ALTA VISTA VENTURES LTD.

FORM 2A

LISTING STATEMENT

January 11, 2017

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2. Corporate Structure

2.1 Corporate Name

ALTA VISTA VENTURES LTD.
#459, 409 Granville Street,
Vancouver, BC, V6C 1T2

(the "Issuer")

2.2 Incorporation

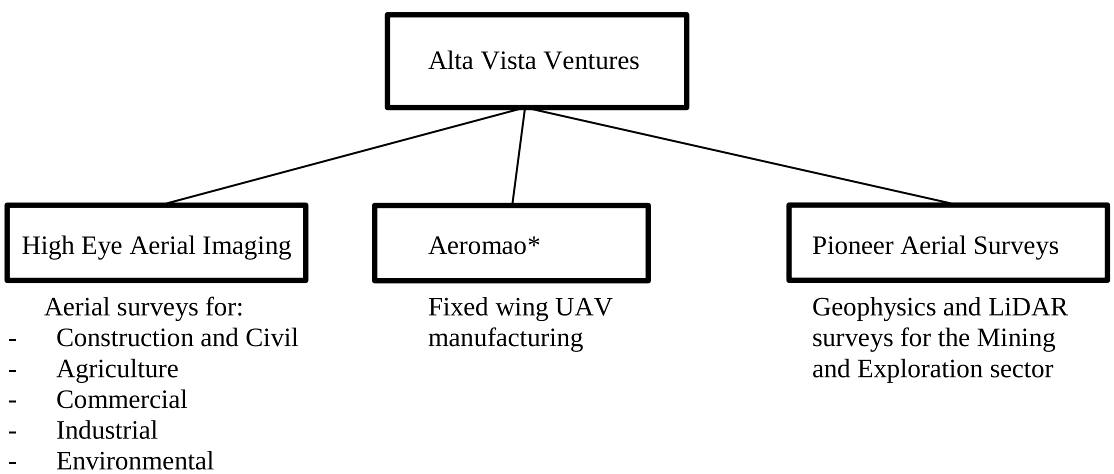
Alta Vista Ventures Ltd. is a British Columbia company whose principal business activities are in the Unmanned Aerial Vehicle sector. The Issuer was incorporated on 23rd of July, 1980. The Issuer is a reporting issuer in British Columbia, Alberta and Ontario, and its common shares trade on the Canadian Securities Exchange.

Since incorporation the Issuer has undertaken steps to develop its business (refer to Section 3.1 below), including, among other things, changing the Issuer's focus, recruiting consultants with the skills required to operate a public company in the technology sector, entering into purchase agreements, raising sufficient capital to fund operations and acquisitions, and to supervise and manage its subsidiaries.

2.3 Intercorporate Relationships

The completion of the three contemplated deals will create three wholly owned subsidiaries of the Issuer. The Issuer envisions that these will act as interrelated divisions of the Issuer with each division having a specific roll or expertise.

The following is an example of the intercompany relationships:



*NOTE: There is currently an LOI in place for Aeromao transaction. Although it is the Issuer's intent to complete the transaction, there is no assurance that it will be completed.

The Issuer decided to keep the Pioneer name as part of its new UAV business in order to maintain a level of continuity with former, current and pending clients that Pioneer Exploration Consultants had for its UAV division. Pioneer Exploration's management had done a great job of creating an enviable list of past, current and potential clients, including several major mining companies, that it is Alta Vista's best interest to not interfere with that - even if it were to create some confusion in the near term.

With the transfer of the UAV assets to Pioneer Aerial Surveys, Pioneer Exploration Consultants will continue to operate as an independent company providing geological consulting to the mining and exploration sector. Alta Vista will have no association with Pioneer Exploration other than having Pioneer Exploration as a shareholder.

Mr. Mike McMillan, the Issuer's Head of Business Development, will be integral to overseeing the streamlining of Pioneer Aerial Surveys and High Eye's business. It is anticipated the two subsidiaries will sign an agreement allowing for Pioneer to utilize High Eye's staff, when needed, at "internal rates". This relationship is expected to save Pioneer Aerial Surveys money that would be spent to hire external consultants and will create additional revenue for High Eye. Additional synergies are also expected to be identified in the coming months with the potential that the companies could even share equipment.

In addition, the Issuer has a Mexican subsidiary named Minera Alta Vista S.A. de C.V. that is registered in Mexico City, Mexico with its office being located in Hermosillo, Sonora State, Mexico. The Issuer is investigating options for divesting itself of this subsidiary.

2.4 Requalification

The Issuer is requalifying following a fundamental change as a result of acquisitions that result in a Change of Business.

The Issuer is requesting a change in Industry from Mining to Diversified Industries.

2.5 Incorporation outside Canada

The Issuer is not incorporated outside of Canada.

3. General Development of the Business

3.1 General Business

The Issuer was initially incorporated under the name Mather Oil & Gas ("A" Fund) Inc. on the 23rd day of July, 1980. The Issuer changed its name to Greentree Energy Inc. on the 29th day of October, 1980. For the period from incorporation, to approximately 1990, the Issuer was an oil and gas company which held various working interests in properties in the States of Oklahoma and Texas in the USA. As a result of the general decline in the oil and gas sector in the late 1980s, the company sold and/or abandoned all of its oil and gas assets.

On the 28th day of December, 1990, the Issuer changed its name to STS Power Pedal Corp. STS Power Pedal Corp. held a patent on a telescoping bicycle pedal which it marketed to manufacturers of exercise equipment and bicycles. The Issuer abandoned this business in approximately 1999, and on the 31st day of January, 2001, changed its name to Mark-Can Investment Corp. and was essentially inactive for a period of approximately two years.

The Issuer changed its name to Yale Resources Ltd. on the 1st day of October, 2003 and refocused its business

model to that of a mineral exploration company. Yale Resources Ltd. held projects in the Yukon Territory, Namibia and in approximately 2006 concentrated its exploration efforts to properties in Mexico. The Issuer's business model was that of a project generator and it held interest in a total of 7 properties.
In 2013 the Issuer consolidated its share capital on a 1 new for 10 old basis and concurrently, on the 29th day of May, 2013, changed its name to Alta Vista Ventures Ltd. The Issuer completed a further consolidation on a 1 new for 2 old basis, which was approved by the TSX Venture Exchange, effective May 8, 2014.

In September of 2014 the Issuer began trading on the Canadian Securities Exchange.

In 2015 the Issuer signed a definitive agreement for the purchase of Thor Pharma, an early stage Marijuana for Medical Purposes Regulations (MMPR) applicant and a Letter of Intent for the purchase of a 90% interest in Redecan Pharm a MMPR producer. However, the Issuer was unable to close the acquisition for Redecan Pharm. The Issuer subsequently terminated the agreement for Thor Pharma, thus having no current association with the MMPR sector.

In July of 2016 the Issuer made the commitment to move into the Unmanned Aerial Vehicle (UAV) sector with the signing of three Letters of Intent for three private companies in the UAV sector.

On November 14, 2016 the Issuer signed an asset purchase agreement for the UAV division of Pioneer Exploration Consultants Ltd. The UAV assets of Pioneer Exploration were transferred to a wholly owned subsidiary of the Issuer on closing of the agreement on December 29, 2016. On December 6, 2016, the Issuer signed a share purchase agreement for a 100% interest in High Eye Aerial Surveys. High Eye Aerial Surveys became a wholly owned subsidiary of the Issuer upon formal closing of the transaction on January 6, 2017.

3.2 Significant Acquisitions and Dispositions

The Issuer has signed two definitive agreements: the first was for the purchase of a 100 percent interest in the UAV assets of Pioneer Exploration Consultants Ltd. and the second was for a purchase of a 100 percent interest in High Eye Aerial Imaging Inc.

UAV Division of Pioneer Exploration Consultants Ltd.

Transaction Mechanics

The Issuer is acquiring the UAV assets of Pioneer Exploration Consultants for a total of 9,000,000 shares of the Issuer and $500,000 in cash, which were to be paid in three installments over 12 months. The Issuer has issued 6,000,000 shares and paid $300,000 to Pioneer Exploration Consultants as an initial payment for a 60% interest in the assets. The final payment of 3,000,000 shares and $200,000 must be made on, or before, the twelve month anniversary of closing – December 29, 2017.

Upon closing of the Transaction, 100 percent of the tangible and intangible assets of the UAV division of Pioneer Exploration Consultants were transferred to the Issuer's wholly owned subsidiary – Pioneer Aerial Surveys Ltd. The Issuer granted Pioneer Exploration Consultants a 10% royalty on the profits of the Pioneer Aerial Surveys for a period of five years.

Following the Transaction Pioneer Exploration Consultants will continue to operate as an independent private company focused on geological consulting to companies in the mining and exploration sector.

The Issuer created a wholly owned subsidiary called Pioneer Aerial Surveys to receive the transfer of all of the UAV assets of Pioneer Exploration Consultants.

Pioneer Exploration Consultants will have the right to elect one nominee to the board of directors of the Issuer.

Conditions to Closing the Transaction and Required Approvals

This Transaction is not considered Fundamental Transaction.

The obligations of the Issuer to consummate the Transaction were subject to the satisfaction of certain conditions relating to, among other things, the performance of all covenants of each of Pioneer Exploration Consultants, the accuracy of each of the representations and warranties by Pioneer Exploration Consultants, the absence of any material adverse change to Pioneer Exploration Consultants, the Issuer's receipt of all other documents or certificates reasonably required for the completion of the Transaction, and the adoption of all resolutions and other corporate action reasonably required for the completion of the Transaction by the directors of Pioneer Exploration Consultants.

The obligations of Pioneer Exploration Consultants to consummate the Transaction were subject to the satisfaction of certain conditions relating to, among other things, the performance of all of the Issuer's covenants, the accuracy of each of the Issuer's representations and warranties, the absence of any material adverse change to the Issuer, receipt of certain outstanding consents and approvals to the reasonable satisfaction of Pioneer Exploration Consultants, receipt of all other documents or certificates reasonably required for completion of the Transaction, and the adoption of all resolutions and other corporate action reasonably required for the completion of the Transaction by the directors of the Issuer.

