



GLOBAL UAV
TECHNOLOGIES

(formerly Alta Vista Ventures Ltd.)

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

QUARTER ENDED JANUARY 31, 2018

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Index	Page
Introduction	3
Forward Looking Financial Statements	3
Description of Business	3-4
Performance Summary for the First Quarter	4-8
Unmanned Aerial Vehicle Sector Activities	8
Medical Marijuana Sector Activities	8
Exploration Sector Activities	8
Corporate Events	8 – 11
Management Changes	11
Results of Operations	11-12
Selected Annual Information	13
Summary of Quarterly Results	13
Related Party Transactions	13-14
Liquidity and Capital Resources	15
Financial Instruments and Risk Management	15-17
Management of Capital	17
Off-Balance Sheet Arrangements	17
Proposed Transactions	17
Risks Related to Nature of Ownership of Common Shares	18
Critical Accounting Estimates	18-19
New accounting standards and interpretations not yet adopted	19-20
Disclosure of Outstanding Share Data	20

Introduction

The following discussion and analysis, prepared as of April 2, 2018 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. (the “Issuer”, “Company” or “Global UAV”) for the quarter ended January 31, 2018.

Additional information related to the Issuer is available for view on SEDAR at 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 to 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 Pioneer Aerial Surveys, a subsidiary, for a period of five years to Pioneer.

The final payment of \$200,000 was renegotiated to be paid with 2,531,646 units of the Issuer with each unit consisting of a share and a share purchase warrant that can be exercised to purchase one addition share for \$0.12 for a period of five years. The shares and units were subsequently issued in October of 2017. As such, the UAV assets, which form the core of Pioneer Aerial Surveys, are now wholly owned by the Issuer.

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 definitive agreement to purchase a 100% interest in UAV Regulatory Services for a total consideration of CAD \$100,000 - payable as \$70,000 in cash and \$30,000 in shares of Global UAV Technologies. UAV Regulatory Services' primary product is easysfoc.com, an online platform that assists UAV users to apply to Transport Canada for a SFOC (Special Flight Operating Certificate).

In addition, the Issuer signed a definitive agreement to purchase a 100% interest in 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 with the shares being released per a three year escrow period. NOVAerial Robotics is a Canadian-based company that designs and manufactures single rotor helicopter-style unmanned aerial vehicles. The principal product is the Procyon 800E.

These four wholly owned subsidiaries form the core of the Issuers business.

In early 2016, prior to the Issuer moving into the technology sector, the Issuer made a foray into the medical marijuana sector. It 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 \$125,000. 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. The Orofino property was sold to a third party during the third quarter of 2017 and the proceeds from that sale were used to pay down a portion of the debt within the Mexican subsidiary.

Performance Summary for the First Quarter

The Issuer had \$349,750 of revenue during the quarter.

As at January 31, 2018 the Issuer had cash totaling \$1,170,127.

Net loss for the quarter was \$475,735, which included gain from foreign exchange of \$13,381. Operating loss from the operation of the Issuer's UAV related businesses during the quarter totaled \$489,113.

Given the financial write downs, debts and future financial commitments, as at January 31, 2018, the Issuer had working capital of \$511,253 (October 31, 2017 - \$(468,958)).

However, management anticipates that with the continued growth of its subsidiaries the financial commitments may be dealt with from internal sources. If this as well as the Issuer's cash on hand is not sufficient to fund the Issuer's operating expenses and business activities in the medium to long term, additional funds will need to be raised through equity markets to provide additional financing for operating expenses and business activities.

Unmanned Aerial Vehicle Sector Activities:

Summary:

This was the fourth quarter that the Issuer has incorporated the financials of its wholly owned subsidiaries – High Eye Aerial Imaging and Pioneer Aerial Surveys, third quarter incorporating UAV Regulatory Services and second quarter incorporating NOVAerial Robotics Ltd.

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 (for additional information all news releases are available either on the Issuer's website or www.sedar.com):

On November 22, 2017, the Issuer announced that its wholly owned subsidiary NOVAerial Robotics had moved into a new, expanded production and manufacturing facility. The new 1,700 square foot NOVAerial headquarters is now near Ottawa, Ontario and will provide room for production, research and development and furthermore provides better access to gain employees from the high-tech labor force in Ottawa.

In addition, NOVAerial recently began developing and producing two new Unmanned Aerial Vehicle ("UAV") models to meet consumer demand in North and South America. The new UAV types include a weather proof multirotor UAV, and a heavy lift – high altitude single rotor helicopter named the Procyon 900E.

The Company has already received orders for both new models.

"The large new facility signifies the expansion of NOVAerial, and will allow it to continue to meet the demand of their growing customer and user base. With the introduction of two new UAV models to the lineup, NOVAerial is broadening their reach into the professional consumer market with UAV types and sizes that have been in high demand. The new systems offer payload, range and endurance capacities for airborne survey providers with high value payload sensors, as well as drone delivery service providers." Stated Michael Burns, CEO, Global UAV Technologies Ltd.

