, finalizing the acquisition of its 100% interest in the Company. The cash payment of \$100,000 paid off a Promissory Note that was part of the purchase arrangement for High Eye Aerial Imaging. The Issuer is the owner of both Pioneer Aerial Surveys and High Eye Aerial Imaging. Management is also actively pursuing additional acquisitions in the UAV sector that will complement The Issuer's growing portfolio of well positioned and undervalued UAV technology leaders.

On March 22, 2017, the Issuer responded to various inquiries regarding the new regulations governing recreational drone users that were recently issued by Transport Canada. The new regulations govern recreational drone use, while The Issuer's subsidiaries, High Eye Aerial Imaging and Pioneer Aerial Surveys operate under the commercial UAV regulations and are unaffected by the changes.

Management believes the new regulations will have a positive downstream impact on commercial UAV operators, as they aim to make the industry safer and more regulated in part by penalizing those who do not operate within the rules. Both High Eye and Pioneer are well positioned to adapt to new commercial UAV regulations in the future as they arise from Transport Canada. High Eye Aerial Imaging and Pioneer Aerial Surveys operate under Transport Canada issued Special Flight Operating Certificates throughout Canada. Pioneer Aerial also operates under the FAA Part 107 regulations for surveys in the US airspace.

The new Canadian restrictions for recreational drone users are effective immediately, and can be found on the Transport Canada website.

“These new regulations are welcomed to the commercial UAV industry. We expect they will benefit both High Eye and Pioneer Aerial Surveys business by creating a clear distinction between professional commercial UAV operators and recreational drone operators”, stated Jason Springett, [the Issuer's] president.

On April 13, 2017, the Issuer provided an update on the activities of its two wholly owned subsidiaries, High Eye Aerial Imaging (“High Eye”) and Pioneer Aerial Surveys (“Pioneer Aerial”).

Over the past months Pioneer Aerial has invested significantly in additional equipment to meet the growing demand for its services. This added equipment allows Pioneer Aerial to be able to work on multiple projects at the same time. New field crews are currently undergoing additional training.

To serve its clients more efficiently, Pioneer Aerial has set up a business unit in Ontario in order to serve Ontario, Quebec and the Maritimes. As a result, the head office and equipment hub, located in Regina, Saskatchewan, will serve central, western and northern Canada as well as international projects.

Since the successful launch of Pioneer Aerial's partnership with Abitibi Geophysics, Pioneer Aerial has received a significant boost in new client leads, which has resulted in a large number of quoted surveys, and multiple signed survey contracts in within Canada and internationally that are scheduled to be completed in the coming weeks.

High Eye has been busy preparing for the coming season and has added to the range of surveys that it can provide – this now includes LiDAR (Light Detection and Ranging). As part of High Eye’s ongoing expansion plans, they are in the process of applying with Transport Canada for Special Flight Operations Certificates (SFOC’s) covering the rest of Canada. In addition, High Eye has several contracts that will be completed in the coming weeks.

On May 17, 2017, the Issuer announced that it had signed a Letter of Intent (LOI) to purchase the Calgary based company, Easy SFOC for a total consideration of CAD \$100,000. The compensation is payable as \$70,000 in cash and \$30,000 in shares of Global UAV Technologies. Easy SFOC is a growing business that is complimentary to the current businesses that are under the Global UAV Technologies umbrella.

### **About Easy SFOC Ltd.**

Easy SFOC is a regulatory consulting service that assists clients with the preparation of Special Flight Operation Certificates (SFOCs) for Unmanned Aerial Vehicle (UAV) operations in Canada. Easy SFOC is a web-based service that uses a proprietary user-friendly interface which collects information on a client’s site locations, operations, and crew information quickly and efficiently. The client is then provided with full support and guidance along with a customized SFOC application ready to submit to Transport Canada.