High Eye Aerial Imaging Inc.

Transaction Mechanics

The Issuer acquired a 100 percent interest in High Eye for 4,500,000 shares of the Issuer and a promissory note for $100,000 to be paid on, or before, January 31, 2017. Upon closing of the Transaction, High Eye became a wholly owned subsidiary of the Issuer.

Conditions to Closing the Transaction and Required Approvals

As this Transaction is not considered Fundamental Transaction.

The obligations of the Issuer to consummate the Transaction were subject to the satisfaction of certain conditions relating to, among other things, the performance of all covenants of each of High Eye, the accuracy of each of the representations and warranties by High Eye, the absence of any material adverse change to High Eye, the Issuer's receipt of all other documents or certificates reasonably required for the completion of the Transaction, and the adoption of all resolutions and other corporate action reasonably required for the completion of the Transaction by the directors of High Eye.

The obligations of High Eye to consummate the Transaction were subject to the satisfaction of certain conditions relating to, among other things, the performance of all of the Issuer's covenants, the accuracy of each of the Issuer's representations and warranties, the absence of any material adverse change to the Issuer, receipt of certain outstanding consents and approvals to the reasonable satisfaction of High Eye, receipt of all other documents or certificates reasonably required for completion of the Transaction, and the adoption of all resolutions and other corporate action reasonably required for the completion of the

Transaction by the directors of the Issuer.

In addition to the completed transactions, the Issuer has a Letter of Intent for the purchase of a one hundred percent interest in Aeromao Inc., a manufacturer of fixed wing UAVs. The Issuer has 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.

3.3 Trends, Commitments, Events or Uncertainties

Until recently, the Issuer's main focus has been on completing the acquisition of companies in the medical marijuana sector. Since signing letters of intents to acquire High Eye and the UAV division of Pioneer Exploration Consultants, the Issuer has focused on the Unmanned Aerial Vehicles ("UAV") sector.

The Issuer's businesses in the UAV sector will be subject to a number of factors including applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people and obtaining necessary services in jurisdictions where the Issuer operates. The current trends relating to these factors could change at any time and negatively affect the Issuer's operations and business.

Refer to discussions set out in section 4 *Narrative Description of the Business*, section 6 *Management's Discussion and Analysis;* and section 17 *Risk Factors*.

4. Narrative Description of the Business

4.1 General

The two Management Discussion and Analysises in this Listing Statement include previous disclosure with respect to the Issuer's mineral exploration projects and its previously contemplated change into the medical marijuana sector.

The Transactions completed by the Issuer constitute a change of business of the Issuer and it is the intent of the Issuer to operate as a UAV related business in the Diversified Industries sector. See Section 3.3 – "Trends".

(1) Business of the Issuer

The Issuer is changing its business to become a service provider in the UAV sector.

With the acquisition of High Eye and the assets of the UAV division of Pioneer Exploration

Consultants, the Issuer will specialize in low altitude, high definition aerial imaging services. The Issuer will offer a full range of high definition aerial imaging services, which include aerial surveying and mapping, inspections, investigations, monitoring, aerial videography, aerial photography, and geophysical surveying that can be used for numerous applications in the fields of aggregates and mining, environmental planning and monitoring, archeology, engineering, construction, forestry, agriculture, and more.

High Eye will act as the conventional UAV imaging and data collection division. It operates two state of the art UAV systems: a multi rotor Vertical Take Off and Landing system for video and high definition photography, and a fixed wing, long endurance UAV for larger mapping and surveying projects. High Eye currently provides services to the following areas: Toronto (GTA), Kitchener / Waterloo, London, Kingston, Barrie, North Bay, Sudbury, Hamilton/St. Catharines, Peterborough, Ottawa and other surrounding areas.

Pioneer Aerial Surveys will specialize in airborne magnetometer surveying for the mining and exploration industry as well as the collection of LiDAR imaging. Pioneer utilizes some of the most advanced UAV systems in the world, custom built in Canada and capable of long flights and diverse sensor payloads and a leader in UAV based remote sensing for mineral exploration, mine site surveys and safety inspections.

Pioneer developed one of the first UAV Aero-Mag systems on the market and continues to push the limits and capabilities of remote sensing in the exploration industry. As a result they are able to custom design and fly sensor packages to fit a diverse set of client requirements. For geophysics data collection they use a GSMP-35A Potassium Magnetometer.

The UAV division of Pioneer Exploration Consultants is based out of Saskatoon, Saskatchewan and provides services worldwide.

UAV aerial imaging offers a cost effective alternative to manned aircraft for a variety of applications in the fields of engineering, construction, aggregates and mining, environmental planning and monitoring, agriculture, forestry, and archeology.

To service its clients High Eye and Pioneer Aerial Surveys employ remote controlled, innovative UAV platforms to capitalize on leading edge technology, such as enhanced GPS positioning and autopilot capabilities. This allows for the setting of the exact positioning and altitude for specific data to be captured. The two divisions of the Issuer are both certified by Transport Canada for commercial UAV operation.

Benefits of using UAVs to take photos and completing surveys are:

- **Access to More Photos –** UAV technology provides access to photographs that one wouldn’t be able to get with larger, manned equipment.
- **The Safer Imaging Option-** UAV technology also provides a safer imaging option as personnel are not required to get into harm’s way.
- **Inexpensive Asset Tracking-** Asset tracking is essential when running a large operation such as a mine. The use of UAV technology mores for an affordable and easier option and there is no need to temporarily shut down operations.

- **Improved Safety-** Safety should be a priority of every job, which is why UAV technology should be a part of every large operation's business plan.
- **Long-Term Record Keeping-** Long-term record keeping is a major asset for businesses in any industry. By using UAV technology a business can get a historical record from one month to the next. Records can then be compared to see how the project has changed over time, which can prove to be invaluable information.

The Issuer, through its subsidiaries, offers its clients safe and certified drone photography and video. The safety of the public, our clients and our personnel is extremely important and as such High Eye is fully insured for commercial aerial operations, maintaining a $3 million liability insurance policy. In addition, all of the Issuer operates within the requirements of the Canadian Air Regulations, as well as Transport Canada Special Flight Operations Certifications. Each of the pilots who operate equipment have the following qualifications:

- Aeronautical training and certification to Transport Canada standards
- A pilot permit issued by Transport Canada, or a Civil and Commercial UAV Training Certificate, issued by CCUVS
- "Restricted Operator Aeronautical" Radio Licence (ROC-A) issued by Industry Canada

Equipment Specifics:

High Eye utilizes a multi rotor UAV and a fixed wing UAV to perform its surveys.

The Micro Kopter CineStar 8 is a multi rotor UAV that is constructed with carbon fiber material and holds an eight engine, multi-rotor aircraft. To operate, it uses eight electric motors powered by rechargeable Lithium polymer batteries. The CineStar 8 can be used for a variety of services including aerial photography, aerial videography, aerial mapping (or geo mapping), aerial surveying and aerial promotions.

The Micro Kopter CineStar 8 has the following specific features:
Eight engine aircraft capable of carrying a number of camera payloads
Can be remote controlled from up to 500m away
All flight information is transmitted in real time and recorded in the Flight Data Recorder
Includes a multi satellite lock GPW receiver that allows the UAV to be programmed to a specific flight pattern or to hold a specific altitude and position
A multitude of onboard sensors can read and transmit 3 dimensional axis movements, compass headings, power consumption and altitude to the pilot's flight control console and automatically transmits flight telemetry data
Video transmitter provides live video signal in real time to the camera operator's monitor and/or video goggles
All flight information is transmitted in real time and recorded in the Flight data recorder

The CineStar UAV is capable of several camera options:
A NIKON 1v1 camera is used for HD still photography as well as HD video imaging (1080p)
A Sony CX730 video cam records HD video
For outdoor action events we utilize a Go Pro Hero2 HD video camera
A modified Vegetation Index Camera is used for NDVI Imaging

The Quest UAV is a fixed wing unmanned aerial vehicle (UAV). It has a single engine flying wing design with a 2 meter wingspan and can penetrate wind in excess of 50km per hour. The Quest UAV is capable of multiple payloads up to 2 kilograms and its gimballed camera mount helps to ensure image quality. This UAV is great for longer flights as it is capable of fully autonomous flights up to 1.5 hours in length.

The Quest UAV has the following specific features:
Fully autonomous flight plans for aerial mapping and surveying missions (including camera trigger points, altitude etc.) ensure complete image coverage of planned area
A multitude of on board sensors read and automatically transmits flight telemetry data to ground base station
All flight information is transmitted in real time and recorded in the flight data recorder
Returns to home when mission is complete

The QUEST UAV is capable of several camera options:
A Sony NEX7 (24mpx) camera is used for HD ortho images (which are used to create topographical, 3D DEM's, point cloud images, and aerial surveying images)
A modified Vegetation Index Camera is used for NDVI Imaging
Future payload options will include heat sensitive thermal imaging

Pioneer Aerial Surveys utilizes a Infinite Jib Surveyor 630 coaxial hexacopter that is built in Canada, and tailored specifically to medium-scale aerial surveys.

The Infinite Jib Surveyor 630 coaxial hexacopter has the following specific features:
- Large payload capability
- Precise GPS controlled flight planning
- Fully autonomous flight plan execution, including landing and take-off.
- Live video feed during imagery and video flights.