On November 30, 2017, the Issuer announced that on November 21, 2017 NOVAerial demonstrated the flight capabilities of the Procyon 800E to the National Research Council of Canada (NRC) and various members of the Department of National Defence. The Company was represented at the invite-only event by Robert Lefebvre (NOVAerial), Michael Burns (Global UAV / Pioneer Aerial), and Sales Manager Greg Hollyer (Global UAV). A presentation and live flight demonstrations and tasks were successfully performed by the NOVAerial team and Procyon 800E helicopter UAV at a secure Department of National Defence facility in Class F restricted airspace.

The Procyon was being evaluated as a UAV platform for a wide range of uses and end users including security and surveillance, emergency response and humanitarian support and delivery.

"Being able to demonstrate the NOVAerial Procyon 800E UAV capability to the NRC, DND and other organizations is a direct result of the professional quality UAV systems that NOVAerial produces, and the increased exposure support that Global UAV has been able to provide through trade shows and high-level marketing and networking," stated Michael Burns, CEO of Global UAV Technologies Ltd.

On December 6, 2017, the Issuer announced that its survey division, Pioneer Aerial Surveys ("Pioneer Aerial") had received authorization from Transport Canada to conduct night UAV operations in every jurisdiction across Canada except Quebec, where the application is currently still being processed.

The night operations are significant to Pioneer Aerial, as the geophysical survey services will not be affected by shorter daylight hours during the winter months in Canada. Pioneer Aerial is working throughout Canada during the winter as this division of Global UAV continues to grow. The Company now operates 5 UAV'S and has expanded its fleet with an order of 3 additional drones from Global UAV's manufacturer, NOVAerial. The weatherproof, night flight capable, NOVAerial helicopters and multi rotor UAV systems will provide further advantages such as the ability to fly in harsh environments, with an increased range and payload over the current UAV'S in use.

In addition, Global UAV has begun working with Transport Canada on Beyond Visual Line of Sight ("BVLOS") flight approval for Pioneer Aerial. Further information on this front will be released as progress and developments occur.

"The night operation approvals are very significant for our geophysics survey division. The geophysical survey methods and sensor technology does not need light to operate, and it benefits from night operations due to more stable air, calm weather conditions, and less solar storm noise. The result is better data quality and increased productivity. As we work toward BVLOS approval, the night operations authorization provides the flexibility to significantly grow our operations in Canada where we remain the leader in this space." Stated CEO of Global UAV Technologies Ltd., Michael Burns.

On January 4, 2018, the Issuer announced that it is working with the Canadian Trade Commissioner Service and offices of Global Affairs Canada including the Deputy High Commission of Canada in Africa to expand its services and sales throughout the continent. The Company is currently in discussions with several national-scale companies that are interested in UAV based geophysics surveying, security solutions, agriculture and LiDAR services and systems. Global UAV is also pursuing opportunities in Mexico with private sector companies.

These opportunities are driven from high demand and underserved markets, and present significant opportunities for Global UAV and its operating divisions to become the leaders in Unmanned Aerial Vehicle technology in emerging markets.

“Global UAV remains focused on accelerating the growth of its regulatory, manufacturing and services divisions in 2018. There has been a significant increase in the demand and interest in our products and services from emerging markets such as South America, Mexico and Africa. We are entering these markets with strong business relationships using a low-risk approach by developing strategic partnerships with established, in-country companies. This is an exciting time for Global UAV as our operating divisions are all growing significantly, and experiencing strong market support for products and services,” stated Michael Burns, CEO of Global UAV. “We would like to thank our shareholders for their support in 2017 as we look forward to another exciting year for the Company!”

On January 18, 2018, the Issuer reported on the progress of each operating division, and provide an update on the corporate activities of the Company. A significant number of new contracts, sales and clients have been secured in Q4 2017 compared to the previous quarter. In addition, strategic transitions and expansion of our operating divisions continue to take place as the Company supports the rapid growth of its subsidiaries.

“2017 was a significant year for Global UAV, we completed all 4 acquisitions, restructured management and strengthened the Board of Directors to accommodate the rapid growth the Company is experiencing. Our divisions have been expanding both operationally and in terms of revenue, allowing us to reinvest cash to further accelerate growth. We have also restructured our news distribution, branding and marketing strategy. The Company is beginning to see the results of increased investor reach and awareness as a result of our transformation and management’s efforts. We are pleased to see the recent market interest and look forward to a successful 2018” stated Michael Burns, CEO and Director of Global UAV.

Global UAV

Management has made significant advancements in news distribution, marketing and brand exposure of the Company, including regularly presenting and introducing the Company to key brokers and strategic investors. These changes are resulting in a fast-growing, strong market presence and better investor reach worldwide. In addition, significant reinvestment of operating cash-flow into our divisions has shown excellent growth results including increases in sales and revenue. Global UAV continues to expand using cash on hand, reducing investor dilution.