In addition, the client receives all of the required supporting documents such as a site survey, an operations manual, safety and reporting forms, and other resources to assist with safe and compliant operations. Easy SFOC is focused on providing high-quality customer service and supports an easy to understand approach to regulations. “In this increasingly regulated environment, obtaining an SFOC is a necessary component to fly in compliance with Transport Canada. We clarify the rules and regulations for UAV use and allow the client to focus on the operations at hand, which provides greater flexibility and safety for both commercial and recreational purposes”, stated Corey Feduck, President of Easy SFOC.

“Easy SFOCs regulatory compliance and consulting company represents another facet of Global UAV Technologies’ growth plans. As such, we are pleased to announce the signing of this LOI. Regulatory compliance in the UAV space is rapidly evolving and can be difficult for many small UAV businesses to manage. Easy SFOC provides a simple, in demand solution that has proven to be successful for our subsidiaries Pioneer Aerial Surveys and High Eye Aerial Imaging, as well as many other commercial UAV operators throughout Canada for both obtaining SFOCs and maintaining regulatory compliance.” stated Jason Springett, president of Global UAV Technologies.

On May 25, 2017, the Issuer announced that it signed a Letter of Intent (LOI) to purchase a 100% interest in the Canadian-based company, NOVAerial Robotics Inc. (“NOVAerial”) for a total consideration of CAD \$700,000 - payable as \$300,000 in cash and \$400,000 in shares of Global UAV Technologies. \$10,000 of the funds is payable as a refundable deposit. The shares that will be issued will be released per a three year escrow period.

“We are very excited for the addition of NOVAerial to Global UAV Technologies. NOVAerial is a dynamic company at the forefront of manufacturing, engineering and performance of the rapidly evolving, enterprise grade helicopter UAV sector,” stated Jason Springett, president of Global UAV Technologies. “The addition of NOVAerial to the Global UAV Technologies brand is a significant milestone, and adds considerable diversification and exposure to the Company. We will now have industry leading holdings in UAV service providers, manufacturing and engineering, and regulations, all of which are experiencing increased growth. Global UAV Technologies will be working to close this transaction, as well as the purchase of Easy SFOC, in the near term and we have sufficient cash on hand to do so.”

The purchase of NOVAerial will include all the manufacturing equipment, designs and specifications, current inventory, existing orders and prototypes of new UAV designs that NOVAerial is currently developing.

### **About NOVAerial Robotics Inc.**

NOVAerial Robotics Inc. is a manufacturer of high-performance unmanned aerial vehicles (UAV's) with a particular emphasis on single rotor helicopter-style UAVs and is owned and run by Mr. Robert Lefebvre. NOVAerial's main product is the Procyon 800E, which is quickly becoming renowned for its performance, practical design, high quality made in-house components and reliable flight control system. Not only does its design and construction make it more reliable and easy to maintain, it is also more compact and less expensive than similar UAV's made by competitors. The Procyon 800E is ideally suited for complicated and high-performance UAV applications, offering vertical take-off capability, while combining high speeds and long flight times not possible with multirotor UAVs. Flight control is similar to multirotor UAVs, which allows experienced multirotor operators to benefit from the advantages of the helicopter platform after just a single day of additional training.

### **About Robert Lefebvre**

Mr. Lefebvre is a mechanical engineer with a degree from the University of Ottawa and has a diverse set of skills derived from experience in automotive engineering and industrial controls. He has significant practical experience that ranges from CAD design and operating machine tools to electronics assembly and computer programming. He has been involved with the development of Ardupilot, the world's leading open-source UAV/drone operating system, since 2011. He has been the lead developer of the helicopter branch for several years and in that role he previously helped other companies deploy Ardupilot on their commercial systems. He subsequently returned to his core strength of mechanical engineering, which led to the development of the Procyon system and the creation of NOVAerial.

He has become very well respected in the field of robotic aviation, having been invited to give technical workshops at several commercial UAV conventions. Mr. Lefebvre is currently a mentor for Google's well-regarded Summer Of Code program, where he is acting as a mentor to an international engineering student who is developing a large gas-powered tandem-rotor helicopter for delivery of humanitarian aid.