In addition, on an as-needed basis, Pioneer Aerial Surveys leases the Vapor 35 and the Vapor 55 helicopter UAVs made by Pulse Aerospace
The Vapor 35 and 55 have the following technical specifications:

	Vapor 35	Vapor 55
Gross Weight	30 lbs	55 lbs
Useful Load (Battery + Payload)	16 lbs	35 lbs
Allowable Payload - With Full Endurance*	5 lbs	<11 lbs
Max Cruise Endurance - With Full Payload	60 Minutes	60 Minutes
Max Hover Endurance - With Full Payload	45 Minutes	45 Minutes

For geophysical surveying the UAV is set up with a GSMP-35A Potassium Magnetometer made by GEM Systems.

According to GEM Systems:

The GSMP-35A Potassium Magnetometer is the most sensitive, commercially available magnetometer/gradiometer system. The GSMP-35 ground system is the *highest sensitivity* with the greatest absolute accuracy instrument for subsurface investigations in numerous fields, including, but not limited to, mineral prospecting and exploration, oil & gas exploration, UXO detection and discrimination, and environmental & engineering.
The GSMP series of magnetometers have the absolute maximum in data quality – exceeding that of conventional Cesium Magnetometer devices by an order-of-magnitude. Data quality is driven by sensitivity, minimal heading error, high absolute accuracy, no microphony, and overall design. Unlike its cesium magnetometer cousin, Potassium offers a thin spectral line of operation – meaning that there are fewer drop-outs and errors during surveying. In the event of a drop-out, it is easy to spot in Potassium magnetometers unlike cesium magnetometers.

Potassium was a joint development between GEM and a Russian research institution – this collaboration has led to the absolute supremacy of this instrument for subsurface mapping.

Many subsurface targets have subtle signals that can only be detected with an ultra-sensitive magnetometer/gradiometer. These targets include gold deposits with subtle shear and fracture zones, archeaological artifacts, and subtle anomalies. High data quality is assured through the GSMP-35 magnetometer's ultra-high sensitivity (0.0003 nT @ 1Hz). Ultra-sensitivity allows for the detection and characterization of hidden targets with precision and confidence.

The GSMP-35A Potassium Magnetometer has the following specifications:
Sensitivity: 0.0003 nT @ 1 Hz
Resolution: 0.0001 nT
Absolute Accuracy: +/- 0.05 nT
Dynamic Range: 15,000 to 120,000 nT, (250,000 optional)
Gradient Tolerance: 50,000 nT/m
Sampling Rate: 1, 2, 5, 10, 20 Hz
Operating Temperature: -40°C to +55°C

(a) Business Objectives:

In the coming 12-month period, the objective of the Issuer is to grow the business of High Eye in Ontario with sights set on expansion across Canada.

Pioneer Aerial Surveys:

With the purchase of the UAV assets, Pioneer Aerial Surveys will have to build a business around those assets as well as augment the assets. Key personnel will have to be hired. In the interim Pioneer Aerial Surveys will be able to utilize personnel from High Eye and may contract independent consultants. Many of the protocols and procedures will be adopted from High Eye.

In addition, new relationships may have to be created with previous clients and companies that had previously been interested in a UAV-MAG™ survey. The previous operators of the UAV-MAG™ system only gained clients from word of mouth and several direct requests for services. Every job that they quoted was converted to a contract and completed. This fact gives current management of the Issuer reason to believe that increased exposure will greatly help increase business. To help with that, the Issuer intends to create relationships with several regional commission based sales/marketing representatives with the goal of attracting new clients throughout Canada and the United States. A key market will be Vancouver, B.C., which is recognized as having the highest concentration of mining and exploration companies anywhere in North America. This will not create any increase in operating costs but would affect the profitability of Pioneer Aerial, a trade-off that the Issuer is prepared to make in order to grow the business as quickly as possible.

The interim goal of the Issuer is to have a second field crew and equipment in use within 6 months at an assumed cost of approximately $150,000. By year end the Issuer would like to have a third field crew. This will only be accomplished by gaining additional clients.

Another way that the Issuer also plans on increasing exposure for Pioneer Aerial's services by attending events such as the Prospectors and Developers Association Conference, the Chicago Resource Expo, and the Las Vegas Gold Show. Travel, accommodation and convention costs are budgeted at $8,000 per show, which will pay for itself should a new client be signed up at each show.

In advance of expanding services, the Issuer has already identified a UAV that would fulfill its requirements but will continue to research new UAV's as technology is always evolving.

High Eye Aerial Imaging:

The past year proved to be the busiest year yet for High Eye. To grow the business the company will require added exposure. Although small, the UAV industry is a very competitive space. Word of mouth and a proven track record are crucial to acquiring new clients. To that end, High Eye has a clean track record and has successfully completed each job that it was contracted to perform.

High Eye's equipment may require updating in the next six months. In advance of this, the Issuer has purchased a new UAV to augment High Eye's current compliment.

To help increase business for High Eye, the Issuer plans on implementing a commission based sales team. Having management of the Issuer based in the Greater Toronto Area should prove to be an advantage to creating additional business opportunities for High Eye, which will not add any additional cost to High Eye's operation expenses.

Corporate:

The Issuer plans on applying for credits through the Government of Canada's Scientific Research and Experimental Development (SR&ED) Program. Funds from the SR&ED program, if received, will be used towards developing and/or perfecting new and/or better equipment and processes to collect data for its clients. Although small, the UAV sector is very competitive and the Issuer needs to stay ahead of competitors with regards to the services and quality of services that it will provide. Typically SR&ED credits are applied for through an intermediary who is compensated for by a percentage of the credit received.

The Issuer plans to continue to identify and perform due diligence on potential additional acquisition targets that will be complimentary to the current operations with a focus on the following niches:
-Sensor technology
-Software

-Military connected companies
-Public Safety
-Manufacturing fixed wing and multi rotor UAVs
-Video production
- Sales and repairs

(b) Significant Events or Milestones:

The Issuer has the following milestones:

Milestone	Time required / Timeline	Potential cost
Bring on Pioneer Exploration nominee to Issuer's Board of Directors	30 days	none
Fully integrate the financials of High Eye and Pioneer Aerial Surveys with those of the Issuer	prior to the Issuer's corporate year end 2017	Included in normal course of business
Complete the acquisition of Aeromao Inc.	Prior to end of Q2/17	$1,400,000
Integrate the businesses of Pioneer Aerial and High Eye	prior to the end of Q2/17	Included in normal course of business
Acquire additional equipment for Pioneer Aerial	Prior to end of Q2/17	$28,000 (current quote)
Purchase equipment and train a second crew for High Eye	Prior to Q4/17	Approximately $100,000
Purchase equipment and train a second crew for Pioneer Aerial	Prior to Q3/17	Approximately $150,000

NOTE TO READER: There are no assurances that the Issuer will be able to accomplish the milestones as set out above. In order to achieve the above milestones it is assumed that the business of Pioneer Aerial and High Eye will be successful. In addition the Issuer may have to source additional financing.

(c) Total Funds Available:

The Issuer completed a financing on September 30, 2016 for gross proceeds of $486,000

Current working capital is approximately $304,000.

The Issuer's ability to continue operations is dependent upon successfully raising the necessary financing to complete future goals. These pursuits may be delayed given unforeseen challenges faced by the Issuer.

(d) Purpose of Funds

Current funds held by the Issuer will be used for the proposed acquisitions of High Eye and the UAV division of Pioneer Exploration as well as for general working capital purposes.

(2) Principal Products or Services:

The following are the specific types of surveys that the Issuer, through its ownership of High Eye and Pioneer Aerial, will provide:

Orthographic Mosaic Mapping

Orthographic photographs (or mosaics) are aerial images that are geometrically connected into a mosaic, which then can be transformed into many traditional maps. However, unlike a standard aerial photograph, these images can be geographically referenced to measure true distances because they provide an accurate representation of the surface of the earth. Accurate geographic spatial mapping solutions are produced from high-resolution 2D aerial images taken from either a fixed wing or multi-rotor UAV platform.

High Eye's imaging solution, known as Agisoft Photoscan, is designed to handle the large volumes of data so each photo and its perspective can ultimately be constructed together in a virtual 3D environment. This system is also associated with other benefits, such as:
Extremely fast visualization
Its ability to perform volume analysis and draw reference points and break lines
Its ability to calculate contour lines, slope directions, and slopes in real-time

Digital Elevation Models (D.E.M.)

Using UAVs creates a very accurate Digital Elevation Model. Additionally, it is also extremely cost-effective when compared with other data collection methods. The UAV flies a unique flight mission specifically designed for each project and uploaded into a state-of-the-art autopilot system. The UAV then flies over the pre-specified terrain and captures data using an innovative sensor. After the mission is complete, the images collected by the UAV will be matched with a corresponding data file to ensure every image has accurate GPS data attached to it.

Stockpile Volumes

UAVs are able to gather accurate volumetric calculations to measure the stockpile volume of asphalt, aggregate, coal, mined material, waste piles or anything else requiring an inventory. It does not put survey crews at risk or affect production – a potentially important cost savings by not interrupting the progress of the operation. It has many advantages over a stockpile volume analysis using traditional method as the old process was time consuming, and in some cases, dangerous

In the performance of a stockpile volume analysis, the Virtual Surveyor enables the use of all points in a UAV elevation model to collect data and perform a volume calculation. This technology is beneficial because you determine the stockpiles that require volume analysis, and the software quickly and accurately performs the calculation.

Cut/Fill Quantity Reports

Using traditional, ground-based methods, acquiring data for cut and fill quantities can be time-consuming and costly. Using a UAV is an alternative solution to using inaccurate, outdated topographical maps to collect the data needed to perform a Cut/Fill Quantity Report.
With state-of-the-art UAV equipment precise data can be collected safely and quickly and even in areas that are difficult to access on foot. This can result in more accurate and reliable data.
The aircraft transmit a constant live feed from the camera that can be shared directly with the client as the UAV is maneuvered throughout the work site, which allows for immediate feedback.