Upcoming Trade Shows:

Roundup 2018 – Vancouver

The Company was invited to participate in the first ever Innovation Hub at the 2018 AME Roundup conference at the Vancouver Convention Centre West from January 22 to 25. AME Roundup is one of the largest resource investing and technical conferences in Canada. This is an excellent opportunity to showcase our UAV solutions to natural resource companies, service providers as well as government representatives. We will have a NOVAerial Robotics Procyon 800E helicopter UAV on display for conference participants to view up close and we encourage attending investors to take the opportunity to meet the Global UAV management.

WEST 2018 – San Diego

In addition, the Company is proud to announce that it has been invited by the Canadian Trade Commissioner Service to attend the WEST 2018 conference as a Canadian UAV technology and services provider. The conference will take place in San Diego, California from February 6-8. WEST is the premier Sea Service conference on the West Coast that brings military, government and industry leaders together. The conference is co-sponsored by AFCEA International (The Armed Forces Communications and Electronics Association), and the U.S. Naval Institute. Global UAV will have several pre-conference meetings with the US Department of Defence, Industry and other stakeholders through introductions by the Canadian Trade Commissioner. For more information on the trade show please visit www.westconference.org.

High Eye Aerial Surveys:

The Company would like to introduce Mr. Ramiro Cotarelo as the new President of High Eye Aerial Surveys (“High Eye”). Mr. Cotarelo has been active in the unmanned aerial vehicle sector since 2013. He draws on nearly 25 years of experience in management from manufacturing to mining. These insights allowed him to leverage the use of UAVs in commercial environments with a focus on safety and accurate data collection. A lifelong remote-control hobbyist, Mr. Cotarelo has built and enjoys remote controlled air, land and sea craft.

“I am excited to join High Eye Aerial,” stated Mr. Cotarelo. “I will continue expanding High Eye’s profile as I feel strongly that UAVs will be playing a greater role in commercial applications where an aerial perspective produces clean, seemingly objective data collection. We are just beginning to understand the potential as additional technology is tailored for UAVs.” Other changes at High Eye Aerial include moving its base of operations to a joint facility with NOVAerial Robotics. This move reduces overhead costs and increases the synergy between companies while giving High Eye a robust base of operations.

High Eye will continue to offer photogrammetry and video services, but is re-focusing its core business on Light Detection and Ranging (“LiDAR”), thermal and specialty survey and also inspection services. These changes will place High Eye as a professional UAV services company in several niche markets with a focus on large scale government and industrial clients.

High Eye Aerial has recently ordered both a Procyon 900E and a new multicopter from NOVAerial Robotics as they modernize their UAV fleet and increase operational capacity.

Pioneer Aerial Surveys:

Pioneer Aerial completed a record number of surveys and has expanded its client base significantly in 2017. New clients continue to request surveys while the company’s scope of services is diversifying into infrastructure and UXO detection. Pioneer Aerial has successfully flown in excess of 12,000-line kilometres of surveys since its inception. This includes flights for resource exploration, infrastructure detection, and unexploded ordinance (“UXO”).

Pioneer Aerial achieved many significant milestones in 2017, which include:

- 21 contracts completed world wide;
- the largest survey completed to date consisting of 1300-line kilometres;
- expansion of fleet and trained field crews;
- two contracts completed in South America;
- first contract completed for the detection of unexploded ordinance and buried infrastructure;
- completion of contracts for multiple ‘major’ mining companies including Rio Tinto, New Gold, Osisko, SSR Mining and IAMGOLD.
- completion of surveys for different deposit types including lithium, diamonds, gold, nickel, copper, silver and base metals.

Pioneer Aerial has purchased several UAV’s from NOVAerial Robotics and has commissioned the design and manufacture of a weather resistant multi-rotor UAV as it is in the process of modernizing its UAV fleet and increasing operational capacity.

NOVAerial Robotics:

With the move to a larger facility complete, NOVAerial Robotics has been expanding its operations. This has included the introduction of new staff, and a skilled worker hiring campaign to increase the manufacturing capacity and fulfill orders. NOVAerial has received multiple orders from 3rd parties and Global UAV subsidiaries for their UAVs including the new models, the Procyon 900E and the weather-proof multicopter.

On March 14, 2018, the Issuer signed a reseller agreement with MicaSense, one of the leading manufacturers in drone-specific multispectral cameras that are widely used in the agricultural survey industry.