### **Medical Marijuana Sector Activities**

In early 2016, the Issuer signed a definitive agreement for the purchase of an early stage Marijuana for Medical Purposes Regulations (MMPR) applicant called Thor Pharma and a letter of intent for the purchase of a 90% interest in a licensed MMPR producer called Redecan Pharm. The Issuer subsequently cancelled the agreement for the purchase of Redecan Pharm and terminated the agreement for the purchase of Thor Pharma. The Issuer has no ongoing participation in the medical marijuana sector. In connection with these definitive agreements, the Company issued 7,000,000 shares and made cash payments of \$100,000. During the year ended October 31, 2016, the Company recorded an impairment expense to investments of \$1,455,054. Please refer to the Issuer's consolidated financial statements for the year ending October 31, 2016 for further details.

With the approval of the Issuer's Change of Business, as reported on January 18, 2017, the Issuer restated that it no longer has any interests in the Medical Marijuana sector.

### **Exploration Sector Activities**

Prior to 2016, the Issuer's previous principal business activity was the acquisition and exploration of mineral properties with a focus on northwest Mexico. The Issuer utilized the project generator business model to maximize its exposure to discovery while minimizing shareholder risk. As a project generator the Issuer acquired early stage, under developed properties with high potential and then optioned a percentage interest in them to other public companies for a combination of cash, shares and exploration commitments. The Issuer has a wholly owned subsidiary in Mexico named Minera Alta Visa S.A. de C.V. ('MAV'). MAV has eight projects in its portfolio. All of these exploration properties were written down to \$nil in 2015 after consideration of the prevalent poor market conditions.

Bi-annual taxes have not been paid on the properties as the Issuer does not intend to keep the properties in good standing. No work was performed on the properties during the quarter.

Management determined that there were indicators of impairment for its mineral property interests in the year ended October 31, 2015 and recorded a write-down of \$44,002. Please refer to the Issuer's consolidated financial statements for the year ending October 31, 2016 for further details.

## **Oil and Gas Investment**

During the year ended October 31, 2006, the Company acquired, for investment purposes, a 2.78% (one-half unit) interest in an oil and gas joint venture for cash consideration of \$52,598. The joint venture has an interest in two producing oil and gas wells located in Texas and Louisiana, United States. Subsequent to the Company's original investment, the interest was written down to \$33,611, and then again to \$9,000. Given the decline in oil prices and reduction in oil reserves, revenues received from its investment were \$nil (2015 - \$269). During the year ended October 31, 2015, the Company considered the prevalent market conditions and recorded an impairment loss of \$9,000 to reduce the carrying value to \$nil measured using Level 3 of the fair value hierarchy. This reflects management's estimate of the recoverable amount.

## **Corporate Events**

### Summary:

Global UAV's corporate activities during the quarter were dominated with completing the non-brokered financing, which raised a total of \$342,750 and the exercising of stock options and warrants that raised an additional \$227,000. In addition the Issuer made changes to its personnel in order to better deal with the ongoing growth and forecast growth.

### Details:

The following are the detailed corporate events that occurred during the quarter and up to the filing date of this MD&A.

On March 1, 2017, the Issuer announced that it had received subscription agreements for a total of \$253,500 or for 5,070,000 units (each, a "Unit") at a price of \$0.05 per Unit and has closed tranche one of its ongoing financing, subject to filings with the Canadian Securities Exchange. The Issuer is undertaking a non-brokered private placement of up to 10,000,000 units at a price of \$0.05 per unit (a "Unit") to raise total proceeds of up to \$500,000.

Each Unit will consist of one previously unissued common share and one purchase warrant (a "Warrant") of the Company. Each Warrant will entitle the holder, on exercise, to purchase one additional common share of the Company for a period of 12 (twelve) months from the date of issue of the Warrant. The Warrants will be exercisable at a price of \$0.10 per share.

A finders' fee of 10% may be paid on a portion of the funds received.

The Issuer will use the proceeds of the private placement to pay the promissory note with the previous owner of High Eye Aerial Imaging, certain debts and as operating capital.