Rock Face Survey

UAVs are used as a cost-effective alternative to standardized methods that are much safer than personal surveying techniques. Utilizing a UAV can quickly and safely survey cliffs and break lines, without the need of sending people into potentially hazardous situations. The client is provided with footage and 3D models that can be used

Airborne Magnetometer Surveys

There are many advantages to UAV based magnetometer surveys with the key one being that there is no requirement for a helicopter. This translates to significant saving for the client. In addition to that the entire airborne system can be transported anywhere in the world at a fraction of the cost of conventional airborne equipment.

UAV based surveys are ideal for small to medium-scale surveys where time extensive and costly walk-mag surveys that take weeks can be flown in hours. This eliminates the need for line-cutting, and significantly reduces crew, camp and logistics costs.
Sensor resolution is normally set at 2 nT, which benefits the survey as there tends to be lower interference (noise) than ground based surveys due to the increased distance from anomalies.

UAV based surveys are performed at low elevations and can utilize tight line spacing, which can result in high definition. This is also beneficial for identifying small or subtle discrete anomalies.

NDVI Imaging

Normalized Difference Vegetation Index (NDVI) images are key in helping monitor crop health and vigor. These images can also be used to monitor the health of plants by identifying areas of stress, zones where there may be insect or pest infestation, as well as areas where the plants are diseased.

Tile Drainage Mapping

Utilizing various sensors can help identify areas of natural drainage by identifying the topography of the layers in the topsoil or underlying bedrock.

Watershed Mapping

High Eye offers accurate geospatial mapping solutions generated from 2D aerial imagery and provides high-resolution Digital Elevation Models (DEM), Digital Surface Models (DSM), Orthomosaic images and point cloud creation from a fixed wing or multi rotor UAV platforms. Virtual Surveyor is High Eye Aerial Imaging's solution to handle large volumes of data that come with UAV True Orthophotos and

elevation models by bringing them together in a virtual environment:
Fast visualization
Drawing break lines and reference points in a 3D environment
Perform volume analysis
Real-time calculation of elevation contour lines, slopes and slope directions
Direct export to CAD

Environmental Monitoring

Due to the photography and videography limitations of conventional aircraft, these visualizations may be nearly impossible to acquire. However surveying utilizing a UAV can provide high-quality aerial images from a completely unique perspective.
The equipment we use also enables us to capture low-altitude photos, which can help identify surface contamination limits. Additionally, with multiple return visits UAV's can successfully monitor remediation projects.

Pre-Construction Media

Before beginning a construction project, it is highly beneficial to visualize the proposed workspace from a multitude of different perspectives, including from up above, that are acquired using UAVs that are loaded with innovative technology.
These images can be used to record multiple phases of construction activity, providing valuable before-and-after comparisons. Additionally, these photos or video footage can be used during the bidding stages of a proposed project to give the estimator an excellent overview of the project and identify features that you are unable to see standing on the ground.
In addition, a UAV can return to the exact site of the original survey as often as needed to track construction progress and provide a final completion of photographs and video after the project is finished.

Inspections

Performing visual inspections manually can be very dangerous. A UAV is ideal for making quick and efficient inspections of dangerous areas such as communications towers, solar panel fields, roofs and wind turbines. In addition, a UAV can return and perform the exact same flight of the original survey as often as needed to record if there have been any changes.

Special Events

Aerial videos and photography give a unique perspective option to view high-quality photos and images that perfectly capture special events such as:
Weddings – Your wedding is your special day, and that means you deserve a special way to remember it! When it comes to special events, there is no better way to enjoy your memories from a unique perspective than with aerial photography and videography.
Marketing – With our aerial photography, your Issuer has never looked so good! If you have a corporate event coming up, we can stop by and create a new branding and marketing video for your Issuer that stands out above all the rest.
Custom – From birthday parties to bat mitzvahs, you will enjoy our creative options for your special events. Your guests will enjoy seeing the finished results, and you will have your memories captured in a unique and creative way.

(3) Production and Sales:

The following table summarizes the revenues of High Eye and the UAV division of Pioneer Exploration for the fiscal years of 2014 and 2015 as well as the year to date for fiscal year 2016.

	High Eye	Pioneer
2014	$ 86,000	$ 60,000
2015	$ 140,000	$ 120,000
2016 (to June)	$ 85,000	$ 142,000

(4) Competitive Conditions and Position:

At the moment, management has not identified an organized entity with a business model similar to the Issuer's in Canada. There are several other public entities that deal with UAV-related business but they are focusing on one specific aspect of the drone sector – be it delivery or agricultural.

On a platform end, the Issuer is technologically agnostic, which removes the need for investing huge amounts of capital in research and development. The Issuer will utilize appropriate equipment, which may not need to be the most advanced UAVs, sensors or software platforms on the market.

The Issuer believes that there are significant barriers to its customers moving their business to competitors once they have engaged the Issuer, therefore speed to market and leveraging credibility through key influencers is critical. The Issuer also sees significant barriers to entry for new suppliers of UAV imagery if it can capitalize on a first mover advantage.

See Section 17. *Risk Factors* for additional information.

(5) Lending and Investment Policies and Restrictions:

This is not applicable to the Issuer.

(6) Bankruptcy and Receivership:

The Issuer has not been the subject of any bankruptcy or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year.

(7) Material Restructuring:

Not applicable to the Issuer.

(8) Social or Environmental Policies:

As the Issuer is new to the UAV industry it does not have its stand-alone policies. Pioneer Exploration Consultants and High Eye Aerial Imaging have their own Safety Manuals and/or procedures that the Issuer is incorporating into its protocols.

The Issuer will be subject to various government laws and regulations relating to any potential environmental disturbances caused by its activities. As the UAV's operate in the air, it is expected that there will be minimal, if any, disturbances caused by its activities. In the unlikely event that there are any, the additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

4.2 Asset Backed Securities

The Issuer does not have asset backed securities.

4.3 Companies with Mineral Projects

The Issuer is in the process of selling or dissolving its Mexican Subsidiary.

See Appendix A for details.

4.4 Companies with Oil and Gas Operations

Through Carson Energy Inc., the Issuer owns a half Unit in the Chevron McNeil #4 3D / Rainier #1 3D Joint Venture. Both wells are producing oil and gas wells with the McNeil #4 well located in Live Oak County, Texas and the Rainier #1 well located in Pointe Coupee Parish, Louisiana.

The Joint Venture generates a modest annual income that is split between the various partners. The Issuer's initial investment in the Joint Venture was recouped during 2008. Production from the Joint Venture has dramatically reduced and the last payment received by the Issuer was in June of 2015, which represented production from January and February, 2015.

Should the Issuer wish to divest itself of its interest in the Joint Venture, the Issuer may do so by opting out of the Joint Venture.

5. Selected Consolidated Financial Information

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

5.1 Annual Information

	OCT. 31, 2015 (IFRS) $	**OCT. 31, 2014 (IFRS) $**	**Oct. 31, 2013 (IFRS) $**
Total revenue	Nil	Nil	Nil
Loss for the year	(508,087)	(623,443)	(1,287,789)
Basic and diluted loss per share	(0.05)	(0.08)	(0.31)
Total assets	43,152	119,294	246,420
Total long-term financial liabilities	Nil	Nil	Nil

5.2 Quarterly Information

The table below sets out the quarterly results of the Issuer for the 8 most recent quarters.

	Jul. 31, 2016	Apr 30, 2016	Jan. 31, 2016	Oct. 31, 2015	Jul. 31, 2015	Apr. 30, 2015	Jan. 31, 2015	Oct. 31, 2014
Revenue	$0	$0	$0	$0	$0	$0	$0	$0
Loss (income) for the period	$941,974	$350,408	$890,895	$243,099	$81,233	$59,405	$124,350	$196,623
Basic and diluted loss (income) per share	$0.04	$0.01	$0.05	$0.02	$0.01	$0.01	$0.01	$0.02

5.3 Dividends

Subject to the Securities Act (British Columbia) (the "Act"), the directors may in their discretion from time to time declare and pay dividends wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Issuer, or a combination of these.

The Company paid no dividends during its three previously completed financial years. The Company intends to retain any earnings to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

5.4 Foreign GAAP

The Company is not presenting consolidated financial information on the basis of foreign GAAP.

6. Management's Discussion and Analysis

Items 6.1 to 6.14 Annual MD&A for the Financial Year Ended October 31, 2015 - completed on February29, 2016

Note to Reader: In 2015 the Issuer signed a definitive agreement for the purchase of Thor Pharma, an early stage Marijuana for Medical Purposes Regulations (MMPR) applicant and a Letter of Intent for the purchase of a 90% interest in Redecan Pharm a MMPR producer. However, the Issuer was unable to close the acquisition for Redecan Pharm. The Issuer subsequently terminated the agreement for Thor Pharma, thus having no current association with the MMPR sector.

Introduction

The following discussion and analysis, prepared as of February 26, 2016 is prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Issuer's consolidated financial statements for the quarter ended October 31, 2015.

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.

In order for the Issuer to enter the Canadian medical marijuana sector via the purchase of a 90% interest in RedeCan Pharm, the Issuer is required to complete a financing. There are no assurances that the Issuer will be able to accomplish this.

Description of Business

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

The Company's principal business activity was the acquisition and exploration of mineral properties for commercial mineral deposits and it is considered to be at the exploration stage. The Company utilizes the project generator business model to maximize its exposure to discovery while minimizing shareholder risk. As a project generator the Issuer acquires properties with high potential and options a percentage interest in them to other public companies for a combination of cash, shares and exploration commitments over a number of years. If the other company fulfills the terms of the option then that percentage ownership is transferred. The Company currently has six projects in its portfolio of which three are optioned out. The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties in the consolidated financial statements are dependent on the existence of economically recoverable reserves, the ability of the Issuer to obtain necessary financing to discover and complete the development of those reserves and upon future profitable production.