On March 20, 2018, the Issuer announced that it will be exhibiting within the Government of Alberta’s pavilion at The Association for Unmanned Vehicle Systems International AUVSI XPONENTIAL show in Denver, Colorado on May 1-3, 2018. AUVSI XPONENTIAL offers the opportunity for more than 8,500 industry leaders and forward-thinking users, from both the defense and commercial sectors, to learn the latest on policy, business use cases and technology applications in the UAV sector. The Government of Alberta, in cooperation with the Consulate General of Canada in Denver, is supporting companies including Global UAV, in the Alberta Pavilion at AUVSI XPONENTIAL. AUVSI is the world’s largest non-profit organization exclusively devoted to advancing the global unmanned systems and robotics community.

On March 26, 2018, the Issuer wholly owned subsidiary, Pioneer Aerial Surveys Ltd., has secured a contract with Geophysique TMC of Val d'Or, Que., for more than 3,000 line kilometres of high-resolution UAV-MAG (unmanned aerial vehicle magnetic) surveying. The significant contract was sourced through the close working relationship that Pioneer Aerial and Aerial Imaging Resources have formed as Global UAV continues to work toward closing its acquisition of Aerial Imaging, announced on March 6, 2018. The contract will be completed in co-operation with Aerial Imaging.

"The project with Geophysique TMC is more than double the size of the largest survey completed to date, for SSR Mining Inc., in October, 2017," stated president and director James Rogers.

In addition, Pioneer Aerial has signed a contract for up to 2,000 line kilometres of UAV -MAG surveys in South America with a major mining company.

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 \$125,000. 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.

During the year ended October 31, 2017, the Company sold its interests in the Orofino property located in Mexico to a private Mexican company for net proceeds of 1,200,000 Mexican Pesos. The Company value of the property was \$nil prior to the sale and \$85,524 (2016 - \$nil) has been recorded as a gain on disposal of assets, which represents a gain on the disposal of an asset.

Corporate Events

Details:

The following are the detailed corporate events that occurred during the quarter and up to the filing date of this MD&A (for additional information all news releases are available either on the Issuer's website or www.sedar.com):

On November 8, 2017, the Issuer provided a corporate update.

Board of Directors

Mr. Robert Lefebvre has been appointed as director of the Company.

Mr. Lefebvre is one of the foremost experts in UAV technology in Canada. He is a mechanical engineer with a diverse set of skills including product development and program management gained in the automotive industry. Mr. Lefebvre was one of the original developers of Ardupilot, the world's leading open-source UAV/drone operating system with now over 1,000,000 systems in operation around the world. A frequent invited speaker at UAV industry conferences, he has also consulted to the UAV industry internationally, assisting clients to deploy Ardupilot on their commercial systems. Sensing a need for more robust UAV platforms for commercial applications, Mr. Lefebvre founded NOVAerial Robotics Inc. and successfully launched commercial production of their first aircraft, the Procyon 800E helicopter.

Mr. Jason Springett has stepped down as a director. Mr. Springett has contributed greatly to the growth and rebranding of Global UAV Technologies and the Board thanks Mr. Springett for his hard work and efforts and being instrumental in bringing Global UAV Technologies to its current state of profitability.

Loan Repayment

Pioneer Aerial Surveys Ltd. has paid back to Global UAV Technologies in full, \$126,024 of interest-free loans that were provided to accelerate Pioneer Aerial's growth plans. Pioneer Aerial repaid the loans faster than expected.

"Global UAV is excited to welcome Mr. Lefebvre onto the Board of Directors. Robert is extremely dedicated to the growth and success of NOVAerial and Global UAV, and brings vast industry knowledge and insight to the Company. We are also pleased to report the full payback of loans by Pioneer Aerial. The success of Pioneer is a true testament to their rapid growth and emergence as the top UAV geophysics survey company in the world," stated Michael Burns, CEO of Global UAV Technologies.

Warrants

1,042,000 of the warrants set to expire on November 5, 2017 were exercised for total proceeds of \$78,150. 3,560,000 warrants at \$0.075 have since expired.

6,783,000 warrants at \$0.10 per share for gross proceeds of \$678,300.

Subsequent to the period ended January 31, 2018, the Company received a total of \$1,117,100 from the exercise of all warrants set to expire on March 6 and March 17, 2018.

Options

On January 2, 2018, the Company granted 600,000 stock options to directors and consultants of the Company. The stock options are exercisable on or before January 2, 2021 at an exercise price of \$0.12 per stock option.

On January 9, 2018, the Company granted 3,550,000 stock options to directors and consultants of the Company. The stock options are exercisable on or before January 9, 2021 at an exercise price of \$0.125 per stock option.

3,950,000 stock options valued between \$0.10 and \$0.125 per share for total proceeds of \$470,000.

Marketing Making Services

The Company also announces that it has retained market-making services.

The Company has, subject to regulatory approval, retained Venture Liquidity Providers Inc. (VLP) to initiate its market-making service to provide assistance in maintaining an orderly trading market for the common shares of the Company.