On March 13, 2017, the Issuer announced that it had filed all required paperwork, issued 5,190,000 common shares at a price of \$0.05, and 5,190,000 share purchase warrants and has formally closed tranche one of its ongoing financing (see news release dated March 1, 2017).

All securities issued pursuant to this placement are subject to a hold period until July 7, 2017 (four months and one day after closing) under applicable Canadian securities laws. Each Unit consists of one previously unissued common share and one non-transferable purchase warrant (a "Warrant") of the Company. Each Warrant issued entitles the holder, on exercise, to purchase one additional common share of the Company (a "Warrant Share")



until March 6, 2018. The Warrants will be exercisable at a price of \$0.10 per share.

Finders fees were paid to PI Financial (\$4,000 and 80,000 brokers warrants), and Foremost Capital (\$1,750 and 35,000 brokers warrants). The brokers warrants have the same terms as the Warrants as per above.

The Company intends to use the funds to pay the promissory note with the previous owner of High Eye Aerial Imaging (see news release dated January 6, 2017), certain debts and as operating capital.

On March 20, 2017, the Issuer reported Anthony Jackson had joined the Issuer as its new Chief Financial Officer. Jennifer Schindler has stepped down for personal reasons and the Issuer wishes to thank her and wish her well in her future endeavors.

Mr. Jackson is a Principal of Jackson & Company, Chartered Professional Accountants assisting private and public companies in a variety of industries with full service accounting, tax and financial advisory services. Mr. Jackson also founded Bridgemark Financial Corp., which provides administration, corporate compliance, and financial reporting activities to public and private companies. Prior to his time at Jackson & Company, Mr. Jackson spent a number of years working at Ernst & Young LLP and obtaining his CA designation before moving on to work as a senior analyst at a boutique investment banking firm. Mr. Jackson earned a Bachelor of Business Administration degree from Simon Fraser University. He holds the professional designation of Chartered Accountant (CA) and is a member of the B.C. and Canadian Institute of Chartered Accountants. Mr. Jackson has had extensive experience as CFO and as a director of numerous publicly traded corporations in the metals and mining industry.

On March 20, 2017, the Issuer also announced that Mr. Michael Burns had been appointed as president of Pioneer Aerial Surveys, The Issuer's wholly owned subsidiary that provides Unmanned Aerial Vehicle ('UAV') supported aeromagnetic surveys utilizing its proprietary UAV-MAG<sup>TM</sup> system.

On March 24, 2017, the Issuer announced that it had filed all required paperwork for tranche 2, issued 5,810,000 common shares at a price of \$0.05, and 5,810,000 share purchase warrants and has formally closed its financing (see news releases dated March 1 and 13, 2017). Net proceeds from the two tranches totals \$541,450.

All securities issued pursuant to tranche two of this placement are subject to a hold period until July 18, 2017 (four months and one day after closing) under applicable Canadian securities laws. Each Unit consists of one previously unissued common share and one non-transferable purchase warrant (a "Warrant") of the Company. Each Warrant issued entitles the holder, on exercise, to purchase one additional common share of the Company (a "Warrant Share") until March 17, 2018. The Warrants will be exercisable at a price of \$0.10 per share.

Finder's fees were paid to PI Financial (\$2,800 and 56,000 broker's warrants). The brokers warrants have the same terms as the Warrants as per above.

The Company intends to use the funds to pay certain debts, operating capital and certain assets for High Eye Aerial Imaging.

On March 24, 2017, the Issuer also reported that it had granted 2,050,000 stock options to certain directors, officers and consultants of the Company and its subsidiaries at a value of \$0.10 that will expire on March 24, 2020.

On March 29, 2017, the Issuer introduced Mr. Stephen Litwin as Investor Relations for the Issuer.

Mr. Litwin's career in the financial industry and public markets spans over 40 years. He was a stockbroker for 20 years where he developed an expertise in both the sales and the financial ends of the small capital equity markets. Mr. Litwin graduated from the Rochester Institute of Technology with BSc. and Associate of Applied Science degrees and as a result has always had an interest in emerging technology.