The Company has since made the commitment to move into the Canadian Medical Marijuana sector. To do so the Issuer signed an agreement to purchase Thor Pharma, an early stage Marijuana for Medical Purposes Regulations (MMPR) applicant. Subsequently the Issuer signed a Letter of Intent to purchase a 90% interest in RedeCan Pharm, one of twenty one MMPR licensed producers.

Performance Summary

Due to the declining prices in the oil and gas and mineral sectors, an impairment analysis was conducted at October 31, 2015 to determine the recoverable amount of the Issuer's oil and gas investment and mineral properties. Given the decline in oil prices, revenues received from its investment were minimal during the year. This resulted in impairment to its oil and gas investment of $9,000. The Company has significantly reduced the amount spent on mineral properties as the Issuer concentrates its efforts to move into the Canadian medical marijuana sector. As a result, the Issuer determined that no recoveries would result from its mineral properties and determined that an impairment on its mineral property was required. During the year ended October 31, 2015, an impairment expense of $44,002 (2014 - $nil) was recorded in the financial statements related to its mineral properties. Exploration expenditures incurred for the year was $119,025 (2014 - $180,664) after recoveries of $nil (2014 - $111,435).

As at October 31, 2015, the Issuer had a working capital deficit of $691,162 (October 31, 2014- $405,578 deficit). This is not sufficient to fund the Issuer's operating expenses and exploration activities in the short term, and additional funds will need to be raised through equity markets to provide additional financing for operating expenses and exploration activities.

Exploration Activities

The Company has a wholly owned subsidiary in Mexico named Minera Alta Vista S.A. de C.V. ('MAV'). MAV has eight projects in its portfolio: Urique, San Pedro, Cuiteco, Carol, La Verde, Dos Naciones, Orofino, and Apache. The Carol property is currently under option, but requirements have not been met by the option holder.

All of these exploration properties have been written down after consideration of the prevalent market conditions.

APACHE PROPERTY

The Apache Property was acquired in December 2010 and is owned 100% by the Company. The property is not optioned.

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

CAROL PROPERTY

The Carol Property was optioned in October 2007 and acquired in March 2008. It is wholly owned by the Issuer. In October, 2013, the Issuer optioned the property to Tosca Mining allowing Tosca to acquire a 100% interest in the Carol Property located in southern Sonora State, Mexico. To earn 100% interest in the Carol Project Tosca must pay $50,000, issue 1,000,000 shares and incur $2.2 million in exploration expenditures on the property over a five year period including a geophysics program within the first six months. During the 2013 year-end, the company received $5,000 and 37,500 shares of Tosca upon the signing of the LOI.

On July, 2014, the Issuer announced that its optionee, Tosca Mining, had drilled Six drill holes, totaling 577 metres, to investigate the continuity and extent of skarn mineralization encountered in surface trenches and outcrop. Drilling tested a target area measuring 875 metres in length.

The Company granted Tosca a six month extension to the annual payment that was required on November 6, 2014. Subsequently Tosca changed its name to Hatch Interactive Technologies Inc. and the Issuer has not been notified by Hatch as to their plans for the property. Hatch is in default of the option but it has yet to be terminated by Alta Vista.

Upkeep work has been performed on Carol in the quarter.

OROFINO PROJECT

The Orofino property was optioned in July 2009 and a majority of the project was acquired in May 2011. A portion of the property remains under option.

On November 5, 2013, the Issuer announced that it had received the data representing two months of due diligence of the Orofino Property located in Sonora State, Mexico. Argonaut completed two three week field programs utilizing five geologists resulting in over 200 man days spent on the property. The field programs completed by Argonaut were able to independently confirm the work previously completed by Alta Vista showing that the property is host to multiple advanced gold-silver targets.

The Company is still seeking to option and/or sell the Orofino property. Bi-annual taxes have not been paid on the property and only upkeep work has been performed on the property for the quarter.

DOS NACIONES PROPERTY

The Dos Naciones Property was acquired in October 2008 by staking and is owned 100% by the Issuer.

Del Toro Silver Corp. had an option to earn a 70% interest in the property by undertaking a total of $800,000 in exploration expenditures and issuing to the Issuer 1,000,000 shares, which have all been issued. On September 13, 2013, the Issuer announced that it had terminated the option with Del Toro Silver and that the property again belongs 100% to the Issuer.

Bi-annual taxes have not been paid on the property as the Issuer does not intend to keep the property in good standing. There was no fieldwork performed on the property during the quarter.

URIQUE PROPERTY (and the SAN PEDRO and CUITECO PROPERTIES)

Bi-annual taxes have not been paid on the property as the Issuer does not intend to keep the property in good standing. There was no fieldwork performed on the property during the quarter.

LA VERDE PROPERTY

The La Verde Property was originally optioned by the Issuer in June 2007. The project was expanded in 2007 and 2008. The Company owns 100% in a majority of the property, however has not completed the original option on the core La Verde Grande concessions. This agreement has now been dropped and there is no ongoing commitment to the underlying owner.

The Company has subsequently cancelled several of the claims that were held by the Issuer.

Medical Marijuana

On November 10, 2015, the Issuer announced that it has signed a formal agreement to purchase Thor Pharma Ltd. Thor Pharma is based in Burlington Ontario and has an MMPR (Marijuana for Medical Purposes Regulations) application with Heath Canada.

Thor Pharma's application is for the production and sale of up to 10,000,000 grams of dried marijuana per year. Thor Pharma has a lease agreement for a 75,000 square foot commercial building and has plans to utilize up to 55,000 square feet of space for the cultivation of marijuana upon the issuance of a license by Heath Canada. The lease for the building stipulates that no rent will be paid until Thor Pharma receives the 'ready to build' letter from Health Canada.

Alta Vista is committed to expanding in the resurgent medical marijuana industry as the Issuer has looked at a number of additional opportunities.

Alta Vista has the right to purchase Thor Pharma via an Assignment and Novation Agreement from Shaxon Enterprises by paying $1,000,000 and issuing 10,000,000 shares on a graduated basis as the Thor Pharma application moves through the licensing process with Health Canada. Alta Vista now has 30 business days from November 6, 2015, the date of the agreement, to make a $100,000 payment ($25,000 paid) and issue 5,000,000 shares (issued). Shaxon Enterprises will have a 10% royalty on net profits of Thor Pharma. The Assignment and Novation Agreement allows for Alta Vista to assume the purchase of Thor Pharma for $1,500,000 from the underlying owners in staged payments that terminate on the third year anniversary of the issuance of a license from Health Canada.

Alta Vista cannot guarantee nor estimate the timing for the issuance of an MMPR license to Thor Pharma.

On November 27, 2015, the Issuer announced that it has signed a Letter of Intent to purchase a 100% undivided interest in RedeCan Pharm, one of Canada's 19 MMPR (Marijuana for Medical Purposes Regulations) cultivation and sales licenses.

Redecan Pharm is located in the heart of the Niagara peninsula in Southern Ontario. RedeCan currently utilizes 15,000 square feet of greenhouse space on 30 acres of land located in the tender fruit belt. The size of the property allows for future expansion of the facility.

RedeCan Pharm received its cultivation license in June of 2014 and was then issued its license to sell dry cannabis to medical patients across the country in March of 2015. RedeCan's ability to utilize their greenhouse facility along with their ability to keep operating expenses down have allowed them to be a profitable licensed producer.

RedeCan's management has created a well-run, low cost medical marijuana producer and Alta Vista will work with RedeCan to help expand and grow RedeCan's business. Alta Vista will be investing in RedeCan to enable this. Plans for 2016 include the following:

- **Extracts:** Adding extraction equipment immediately to produce high CBD oils for medical patients.
- **Expansion** – Alta Vista plans on expanding RedeCan's operation, subject to Health Canada approvals, and overall total production space.
- **Patients** – Alta Vista, through its contacts in the industry, will work to increase RedeCan's overall patient base.

RedeCan's current management team will continue to run the day to day operations of the facility.

On December 8, 2015, the Issuer provided additional information on RedeCan Pharm, one of Canada's 20 MMPR (Marijuana for Medical Purposes Regulations) cultivation and sales licenses that Alta Vista has the right to purchase a 100% interest in (see news release dated November 27th, 2015).

Redecan Pharm is located in the heart of the Niagara peninsula in Southern Ontario and currently utilizes 15,000 square feet of greenhouse space. RedeCan Pharm received its cultivation license in June of 2014 and was then issued its license to sell dry cannabis to medical patients across the country in March of 2015. RedeCan's license is currently for the cultivation and sale of up to 317 kilograms of dried marijuana annually. Production amounts can be increased at any time to supply future demands by submitting an amendment to the license.

According to RedeCan's files their average cost per gram is approximately 73 cents, which would make RedeCan one of Canada's lowest cost producers. Key factors that contribute to RedeCan's low cost are: low requirements for electricity due to growing in a greenhouse, access to fresh well water, augmented heat with natural gas and biofuel incinerator, and maintaining a small dedicated staff.

RedeCan is currently offering the following 11 strains: Strawberry Cough, Moby Dick, Diesel, OG Kush, Shaman, Blue widow, White widow, CBD Kush, Orange Hill Special, Mazar and Critical jack.

In addition, RedeCan has the following strains that are awaiting testing and will be released in the near future for patients to order: Polar Light, Blue Cheese, Bubba Kush, Sweet Tooth, CBD Shark Shock, Pineapple Chunk, OG Kush, and Bubblegum.

RedeCan has been turning their focus to producing high CBD content strains. High CBD strains are becoming more popular within the medical marijuana community, especially for pain management. Some doctors are restricting patients to low THC, high CBD strains for various ailments.

Health Canada has restricted the allowable THC content in oils and extracts to a maximum of 3% THC. However, there is no restriction on the CBD content in oils. It is the opinion of RedeCan that high CBD oils will be increasingly in demand by medical marijuana patients as the market continues to evolve. RedeCan is in the process of submitting its application for its oils and extracts licence.