The market-making service will be undertaken by VLP through a registered broker, W.D. Latimer Co. Ltd., in compliance with the applicable policies of the TSX Venture Exchange and other applicable laws. For its services, the corporation has agreed to pay VLP \$5,000 per month for a period of 12 months. The agreement may be terminated at any time by the corporation or VLP. The corporation and VLP act at arm's length, and VLP has no present interest, directly or indirectly, in the corporation or its

securities. The finances and the shares required for the market-making service are provided by W.D. Latimer. The fee paid by the company to VLP is for services only.

In addition, the Company reports that Mr. Stephen Litwin is no longer acting as investor relations for the Company. The Company thanks Mr. Litwin for his hard work and wishes him well in his future endeavours.

On January 11, 2018, the Issuer announced that Stewart W. Baillie has been appointed to the Board of Directors.

“We are excited to announce the addition of Mr. Baillie as a Director of Global UAV. Stewart brings an immense amount of broad industry experience to our company from many aspects of his successful career. Mr. Baillie was instrumental in the development of Transport Canada’s current Small Unmanned Aircraft System (“sUAS”) Design Standard, and will add significant value and guidance to Global UAV’s future developments.” stated Global UAV President and Director, Mr. James Rogers.

Mr. Baillie received his Bachelor of Science in Aeronautics and Astronautics from the University of Washington in 1981 and his Masters of Science in Aeronautics from the California Institute of Technology in 1982.

For over 30 years Mr. Baillie worked for the National Research Council (“NRC”) of Canada at the Flight Research Laboratory (“FRL”) serving initially as a Research Officer and then a Program Manager and, finally, as Lab Director for 15 years. During this period, he also had a 9-month assignment to Industry Canada where he served as a Director within the Aerospace, Defence and Marine Branch.

From 2003 to 2013, Mr. Baillie was the main proponent of unmanned aircraft technology at the NRC and led the development of the NRC’s Civil Unmanned Aircraft System (“UAS”) Program. From 2010 to 2016 Mr. Baillie served the UAS industry as the Chair of the Airworthiness Subgroup of the Canadian Aviation Regulation Advisory Council (“CARAC”) UAV Program Design Working Group. In this capacity he played a major role in the development of the current sUAS Design Standard that is currently found in the Transport Canada Staff Instruction as well as the development of a similar regulatory proposal concerning sUAS for Beyond Visual Line of Sight (“BVLOS”) operations.

Mr. Baillie’s expertise includes both fixed and rotary wing aircraft with special emphasis on aircraft operations, handling qualities and flight testing. As a professional researcher, Mr. Baillie has authored over 90 technical publications. As Director of the FRL, Mr. Baillie had the unique responsibilities of managing both a research organization and serving as the Transport Canada “Accountable Executive” for the operations of the NRC experimental aircraft fleet, the associated Aircraft Maintenance Organizations and the in-house “design and modification approval organization”.

Mr. Baillie has been a member of the American Institute for Aeronautics and Astronautics (“AIAA”) and the American Helicopter Society, a Fellow of the Canadian Aeronautics and Space Institute and has served as that organization’s President and as the Editor of the Canadian Aeronautics and Space Journal. He represented Canada in the NATO-Research and Technology Organisation and its predecessor organization, Advisory Group for Aerospace Research and Development (“AGARD”) and was a Canadian member of the International Congress of the Aeronautical Sciences (“ICAS”). From 2012 to 2017, Mr. Baillie was a board member of Unmanned Systems Canada and served as its Chairman of the Board of Directors from 2013 to 2015.

Mr. Baillie retired from NRC in January 2013 and is now an independent consultant.

On February 05, 2018, the Issuer reported it had received a total of \$1,148,300 from the exercise of warrants and stock options during the month of January. The total is the result of the exercise of 6,783,000 warrants at \$0.10 and 3,950,000 stock options valued between \$0.10 and \$0.125.

Currently there are 4,388,000 warrants at \$0.10 remaining which are set to expire on March 6 and March 17 of 2018. Another 2,531,646 warrants, issued for the acceleration of the purchase of the UAV assets from Pioneer Exploration (see news release dated October 4, 2017), are set to expire in October of 2022.

“The recent exercise of warrants and stock options provides a significant amount of capital to continue the support and growth of our operating divisions. To date, reinvestment in our core businesses has resulted in increased revenues and exposure for the company. The market support and growing investor exposure has been excellent as we continue to work on new developments for 2018 and beyond.” stated Michael Burns, CEO and Director of Global UAV.

On March 6, 2018, the Issuer signed a letter of intent (LOI) to acquire Aerial Imaging Resources Inc. (AIR). AIR is a rapidly growing, private Canadian UAV (unmanned aerial vehicle) services company focused on providing geophysical surveys to its international client base.