After his career in the brokerage industry Mr. Litwin transitioned into working for public companies where he has

acted primarily as investor relations predominately for companies in the technology sector. He has previously worked with Tee Comm and Lumenon, two companies that were considered to be early entrants to their respective fields.

“I am very excited about joining the [Issuer] team as the Company is in a unique position as one of only a very few public companies in the Unmanned Aerial Vehicle sector - a sector that is on the cusp of expanding dramatically,” stated Mr. Litwin.

The Issuer granted Mr. Litwin 300,000 stock options in the Issuer at a value of \$0.10 that will expire on March 28, 2020. These options will vest over a period of one year.

On May 15, 2017, the Issuer announced that the Company’s Board of Directors has approved a change of name to Global UAV Technologies Ltd. The shares will commence trading on the Canadian Securities Exchange under the new name on May 17, 2017. The Company’s trading symbol will remain as UAV. The name change better reflects the Company’s commitment to be a consolidator in the UAV sector as well as its growing technical expertise and expanding reach globally.

On May 17, 2017, the Issuer announced that it had a new website at [www.globaluavtech.com](http://www.globaluavtech.com).

On May 19, 2017, the Issuer reported that all 4,570,000 warrants set to expire on May 20, 2017 have been exercised. This has resulted in \$342,750 added to the Company’s treasury. The exercise of an additional 2,380,000 warrants and stock options has contributed another \$227,000 to the Company since April 1, 2017.

## **Results of Operations**

Certain of the key risk factors of the Issuer’s operating results are the following: the state of capital markets, which affects the ability of the Issuer to finance its exploration activities.

Significant variances in the Issuer’s operational results for the quarter ended April 30, 2017 compared with April 30, 2016, were as follows:

- i. Exploration expenditures, net of recoveries increased by \$2,245 to \$6,287 from \$4,042 in 2016 due to the Issuer moving its focus away from mineral exploration.
- ii. Consultants’ fees decreased by \$61,119 to \$97,810 from \$158,929 in 2016 due to the Issuer reducing the size of its management.
- iii. Accounting, audit and legal expenses increased by \$18,820 to \$43,219 from \$24,399 in 2016 due to legal work performed in respect of private placements, stock options, and changes in business and the Issuer being billed for legal services performed in previous reporting periods.
- iv. Issuer Share-based compensation increased by \$44,563 to \$194,163 from \$149,600 in 2016 due to share-based payments made to consultants in conjunction with fees paid in cash, and a higher volatility number used in the Black-Scholes calculation to value more stock options granted in 2017.
- v. Office and miscellaneous increased by \$17,556 to \$27,728 from \$10,172 in 2016 due to increased office-related activities and including the expenses of its subsidiaries.
- vi. Regulatory fees increased by \$7,385 to \$11,574 from \$4,189 in 2016 due to multiple private placements, stock options issuances, and the changes in business during the period.
- vii. Investor relations and promotion increased by \$62,429 to \$62,429 from \$nil in 2016 due to Issuer incorporating its subsidiaries business during the period.

- viii. Loss on sale of marketable securities decreased by \$555 to \$nil from \$555 in 2016.

Significant variances in the Issuer's financial position for the quarter ended April 30, 2017 compared with April 30, 2016, were as follows:

- i. Cash increased by \$287,886 to \$296,809 from \$8,923 in 2016 due to issuance of common shares.
- ii. Amounts receivable increased by \$58,099 to \$102,895 from \$44,796 in 2016, due primarily to an increase in refundable taxes expected to be received by the Issuer for the current quarter.
- iii. Marketable securities decreased by \$3,438 to \$1,341 from \$4,779 in 2016 due to the sale of most shares held by the Issuer.
- iv. Property, plant and equipment increased by \$318,796 to \$323,797 from \$5,001 in 2016 due to the acquisition in UAV assets.
- v. Accounts payable and accrued liabilities decreased by \$55,933 to \$594,237 from \$650,170 in 2016.