RedeCan's patient base continues to grow month over month. To augment this, Alta Vista has been working within its expanding network in Southern Ontario. The number of patients is the most significant factor in dictating the speed and size of future expansion of RedeCan's operations. RedeCan's operation has sufficient room within the current confines of it secured perimeter to add up to an additional 7,500 square feet of cultivation area.

In addition to this, there is the potential for significant expansion as the licenced facility is located on a privately owned 30 acre parcel of land. Immediately behind the current facility is sufficient room to expand up to several hundred thousand square feet of cultivation area.

Investors are cautioned that the data contained in this news release is provided to the Issuer by RedeCan and is subject to confirmation by the Issuer during its ongoing due diligence of RedeCan.

On January 29, 2016, the Issuer announced that it and RedeCan Pharm agreed to remove the royalty that had been previously considered under the original Letter of Intent ('LOI') (see news release dated November 27, 2015). There is now no overriding royalty to be paid.

The amended terms of the acquisition consider the purchase of a 90% interest in RedeCan by paying to the owner of RedeCan $8,000,000 (Eight Million) and issuing a total of 9,000,000 (Nine Million) shares. The underlying owner will retain a non-participating 10% ownership in the business.

"The previously considered royalty proved unpopular with our shareholders and interested parties. We worked diligently to remove it and believe that this is a much better structure that will benefit both groups," stated Ian Foreman, president of Alta Vista.

In addition, the parties have agreed to close the transaction on, or before, March 1, 2016.

On January 29, 2016, the Issuer clarified the new terms for its purchase of 90% of RedeCan Pharm, one of twenty Marijuana for Medical Purposes Regulations (MMPR) cultivation and sales licenses (see news release dated January 29, 2016).

The amended terms of the acquisition consider the purchase of a 90% interest in RedeCan with no royalty by paying to the owner of RedeCan $8,000,000 (Eight Million) and issuing a total of 9,000,000 (Nine Million) shares to be made as follows:

- $100,000 cash (PAID) and the issuance of 2,000,000 shares (ISSUED) on signing of LOI
- $1,900,000 cash and the issuance of 2,000,000 shares on, or before, March 1, 2016.
- $2,000,000 cash and the issuance of 2,000,000 shares on, or before, the 6 month anniversary
- $4,000,000 cash and the issuance of 3,000,000 shares on, or before, the 1 year anniversary

Corporate Events

On May 11, 2015, the Issuer reported that it intended to extend the expiry date of 6,100,000 warrants from May 29, 2015 to May 29, 2016 with no change to the exercise price of $0.075.

On July 6, 2015, the Issuer announced that it has signed a consulting agreement with Shaxon Enterprises Ltd. The two principals of Shaxon Enterprises, Messrs. Don Shaxon and Jason

Springett, bring more than 10 years of experience in the Canadian medical marijuana sector to the Alta Vista.

Shaxon Enterprises will work with management of Alta Vista on multiple fronts with an emphasis on assisting and advising the Issuer with the goal of identifying potential business opportunities in the medical marijuana sector.

On August 21, 2015, the Issuer announced that it has added Dr. Bob Melamede to its Advisory Board.

Dr. Melamede earned his Ph.D. in Molecular Biochemistry in 1980. In 2013 he retired from University of Colorado at Colorado Springs as a tenured Associate Professor. He is very well known as a leader in the advancement of medical cannabis internationally. He has authored or co-authored numerous scientific papers and articles with his focus being cannabinoids and their effects on illnesses and human health. In 2002, until his retirement, he taught the world's first college level course on Endocannabinoids and Medical Marijuana. By joining Alta Vista's Advisory Board Dr. Melamede will bring his industry knowledge and contacts to the Issuer.

On October 28, 2015, the Issuer announced that it has filed all required paperwork, issued 1,620,000 units (each, a "Unit") at a price of $0.05 per Unit for total proceeds of $81,000 and formally closed tranche one of its ongoing financing (see news release dated October 22, 2015).

Each Unit consists of one previously unissued common share and one transferable purchase warrant (a "Warrant) of the Issuer. Each Warrant will entitle the holder, on exercise, to purchase one additional common share of the Issuer (a "Warrant Share") for a period of 12 (twelve) months from the date of issue of the Warrant. The Warrants will be exercisable at a price of $0.075 per share. The warrants will have an acceleration clause such that if after the required hold period the shares in the Issuer trade at, or above, $0.12 for 10 consecutive trading days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants.

All securities issued pursuant to the placement are subject to a hold period until February 23, 2016 (four months and one day after closing) under applicable Canadian securities laws.

Alta Vista will use the proceeds of the private placement to advance the formal agreement for the acquisition of Thor Pharma (see news release dated Aug. 14, 2015) and for completing due diligence on additional opportunities.

A finders' fee of 10% was paid to Foremost Capital Inc. on the funds received with the same terms as above.

On November 3, 2015, the Issuer announced that it has received subscription agreements for an additional $166,500 or for 3,330,000 units (each, a "Unit") at a price of $0.05 per Unit as tranche two of its financing. The Company has now closed the financing and will not accept any additional subscription agreements.

Each Unit consists of one common share and one transferable purchase warrant (a "Warrant) of the Issuer. Each Warrant will entitle the holder, on exercise, to purchase one additional common share of the Issuer (a "Warrant Share") for a period of 12 (twelve) months from the date of issue of the Warrant. The Warrants will be exercisable at a price of $0.075 per share. The warrants will have an acceleration clause such that if after the required hold period the shares in the Issuer trade at, or above, $0.12 for 10 consecutive trading days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants.

Alta Vista will use the proceeds of the private placement to advance the formal agreement for the acquisition of Thor Pharma (see news release dated Aug. 14, 2015), completing due diligence on additional opportunities and for corporate purposes.

A finders' fee of 10% will be paid on a portion of the funds received. The Company issued 162,000 finder's warrants to Foremost Capital under the same terms as the private placement.

On November 6, 2015, the Issuer announced that it has filed all required paperwork, issued 3,330,000 units (each, a "Unit") at a price of $0.05 per Unit for total proceeds of $166,500 as tranche 2 of its financing (see news release dated November 3, 2015). The financing is formally closed with total proceeds of $247,500.

All securities issued pursuant to tranche 2 of the placement are subject to a hold period until March 5, 2016 (four months and one day after closing) under applicable Canadian securities laws. Each Unit consists of one common share and one transferable purchase warrant (a "Warrant) of the Issuer. Each Warrant issued in tranche 2 entitles the holder, on exercise, to purchase one additional common share of the Issuer (a "Warrant Share") until November 4, 2016. The Warrants will be exercisable at a price of $0.075 per share. The warrants will have an acceleration clause such that if after the required hold period the shares in the Issuer trade at, or above, $0.12 for 10 consecutive trading days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants.

Alta Vista will use the proceeds of the private placement to advance the formal agreement for the acquisition of Thor Pharma (see news release dated Aug. 14, 2015), advancing additional opportunities, and for corporate purposes.

A finders' fee of $10,050 and 201,000 warrants was paid to Foremost Capital Inc., $1,000 and 20,000 warrants to Wolverton Securities, and $1,500 and 30,000 warrants to PI Financial were paid in association with tranche 2. The warrants issued have the same terms as above.

On December 30, 2015, the Issuer announced that the Issuer added Mr. Rob McPherson as a Senior Advisor. Mr. McPherson brings with him over 25 years of experience in strategic planning, product development, marketing, and corporate management.

Rob McPherson, MBA, has held positions of increasing scope and scale with some of the world's leading consumer goods companies. Over his 25 years, Mr. McPherson has worked for Procter & Gamble, Sandoz (now Novartis), Kraft Foods and Bacardi. While with Kraft Foods International in the UK, Mr. McPherson led the first Venture Team, in developing the concept, product technology and brand positioning for the *Tassimo* hot beverage system, now a $1B global brand. While Vice President of Marketing for Bacardi Canada, Mr. McPherson was chosen to redefine Global Brand Management at Bacardi Limited and to re-structure the *42 Below* Vodka global business. Most recently, as President of Bacardi Canada, he developed and deployed a new strategic plan, structure and resourcing, generating market-leading performance in the critical On Premise channel. He also instituted more rigorous sales forecasting models and a greater collaboration between the Sales and Marketing functions, leading to better and more timely decision making.

On January 22, 2016, the Issuer announced that Mr. George Smitherman has joined its Board of Directors and that Mr. Kim Derry has joined the Issuer as Senior Advisor – Safety and Security.

Mr. Smitherman had a long successful political career until 2010 when he returned to his pre politics roots as an entrepreneur. He is the founder of three companies and is an advisor to several others. Most recently a candidate for the Mayor of Toronto, Mr. Smitherman has previously been elected three times as a Member of the Provincial Parliament where he served as Ontario's Deputy Premier, Health Minister, Minister of Energy and Infrastructure as well as many other roles. Over a career spanning almost 25 years Mr. Smitherman has been active in all three levels of government.

Mr. Smitherman's interest in Medical Marijuana started when he was Ontario's Health Minister. He has since become a vocal advocate of Medical Marijuana and the legalization of recreational marijuana nationally.

Mr. Kim Derry has had a long distinguished career in law enforcement. Over his 38 year career Mr. Derry has performed uniform, undercover and investigative duties. At the peak of his law enforcement career Mr. Derry was appointed the Deputy Chief of Police for the City of Toronto. He has been responsible for the policing operations in Toronto for 17 divisions, managed in excess of 4,000 personnel and oversaw divisional policing budgets of $490 million.

Mr. Derry's wide ranging experience in safety and security is a natural fit for the Marijuana for Medical Purposes Regulations (MMPR) environment. He is motivated by the opportunity to reduce the influence of gangs and organized crime through a sensible regulatory regime.