Pursuant to the terms of the LOI, and subject to the execution of a definitive share exchange agreement (the "Share Exchange Agreement"), Global UAV will purchase all of the outstanding and issued common and preferred shares of AIR for the sum of Cdn. \$2,400,000, which will be paid as \$600,000 in cash (a portion of which will be used to eliminate all of AIR's outstanding liabilities) and the issuance of common shares of Global UAV equal to a total of Cdn. \$1,800,000 based upon a deemed issuance price, calculated at the closing date, and based upon the Volume Weighted Average Price (VWAP) over the 20 days preceding the closing date (the "Transaction"). The Transaction will include all assets, key personnel, clients and contracts. The LOI contemplates the finalization of a definitive agreement that will include representations, warranties, covenants and other agreements customary for a transaction of this nature including escrow conditions, if applicable and employment agreements with key personnel of AIR. It is anticipated that shares to be issued in connection with the Transaction will be subject to voluntary escrow.

The LOI was entered into on March 5, 2018. The transaction does not represent a fundamental change for the company and no finder's fees are applicable to this transaction.

Closing and completion of the Transaction are subject to the satisfaction of certain conditions, including the completion of satisfactory due diligence by Global UAV, the execution of the Share Exchange Agreement, as well as obtaining third party and regulatory authorities approval, if applicable. Although it is the intent of both parties to close the Transaction as quickly as possible, there are no guarantees that the Transaction will be completed as proposed or at all.

On March 20, 2018, the Issuer announced that it had received a total of CAD \$1,117,100.00 from the exercise of all warrants set to expire on March 6 and March 17, 2018.

James Rogers, President and Director stated "With over \$1 million in treasury, Global is well positioned to continue the rapid growth we've experienced in our first year of operations as a UAV focused company. In the past few months we have been able to expand Global UAV divisions by signing a Letter of Intent to acquire Aerial Imaging Resources in addition to hiring additional employees to meet the demand for services throughout our divisions. The recent exercise of warrants has helped strengthen the Global UAV foundation to meet those demands and expand into new emerging markets.

With the recent exercise of these warrants the Company has 2,531,646 warrants remaining at an exercise price of \$0.12 which were issued to accelerate the purchase of the UAV assets from Pioneer Exploration (see news release dated October 4, 2017). These warrants are set to expire in October of 2022.

Management Changes

On October 4, 2017, the Issuer appointed Michael Burns as Chief Executive Officer and James Rogers as President.

On November 8, 2017, the Issuer appointed Robert Lefebvre as a director of the company.

On January 11, 2018, the Issuer appointed Stewart W. Baillie to the board of directors.

On January 19, 2018, the Issuer introduced Ramiro Cotarelo as the new president of High Eye Aerial Surveys.

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 three months ended January 31, 2018 compared to the three months ended January 31, 2017, were as follows:

- i. Exploration expenditures, decreased by \$2,863 to \$341 from \$3,204 in 2017 due to the Issuer is no longer intends to pursue its resources on its mineral exploration properties.
- ii. Consultants' fees increased by \$34,435 to \$75,800 from \$41,365 in 2017 due to the Issuer's changes in business and the expertise required by its subsidiaries.

- iii. Accounting, audit and legal expenses increased by \$8,161 to \$16,065 from \$7,904 in 2017 due to increase in legal work performed in respect of private placements, stock options, and changes in business and the Issuer being billed for legal services performed.
- iv. Issuer Share-based compensation increased by \$379,890 to \$379,890 from \$nil in 2017 due to stock options granted to directors and consultants of the Issuer during the current period.
- v. Office and miscellaneous increased by \$35,474 to \$37,499 from \$2,025 in 2017 due to increased office-related activities and including the expenses of its subsidiaries.
- vi. Regulatory fees decreased by \$10,070 to \$2,150 from \$12,220 in 2017 due to nil private placements during the current period.
- vii. Investor relations and promotion increased by \$29,080 to \$35,285 from \$6,205 in 2017 due to Issuer incorporating its subsidiaries business.

Significant variances in the Issuer's financial position for the three months ended January 31, 2018 compared with the quarter ended January 31, 2017, were as follows:

- i. Cash increased by \$1,155,896 to \$1,170,127 from \$14,231 in 2017 due to proceeds from exercise of warrants and options.
- ii. Amounts receivable increased by \$21,212 to \$106,478 from \$85,266 in 2017, due primarily to a increase in trade receivables, refundable taxes and other receivable expected to be received by the Issuer and its subsidiaries for the current period.
- iii. Property, plant and equipment increased by \$191,061 to \$393,302 from \$202,241 in 2017 due to the acquisition of additional assets.
- iv. Accounts payable and accrued liabilities decreased by \$71,303 to \$686,914 from \$758,217 in October 31, 2017 due to the issuer settling debt with proceeds from the warrant and stock option exercises during the period.

Significant variances in the Issuer's cash flows for the three months ended January 31, 2018 compared to the three months ended January 31, 2017, were as follows:

- i. Cash used in operating activities increased by \$16,035 to a used by of \$43,173 from \$27,138 in 2017 due to the decrease in net loss during the current period.
- ii. Cash used in investing activities decreased by \$203,229 to \$69,382 from \$272,611 primarily due to the acquisition of additional fixed assets.
- iii. Cash provided by financing activities increased by \$1,151,746 to \$1,151,746 from \$nil in 2017 due to proceeds from exercise of warrants and options and loan.