Significant variances in the Issuer's cash flows for the quarter ended April 30, 2017 compared to the quarter ended April 30, 2016, were as follows:

- i. Cash used in operating activities increased by \$388,957 to \$433,769 from \$44,812 in 2016 due to incorporating the company's new subsidiaries.
- ii. Cash used in investing activities increased by \$133,661 to \$133,661 from \$nil in 2016 primarily due to the acquisition of assets for the subsidiaries.
- iii. Cash provided by financing activities increased by \$815,573 to \$850,008 from \$34,435 in 2016 due to issuance of common shares.

### 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.

	<b>OCT. 31, 2016</b> \$	<b>OCT. 31, 2015</b> \$	<b>OCT. 31, 2014</b> \$
Total revenue	Nil	Nil	Nil
Loss for the year	(2,586,960)	(508,087)	(623,443)
Basic and diluted loss per share	(0.09)	(0.05)	(0.08)
Total assets	418,819	43,152	119,294
Total long-term financial liabilities	Nil	Nil	Nil

## Summary of Quarterly Results

	Apr. 30, 2017	Jan. 31, 2017	Oct. 31, 2016	Jul. 31, 2016	Apr. 30, 2016	Jan. 31, 2016	Oct. 31, 2015	Jul. 31, 2015
Revenue	\$181,203	\$22,386	\$0	\$0	\$0	\$0	\$0	\$0
Loss for the quarter	\$463,994	\$774,338	\$403,683	\$941,974	\$350,408	\$890,895	\$243,099	\$81,233
Basic and diluted loss per share	\$0.01	\$0.02	\$0.00	\$0.04	\$0.01	\$0.05	\$0.02	\$0.01

## Related Party Transactions

### a) Management transactions

Management transactions with related parties for the six months ended April 30, 2017 and 2016 were as follows:

	2017			2016		
	Cash-based payments	Share-based payments	Total	Cash-based payments	Share-based payments	Total
Ian Foreman <sup>(i)</sup>	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ 22,500
Timeline Filing Services Ltd <sup>(ii)</sup>	\$ 150	\$ -	\$ 150	\$ 2,639	\$ -	\$ 2,639
Schindler & Company <sup>(iii)</sup>	\$ 18,643	\$ -	\$ 18,643	\$ 14,208	\$ -	\$ 1,500
Shaxon Enterprises Ltd <sup>(iv)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Don Shaxon <sup>(v)</sup>	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
Catalyst X Media Corporation <sup>(vi)</sup>	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Jackson and Company <sup>(vii)</sup>	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ -	\$ -

- i) Ian Foreman was the Company's President until March 2, 2016, and accordingly, amounts described above are up until this date, after which he was no longer a related party. The amounts shown represent amounts paid to two companies controlled by Mr. Foreman: Foremost Management Services Inc. and Foremost Geological Consulting.
- ii) Timeline Filing Services Ltd. is a private enterprise controlled by the Company's Corporate Secretary, Laara Shaffer.
- iii) Schindler & Company is a private enterprise controlled by the Company's former CFO, Jennifer Schindler.
- iv) Shaxon Enterprises Ltd is a private enterprise controlled by the Company's former Director, Don Shaxon.
- v) Don Shaxon is the Company's former Director.
- vi) Catalyst X Media Corporation is a private enterprise controlled by the Company's CEO, Jason Springett.
- vii) Jackson and Company is a private enterprise controlled by the Company's CFO, Anthony Jackson.

### *Accounts payable to related parties*

Foremost Management Services Inc. is a private enterprise controlled by the Company's former president and CEO, Ian Foreman. Included in accounts payable and accrued liabilities is \$1,750 (October 31, 2016 - \$9,609). Foremost Management Services Inc. is no longer a related party as of March 2, 2016.

Timeline Filing Services Ltd. is a private enterprise controlled by the Company's corporate secretary, Laara Shaffer. Included in accounts payable and accrued liabilities is \$1,575 (October 31, 2016 - \$3,950).