In addition, the Issuer would like to announce that Mr. Don Shaxon is also joining as Senior Advisor. Mr. Shaxon brings 20 years' experience in the capital markets including and in the Medical Marijuana sector since 2007. As Corporate development Manager with Cannabis Science Inc., the first public company in North America dedicated to the marijuana industry he helped build the company from a small cap company into an industry leader with a market cap that topped $100 million. Since then he has been involved in a number of public companies and was instrumental in bringing the RedeCan Pharm opportunity to the Issuer.

On January 25, 2016, the Issuer announced that it had signed an engagement letter with Jacob Capital Management Inc. ('JCMI') for the purposes of completing the acquisition of RedeCan Pharm and expanding its operations. Redecan Pharm is one of Canada's 20 MMPR (Marijuana for Medical Purposes Regulations) cultivation and sales licenses (see news release dated November 27, 2015).

In consideration for acting as strategic advisor Alta Vista has issued JCMI 500,000 shares. An additional 1,000,000 shares will be issued on March 6, 2016 and 2,500,000 shares will be issued to JCMI upon the successful completion of the acquisition of RedeCan.

On February 1, 2016, the Issuer announced that it had granted 850,000 stock options to a director and consultant of the Issuer at a value of $0.18 that will expire on February 1, 2019.

On February 17, 2016, the Issuer announced a non-brokered private placement of up to 16,500,000 units at a price of $0.15 per unit (a "Unit") to raise a total of up to $2,475,000. As of February 26, 2016, the private placement has not yet closed. Each Unit consists of one previously unissued common share and one transferable purchase warrant (a “Warrant) of the Issuer. Each Warrant will entitle the holder, on exercise, to purchase one additional common share of the Issuer (a “Warrant Share”) for a period of 12 (twelve) months from the date of issue of the Warrant. The Warrants will be exercisable at a price of $0.25 per share. A finders’ fee of up to 10% will be paid on the funds received.

Alta Vista will use the proceeds of the private placement for the acquisition of RedeCan Pharm (see news release dated January 29, 2016), funding ongoing improvements to RedeCan’s facility and for corporate purposes.

RedeCan Pharm is one of twenty one Marijuana for Medical Purposes Regulations (MMPR) cultivation and sales licenses (see news release dated January 29, 2015) in Canada. RedeCan has been successful in growing their business month-over-month since receiving their license to sell in March, 2015. As a result January, 2016 was a record month for RedeCan for total number of customers ordering and for total grams shipped.

Results of Operations

The Company currently does not have an operating or producing mineral properties. The Company has no earnings from mineral properties and therefore will finance its future exploration activities by the sale of common shares or units. 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; the write-down and abandonment of mineral property interests as exploration results provide further information relating to the underlying value of such properties; and market prices for natural resources as well as the non-viability of its projects.

The Company is not a party to any material legal proceedings and is not in default under any material debt or other contractual obligations other than as disclosed in the consolidated financial statements. No significant revenue generating contracts or cash commitments were entered into or undertaken by the Issuer during the period other than as set out herein or in the consolidated financial statements of the Issuer.

Significant variances in the Issuer’s operational results for the year ended October 31, 2015 compared with October 31, 2014, were as follows:

i. Accounting, audit and legal expenses decreased by $20,885 to $44,973 from $65,858 in 2014 due to reduced legal work performed in conjunction with the Issuer’s share consolidation and listing change from the TSX-V to the CSE in 2014.

ii. Management fees decreased by $15,000 to $22,500 from $37,500 in 2014 due to the Issuer restructuring its management responsibilities and reducing spending in this area.

iii. Regulatory fees reduced by $12,130 to $9,002 from $21,132 in 2014 due to no activity surrounding the share consolidation and the listing change from the TSX-V to the CSE in 2014.

iv. Office and miscellaneous decreased by $6,418 to $10,098 from $16,516 due to reduced office administration fees.

v. Rent increased by $12,068 to $18,000 from $5,932 in 2014 due to the Issuer taking new office at the beginning of 2015 and cost recoveries applied against rent in 2014.

vi. Write-down of mineral property interests increased by $44,002 to $44,002 from $nil in 2014 due to mineral properties written down in 2015.

vii. Write-off of accounts payable increased by $39,960 to $39,960 from $nil in 2014 due to the write off of a legacy payable.

viii. Gain on sale of marketable securities decreased by $5,371 to a gain of $1,176 from a gain of $6,547 in 2014 due to gains on marketable securities sold during the current year.

ix. Impairment loss on marketable securities decreased by $6,429 to $1,301 from $7,730 in 2014 due to the carrying values of the company's marketable securities being deemed impaired in 2014.

x. Write-down of oil and gas interests decreased by $15,611 to $9,000 from $24,611l in 2014 due to a current year impairment recorded to write the oil and gas interests down to their estimated value.

xi. Impairment of non-current accounts receivable decreased to $17,691 from $40,967 in 2014 due to an impairment recorded on recoverable taxes in Mexico.

Significant variances in the Issuer's financial position for the year ended October 31, 2015 compared with October 31, 2014, were as follows:

i. Marketable securities increased by $4,737 to $9,675 from $4,938 in 2014 due to the improvement of the market value of shares held by the company.

ii. Oil and gas interest decreased by $9,000 to $nil from $9,000 due to an impairment recorded to write the oil and gas interests down to their estimated value.

iii. Property, plant and equipment decreased by $9,585 to $6,193 from $15,778 in 2014 due to amortization of the Issuer's equipment and the disposition of depreciable assets in the year.

iv. Accounts payable and accrued liabilities increased by $275,529 to $726,621 from $451,092 in 2014 due primarily to related parties agreeing to defer payment to them until market conditions improve.

Significant variances in the Issuer's cash flows for the year ended October 31, 2015 compared to the year ended October 31, 2014, were as follows:

i. Cash used in operating activities decreased by $266,866 to $98,628 from $365,494 in 2014 due primarily to the smaller cash loss from operations and an increase in accounts payable in 2015 from 2014.

ii. Cash provided by investing activities decreased by $13,255 to $10,058 from $23,313 in 2014 primarily due to the disposal of depreciable property in the year.

iii. Cash provided by financing activities decreased by $286,065 to $72,685 from $358,750 in 2014 due primarily to proceeds raised from private placements completed in December 2013 and May 2014, and only one private placement completed in 2015

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, 2015 (IFRS) $	**OCT. 31, 2014 (IFRS) $**	**Oct. 31, 2013 (IFRS) $**
Total revenue	Nil	Nil	Nil
Loss for the year	(508,087)	(623,443)	(1,287,789)
Basic and diluted loss per share	(0.05)	(0.08)	(0.31)
Total assets	43,152	119,294	246,420
Total long-term financial liabilities	Nil	Nil	Nil

Summary of Quarterly Results

The table below sets out the quarterly results of the Issuer for the 8 most recent quarters.

	Oct. 31, 2015	Jul. 31, 2015	Apr. 30, 2015	Jan. 31, 2015	Oct. 31, 2014	Jul. 31, 2014	Apr. 30 2014	Jan. 31 2014
Revenue	$0	$0	$0	$0	$0	$0	$0	$0
Loss (income) for the period	$243,099	$81,233	$59,405	$124,350	$196,623	$194,955	$77,966	$153,897
Basic and diluted loss (income) per share	$0.02	$0.01	$0.01	$0.01	$0.02	$0.02	$0.01	$0.03

Significant variances in the Issuer's operational results for the quarter ended October 31, 2015 compared with October 31, 2014, were as follows:

i. Accounting, audit and legal expenses increased by $20,795 to $3,371 from $24,166 in 2014 due to the timing of accruals and additional legal work performed in conjunction with the listing change from the TSX-V to the CSE in 2014.

ii. Management fees decreased by $37,500 to $nil from $37,500 in 2014 due to the Issuer restructuring its management and consulting responsibilities.

iii. Consultants' fees increased by $124,522 to $130,522 from $6,000 in 2014 due to the Issuer restructuring its management and consulting responsibilities.

iv. Regulatory fees decreased by $3,974 to $1,859 from $5,833 in 2014 due to activity surrounding the listing change from the TSX-V to the CSE in 2014.

v. Office and miscellaneous increased by $3,007 to $4,408 from $1,401 due to increased office administration fees.

vi. Rent increased by $3,625 to $4,500 from $875 in 2014 due to the Issuer obtaining new office space in 2015.

vii. Exploration expenditures, net of recoveries, decreased by $33,595 to $19,830 from $53,425 in 2014 due to much less exploration activity incurred in 2015.

viii. Travel expenses decreased by $2,812 to $2,854 from $5,666 in 2014 due to less travel to Mexico during the current quarter.

ix. Share based compensation expense increased by $47,734 to $47,734 from $nil in 2014 due to share purchase options issued at year end to arm's length parties.

Related Party Transactions

a) Management transactions

Management transactions with related parties during the years ended October 31, 2015 and 2014 were as follows:

	2015			2014		
	Short-term employee benefits	**Share-based payments**	**Total**	**Short-term employee benefits**	**Share-based payments**	**Total**
Foremost Management Services Inc. (i)	$ 30,000	$ -	$ 30,000	$ 39,375	$ 28,890	$ 68,265
Foremost Geological Consulting (ii)	$ 28,500	$ -	$ 28,500	$ 74,550	$ -	$ 74 ,550
Timeline Filing Services Ltd. (iii)	$ 10,737	$ -	$ 10,737	$ 6,000	$ 7,220	$ 13,220
Schindler & Company (iv)	$ 20,512	$ -	$ 20,512	$ 20,312	$ 7,220	$ 27,541

(i) Foremost Management Services Inc. is a private enterprise controlled by the Issuer's President and CEO. Included in accounts payable and accrued liabilities is amounts payable of $91,962 (2014 - $40,165).

(ii) Foremost Geological Consulting is a private enterprise controlled by the Issuer's President and CEO. Included in accounts payable and accrued liabilities is amounts payable of $165,235 (2014 - $138,460).

(iii) Timeline Filing Services Ltd. is a private enterprise controlled by the Issuer's Corporate Secretary, Laara Shaffer. Included in accounts payable and accrued liabilities is amounts payable of $16,733 (2014 - $15,183).