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, 2017 \$	OCT. 31, 2016 \$	OCT. 31, 2015 \$
Total revenue	1,027,379	Nil	Nil
Loss for the year	(3,021,998)	(2,586,960)	(508,087)
Basic and diluted loss per share	(0.04)	(0.09)	(0.05)
Total assets	1,843,712	418,819	43,152
Total long-term financial liabilities	576,730	Nil	Nil

Summary of Quarterly Results

	Jan. 31, 2018	Oct. 31, 2017	Jul. 31, 2017	Apr. 30, 2017	Jan. 31, 2017	Oct. 31, 2016	Jul. 31, 2016	Apr. 30, 2016
Revenue	\$349,750	\$490,261	\$333,529	\$181,203	\$22,386	\$Nil	\$Nil	\$Nil
Income (Loss) for the quarter	(\$470,270)	(\$1,938,622)	\$154,956	(\$463,994)	(\$774,338)	(\$403,683)	(\$941,974)	(\$350,408)
Basic and diluted earnings (loss) per share	(\$0.01)	(\$0.01)	\$0.00	(\$0.01)	(\$0.02)	(\$0.00)	(\$0.04)	(\$0.01)

Related Party Transactions

a) Management transactions

Key management personnel compensation during the three months ended January 31, 2018 and 2017 were as follows:

	2018	2017
Don Shaxon (iii)	\$ -	\$ 12,500
Robert Lefebvre (ix)	\$ 19,487	\$ -
Michael Burns (x)	\$ 2,221	\$ -

Management transactions with related parties during the three months ended January 31, 2018 and 2017 were as follows:

	2018	2017
Timeline Filing Services Ltd (i)	\$ -	\$ 3,600
Shaxon Enterprises (ii)	\$ -	\$ 10,500
Catalyst X Media Corporation(iv)	\$ -	\$ 8,000
BridgeMark Financial Corporation (vi)	\$ 10,500	\$ -
101252103 Saskatchewan Ltd. (vii)	\$ 19,500	\$ 8,400
Longford Capital Corporation (viii)	\$ 19,500	\$ -

- i) Timeline Filing Services Ltd. is a private enterprise controlled by the Company's former Corporate Secretary, Laara Shaffer.
- ii) Shaxon Enterprises Ltd is a private enterprise controlled by the Company's former director, Don Shaxon.(iii)
- iv) Catalyst X Media Corporation is a private enterprise controlled by the Company's former president and CEO, Jason Springett.(v)
- vi)BridgeMark Financial is a private enterprise controlled by the Company's current CFO, Anthony Jackson.
- vii) 101252103 Saskatchewan Ltd. is a private enterprise controlled by the Company's current CEO, Michael Burns
- viii) Longford Capital Corporation is a private enterprise controlled by the Company's current president, James Rogers
- ix) Robert Lefebvre is a current director of the Company and president of NOVAerial Robotics.
- x) Michael Burns is a current CEO of the Company.

During the three months ended January 31, 2018, the Company granted 550,000 (2017 - nil) options to a director of the Company at an exercise price of \$0.125 per share valued at \$66,441 and 500,000 (2017 – nil) options at an exercise price of \$0.12 per share valued at \$40,794.

Accounts payable to related parties

Included in accounts payable and accrued liabilities are the following amounts:

1. \$12,500 (January 31, 2017 - \$12,500) payable to Don Shaxon, a former director of the Company.
2. \$89,000 (January 31, 2017 - \$87,034) payable to 101252103 Saskatchewan Ltd.
3. \$110,450 (January 31, 201- \$69,500) payable to Longford Capital Corporation.
4. \$21,700 (January 31, 201- \$7,350) payable to BridgeMark Financial Corporation.
5. \$877 (January 31, 201- \$58,466) payable to Michael Burns, CEO of the Company, relating to expense reimbursements.

During the year ended October 31, 2017, the Company settled \$109,000 (2016 - \$423,991) of accounts payable owing to related parties through the issuance of 2,180,000 units, included in private placements.

During the year ended October 31, 2017, the Company settled \$nil (2016 - \$65,100) of loans payable.

Also included in accounts payable and accrued liabilities are loans of \$36,100 (October 31, 2017 - \$44,121) borrowed from the current president and from the current director of the Company. The loans are non-interest-bearing and without fixed terms of repayment.

Liquidity and Capital Resources

As at January 31, 2018, the Issuer had cash of \$1,170,127 (October 31, 2017 - \$130,936).