Schindler & Company is a private enterprise controlled by the Company's previous CFO, Jennifer Schindler. Included in accounts payable and accrued liabilities is \$nil (October 31, 2016 - \$9,803). Schindler & Company is no longer a related party as of March 20, 2017.

Shaxon Enterprises Ltd is a private enterprise controlled by the Company's former Director, Don Shaxon. Included in accounts payable and accrued liabilities is \$7,730 (October 31, 2016 - \$11,865).

Don Shaxon is a former Director of the Company. Included in accounts payable and accrued liabilities is \$12,500 (October 31, 2016 - \$nil).

Jason Springett is the Company's CEO. Included in accounts payable and accrued liabilities is \$480 (October 31, 2016 - \$nil).

Anthony Jackson is the Company's CFO. Included in accounts payable and accrued liabilities is \$nil (October 31, 2016 - \$nil).

As at April 30, 2017, included in accounts payable and accrued liabilities is \$200,000 (October 31, 2016 - \$nil) payable to Pioneer Exploration.

#### **b) Loans payable**

During the period ended April 30, 2017, the Issuer settled \$nil (October 31, 2016 - \$65,100) of loans payable to related parties with units.

Also included in accounts payable and accrued liabilities are loans of \$12,500 (October 31, 2016 - \$12,500) borrowed from the current president of the Issuer. The loans are non-interest-bearing and without fixed terms of repayment.

#### **Liquidity and Capital Resources**

As at April 30, 2017, the Issuer had cash of \$296,809 (October 31, 2016 - \$313,980).

As at April 30, 2017 the Issuer had working capital deficit of \$244,973 as compared to a working capital of \$17,055 as at October 31, 2016. The Issuer will require continued financing or outside participation, to undertake its business plans in the UAV sector.

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' equity.

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:

	April 30, 2017	October 31, 2016
<b>Financial assets</b>		
Fair value through profit or loss		
Cash	\$ 296,809	\$ 313,980
Loans and receivables		
Amounts receivable*	58,710	3,849
Available-for-sale		
Marketable securities	1,341	1,341
<b>Total financial assets</b>	<b>\$ 356,860</b>	<b>\$ 319,170</b>
<b>Financial liabilities</b>		
Other financial liabilities		
Accounts payable and accrued liabilities	\$ 594,237	\$ 386,026
<b>Total financial liabilities</b>	<b>\$ 594,237</b>	<b>\$ 386,026</b>

\*Excluding sales tax receivable

The fair values of the Issuer's amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments. Marketable securities are recorded at market value based on quoted market prices.

The Issuer'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 Issuer 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 Issuer's amounts receivable consist primarily of Goods & Services Tax receivable from the Canadian government and Value Added Tax from the Mexican 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.

At April 30, 2017, the Issuer had cash in the amount of \$296,809 (October 31, 2016 - \$313,980) and accounts payable and accrued liabilities of \$594,237 (October 31, 2016 - \$386,026). Trade payables are due within twelve months of the financial position date.

The Issuer ensures, as far as reasonably possible, that there is sufficient capital in order to meet short-term financial obligations, after taking into account the Issuer's holdings of cash.

### 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 Issuer is exposed to foreign currency risk with respect to cash, amounts receivable, and accounts payable and accrued liabilities, as a portion of these amounts are denominated in MXN pesos and US dollars as follows:

	April 30, 2017		October 31, 2016	
	MXN	US	MXN	US
Cash	-	\$ -	-	\$ -
Amounts receivable	-	\$ -	-	\$ -
Accounts payable and accrued liabilities	(2,911,170)	\$ -	(3,013,108)	\$ -
Rate to convert \$1 CAD	0.073	1.367	0.071	1.338

Based on the Issuer's net exposure, a 22% change (October 31, 2016 - 22%) in the Canadian/Mexican peso exchange rate and a 15% change (October 31, 2016 - 15%) in the Canadian/US exchange rate (based on prior year fluctuations in the relative exchange rates) would not have a material impact on earnings.

#### *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 Issuer is exposed to other price risk related to the fluctuation in the market price of its marketable securities. The Issuer's marketable securities are carried at market value and are directly affected by fluctuations in the market value of the underlying securities. The Issuer's sensitivity analysis suggests a 24% (October 31, 2016 - 24%) change in the market prices would impact the Issuer's earnings by approximately \$310 (October 31, 2016 - \$310). 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 Issuer's cash and marketable securities are classified at Level 1 of the fair value hierarchy. The Issuer had no Level 2 or 3 financial assets at April 30, 2017 or October 31, 2016. As the carrying values of the Issuer'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' equity.

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.

#### **Off-Balance Sheet Arrangements**

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

#### **Proposed Transactions**

There are currently two proposed transactions.

On May 17, 2017, the Company has signed a letter of intent (LOI) to purchase the Calgary-based company, Easy SFOC, for a total consideration of \$100,000. The compensation is payable as \$70,000 in cash and \$30,000 in shares of Global UAV Technologies. Easy SFOC is a growing business that is complementary to the current businesses that are under the Company umbrella.

On May 25, 2017, the Company signed a letter of intent (LOI) to purchase a 100-per-cent interest in the Canadian-based company, NOVAerial Robotics Inc., for a total consideration of \$700,000 -- payable as \$300,000 in cash and \$400,000 in shares of Global UAV Technologies. Ten thousand dollars of the funds is payable as a refundable deposit. The shares that will be is will be released per a three-year escrow period.

#### **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.

## **Critical Accounting 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:

#### ***Share-based compensation***

Management is required to make certain estimates when determining the fair value of share option awards and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's consolidated statement of operations and comprehensive loss. For the quarter ended April 30, 2017, the Company recognized share-based compensation of \$194,163 (2016 - \$497,950).

#### ***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. 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. Management has determined that there were indicators of impairment for its mineral property interests in the year ended October 31, 2015 and recorded a write-down of \$44,002. For the year ended October 31, 2016, management has determined that there were indicators of impairment for its investments in RedeCan Pharm and Thor Pharma and recorded a write-down of \$1,455,054. For the six months ended April 30, 2017, management has determined that there were indicators of impairment for its acquisitions in Pioneer Exploration Consultants and High Eye and recorded a write-down of \$740,178 on the assets of the acquired subsidiaries.

#### ***Impairment of marketable securities***

At each reporting date, the Company conducts a review to determine whether there are indications of impairment on its marketable securities. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost. Factors include the financial health and short-term business outlook of the investee, industry and sector performance, and operational and financing cash flows. If the decline in fair value below cost is considered significant or prolonged, the Company recognizes an impairment, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired marketable securities, to profit or loss.

Management determined that there were indicators of impairment for its marketable securities in the year ended

October 31, 2015 and recorded a write-down of \$1,301.

#### *Income taxes*

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.

#### *Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

### **New accounting standards and interpretations not yet adopted**

At the date of authorization of these consolidated financial statements, the IASB has issued a number of new and revised standards and interpretations, which are not yet effective as at April 30, 2017. Management is assessing the effects of these future standards on its consolidated financial statements. All of the new and revised standards described below may be early-adopted.

#### **IFRS 9 *Financial Instruments***

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and *IFRIC 9 Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- **Classification and measurement of financial assets:**  
Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- **Classification and measurement of financial liabilities:**  
When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.
- **Impairment of financial assets:**  
An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.
- **Hedge accounting:**  
Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

This standard is effective for the Issuer's annual periods beginning November 1, 2018.

### **Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*)**

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

This standard is effective for the Issuer's annual periods beginning November 1, 2018.

### **Disclosure of Outstanding Share Data**

As at June 29, 2017, the Issuer had the following common shares, stock options and warrants outstanding:

Common shares	71,528,755
Stock options (vested and unvested)	8,035,000
Warrants	30,033,148
Fully diluted shares outstanding	109,596,903

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