As at January 31, 2018 the Issuer had working capital of \$511,253 as compared to \$(468,958) as at October 31, 2017. 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:

	January 31, 2018	October 31, 2017
Financial assets		
Fair value through profit or loss		
Cash	\$ 1,170,127	\$ 130,936
Loans and receivables		
Amounts receivable*	97,474	162,912
Available-for-sale		
Marketable securities	1,341	1,341
Total financial assets	\$ 1,268,942	\$ 295,189
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities*	\$ 686,914	\$ 629,051
Deferred revenues	31,186	65,444
Loan payable	3,466	-
Contingent consideration**	540,000	540,000
Deferred income tax liability	111,312	119,730
Total financial liabilities	\$ 1,372,859	\$ 1,354,225

*Excluding sales tax receivable and payable

**Estimated fair value of the 10% royalty payments on the future profits of Pioneer Aerial Surveys to be paid out over a five-year term. See note 13 a) on January 31, 2018 Financial Statements.

The fair values of the Company'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. Contingent consideration is recorded at fair value based on estimated future performance and discount rates. Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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 primarily of Goods and 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 January 31, 2018, the Issuer had cash in the amount of \$1,170,127 (October 31, 2017 - \$130,936) and accounts payable and accrued liabilities of \$686,914 (October 31, 2017 - \$658,545).

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 Company'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:

	January 31, 2018		October 31, 2017	
	MXN	US	MXN	US
Accounts receivable	128,342	\$ -	131,381	\$ -
Accounts payable and accrued liabilities	2,519,684	-	(2,501,869)	-
Rate to convert \$1 CAD	0.06601	1.2293	0.067	1.2893

Based on the Company's net exposure, a 23% change (October 31, 2017 - 23%) in the Canadian/Mexican peso exchange rate and a 12% change (October 31, 2017 - 12%) 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 Company is exposed to other price risk related to the fluctuation in the market price of its marketable securities. The Company's marketable securities are carried at market value and are directly affected by fluctuations in the market value of the underlying securities. The Company's sensitivity analysis suggests a 100% (October 31, 2017 - 100%) change in the market prices would impact the Company's earnings by approximately \$1,341 (October 31, 2017 - \$1,341).

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 marketable securities are classified at Level 1 of the fair value hierarchy. Contingent consideration are classified as Level 3 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' 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.

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.

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 period ended January 31, 2018.

Off-Balance Sheet Arrangements

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

Proposed Transactions

On March 6, 2018, the Issuer signed a letter of intent (LOI) to acquire Aerial Imaging Resources Inc. (AIR). AIR is a rapidly growing, private Canadian UAV (unmanned aerial vehicle) services company focused on providing geophysical surveys to its international client base.

Pursuant to the terms of the LOI, and subject to the execution of a definitive share exchange agreement (the "Share Exchange Agreement"), Global UAV will purchase all of the outstanding and issued common and preferred shares of AIR for the sum of Cdn. \$2,400,000, which will be paid as \$600,000 in cash (a portion of which will be used to eliminate all of AIR's outstanding liabilities) and the issuance of common shares of Global UAV equal to a total of Cdn. \$1,800,000 based upon a deemed issuance price, calculated at the closing date, and based upon the Volume Weighted Average Price (VWAP) over the 20 days preceding the closing date (the "Transaction"). The Transaction will include all assets, key personnel, clients and contracts. The LOI contemplates the finalization of a definitive agreement that will include representations, warranties, covenants and other agreements customary for a transaction of this nature including escrow conditions, if applicable and employment agreements with key personnel of AIR. It is anticipated that shares to be issued in connection with the Transaction will be subject to voluntary escrow.

The LOI was entered into on March 5, 2018. The transaction does not represent a fundamental change for the company and no finder's fees are applicable to this transaction.

Closing and completion of the Transaction are subject to the satisfaction of certain conditions, including the completion of satisfactory due diligence by Global UAV, the execution of the Share Exchange Agreement, as well as obtaining third party and regulatory authorities approval, if applicable. Although it is the intent of both parties to close the Transaction as quickly as possible, there are no guarantees that the Transaction will be completed as proposed or at all. The impact on other financial conditions and results of operations as a result of the LOI are uncertain as of the date of this MD&A.

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:

Allowances for doubtful accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

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 three months ended January 31, 2018, the Company recognized share-based compensation of \$379,890 (2017 - \$nil).

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. 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 year ended October 31, 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 \$763,753 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 October 31, 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.

IFRS 15 Revenue from Contract with Customers

The IASB issued the standard to replace IAS 18 which establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for the annual periods beginning on January 1, 2018, with the required retrospective application and earlier adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements.

IFRS 16 Leases

IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are 'capitalized' by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligation to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of the standard on its financial statements.

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 April 2, 2018, the Issuer had the following common shares, stock options and warrants outstanding:

Common shares	104,804,180
Stock options (vested and unvested)	9,557,500
Warrants	2,531,646
Fully diluted shares outstanding	116,893,326

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.