(iv) Schindler & Company is a private enterprise controlled by the Issuer's CFO, Jennifer Schindler. Included in accounts payable and accrued liabilities is amounts payable of $30,392 (2014 - $18,854).

Rent expense of $18,000 (2014 - $790) was also charged by Foremost Managemnt Services Inc. for the leasing of the office premises.

b) Directors' transactions

During the year ended October 31, 2015, included in the $77,104 (2014 - $77,018) of share-based compensation recognized is $nil (2014 - $22,299) relating to director compensation.

c) Loan payable

Included in accounts payable and accrued liabilities are loans of $81,600 (2014 - $2,000) borrowed from the President and CEO of the Issuer and companies controlled by the President and CEO of the Issuer. The loans are non-interest-bearing and have repayment terms of one year from the date of deposit, ranging from May 26, 2015 to October 14, 2016. Loans that have become due are payable on demand.

Liquidity and Capital Resources

As at October 31, 2015 the Issuer had a working capital deficit of $691,162 as compared to a working capital deficit of $405,578 as at October 31, 2014. The Company will require continued financing or outside participation, to undertake additional exploration and subsequent development of its mineral properties.

As at October 31, 2015, the Issuer had cash of $2,534 (2014 - $18,339).

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

The Company's capital consists of shareholders' equity.

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

To effectively manage its resources and minimize risk, the Issuer maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Issuer does not pay out dividends.

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

There have been no changes to the Issuer's approach to capital management during the year ended October 31, 2015.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	2015	2014
Financial assets		
Fair value through profit or loss		
	$	$
Cash	2,534	18,339
Loans and receivables		
Amounts receivable*	4,954	10,456
Available-for-sale		
Marketable securities	9,675	4,938
Investment in oil and gas interest	-	9,000
Total financial assets	$ 17,163	$ 42,733
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	$ 726,621	$ 451,092
Total financial liabilities	$ 726,621	$ 451,092

*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 Company's investment in oil and gas interest is valued at cost, as it does not have a quoted market price in an active market and the fair value cannot be reliably determined.
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 Company deposits substantially all of its cash at a Canadian chartered bank. The Company's amounts receivable consist primarily of Government Sales Tax receivable from the Canadian government and Value Added Tax receivable 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 Company manages liquidity risk through the management of its capital structure.

At October 31, 2015, the Issuer had cash in the amount of $2,534 (2014 - $18,339) and accounts payable and accrued liabilities of $726,621 (2014 - $451,092). Trade payables are due within twelve months of the financial position date.

The Company 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 Company is not exposed to significant interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is 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:

	2015		**2014**	
	MXN	US	MXN	US
Cash	$ -	$ 51	44,235	$ 135
Amounts receivable	$ -	$ -	120,144	$ -
Accounts payable and accrued liabilities	$ (2,271,314)	$ -	(1,726,790)	$ -
Rate to convert $1 CAD	0.079	1.308	0.084	1.127

Based on the Issuer's net exposure, a 9% change (2014 - 7%) in the Canadian/Mexican peso exchange rate and a 16% change (2014 - 8%) 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 35% (2014 - 30%) change in the market prices would impact the Issuer's earnings by approximately $3,400 (2014 - $1,500). 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. The Company had no Level 2 or 3 financial assets at October 31, 2015 or October 31, 2014. 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.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements

Proposed Transactions

There are currently no proposed transactions.

Risks

All of the properties in which the Issuer has an interest are in the exploration stage only and the business of the Issuer is subject to the following risks:

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Issuer has not discovered a metals or diamond deposit of commercial grade on any of its properties. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability of the Issuer to obtain suitable machinery, equipment or labor are all risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required in order to establish ore reserves through drilling and staged bulk sampling, to develop optimum metallurgical processes to extract the metals or diamonds from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial mining operations or that funds required for development can be obtained on a timely basis. The economics of developing mining properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in the prices of ore which can be obtained on the metal markets, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There is no certainty that the expenditures to be made by the Issuer in the exploration and development of the interests described herein will result in discoveries of commercial quantities of ore.

Political Risks

The management and directors of the Company feel that Mexico is a politically stable area of the world that still has significant potential for discoveries.

Mexico is located immediately south of the United States of America and is 1,972,550 square kilometres in size (approximately twice the size of British Columbia). Elections held in July 2000 marked the first time since the 1910 Mexican Revolution that the opposition defeated the party in government, the Institutional Revolutionary Party (PRI). Vicente Fox of the National Action Party (PAN) was sworn in on 1 December 2000 as the first chief executive elected in free and fair elections. Recently Felipe Calderon was sworn in as the new president of Mexico and will be in power for the coming 6 years. Mexico has a free market economy that recently entered the trillion-dollar class. It contains a mixture of modern and outmoded industry and agriculture, increasingly dominated by the private sector. Recent administrations have expanded competition in seaports, railroads, telecommunications, electricity generation, natural gas distribution, and airports. Per capita income is one-fourth that of the US; income distribution remains highly unequal. Trade with the US and Canada has tripled since the implementation of NAFTA in 1994. Mexico has 12 free trade agreements with over 40 countries including, Guatemala, Honduras, El Salvador, the European Free Trade Area, and Japan, putting more than 90% of trade under free trade agreements.

Market Risks

The marketability of metals or diamonds recovered from deposits, which may be acquired or discovered by the Issuer, will be affected by numerous factors many of which are beyond the control of the Issuer. These factors include market fluctuations in the price of metals or diamonds, the capacity of the market, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of metals or minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Issuer not receiving an adequate return for shareholders.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, flooding, or other conditions may occur from time to time. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.

No Assurance of Title or Boundaries, or of Access

While the Issuer has registered its mining claims with the appropriate mining authorities and has filed all pertinent information to industry standards, this should not be construed as a guarantee of title. In addition, the Issuer's properties consist of recorded mineral claims, none of which have been legally surveyed, and therefore, the precise boundaries and locations of such claims may be in doubt and may be challenged. The Company's properties may also be subject to prior unregistered agreements or transfers or native land claims and the Issuer title may be affected by these and other undetected defects.

Government Regulation

The Company's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, return of capital and labor relations.

Although the Issuer's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Issuer's operations. Amendments to current laws and regulations governing the operations and activities of the Issuer or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the Issuer.

Environmental Regulation

The Company's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition on the Issuer of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that has lead to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of the Issuer's operations.

Competition

The exploration and mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition and exploration of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified management and employees.

Management

The success of the Issuer depends to a large extent on its ability to retain the services of its senior management and members of its board of directors. The loss of their services may have a material adverse effect on the Issuer.

The Company has no compensatory plans or arrangements in effect with any of its senior officers or members of its board of directors with respect to the resignation, retirement, or other termination of their services, or with respect to a change in their responsibilities following a change in the control of the Issuer.

Financing Risks

The Company has no source of operating cash flow, limited financial resources, and has no assurance that additional financing will be available to it for further exploration and development of its properties or to enable it to fulfill its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Issuer's properties and the possible loss of title to such properties. If such additional financing is raised, it will likely be through the issuance of additional equity securities of the Issuer, which may have a substantial dilutive effect on shareholders acquiring securities of the Issuer.

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Issuer will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations on the Issuer's properties.

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 Company 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:

Useful life of property, plant and equipment
Property, plant and equipment are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property, plant and equipment at October 31, 2015 was $6,193 (2014 - $15,778).

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 Issuer's consolidated statement of operations and comprehensive loss. For the year ended October 31, 2015, the Issuer recognized share-based compensation of $77,104 (2014 - $77,018).

Critical judgments used in applying accounting policies
In the preparation of these 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 Issuer 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 Issuer 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 and recorded a write-down of $44,002 (2014 - $nil).

Impairment of marketable securities
At each reporting date, the Issuer 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 Issuer 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 Issuer recognizes an impairment, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired marketable securities, in profit or loss. Management has determined that there were indicators of impairment for its marketable securities and recorded a write-down of $1,301 (2014 - $7,730).

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.

Unit offerings
Proceeds received on the issuance of units, consisting of common shares and warrant components, are allocated using the residual method whereby proceeds are allocated first to common shares

based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants. Management's judgment is used in the method used to establish the fair value of the components.

Going concern
The assessment of the Issuer's ability to continue as a going concern and to raise sufficient funds to pay for 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, 2015. Management is assessing the effects of the future standards on its consolidated financial statements. All of the new and revised standards described below may be early-adopted.

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of **IFRS 9,** which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement**. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of **IFRS 9** introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under **IAS 39**; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**. The 2014 version of **IFRS 9** introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting**. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition**. The requirements for the derecognition of financial assets and liabilities are carried forward from **IAS 39**.

Applicable to the Issuer's annual period beginning on November 1, 2018.

***Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32)**

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to the Issuer's annual period beginning on November 1, 2015.

Disclosure of Outstanding Share Data

As at February 29, 2016, the Issuer had the following common shares, stock options and warrants outstanding:

Common shares	26,654,607
Stock options (vested and unvested)	4,510,000
Warrants	8,593,000
Fully diluted shares outstanding	39,757,607

The Company's ongoing exploration 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.

6.15 to 6.16 Interim MD&A for the Issuer's 3rd Quarter Ended July 31, 2016 – as of September 29, 2016

Note to Reader: In 2015 the Issuer signed a definitive agreement for the purchase of Thor Pharma, an early stage Marijuana for Medical Purposes Regulations (MMPR) applicant and a Letter of Intent for the purchase of a 90% interest in Redecan Pharm a MMPR producer. However, the Issuer was unable to close the acquisition for Redecan Pharm. The Issuer subsequently terminated the agreement for Thor Pharma, thus having no current association with the MMPR sector.

Introduction

The following discussion and analysis, prepared as of September 29, 2016 is prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's condensed consolidated interim financial statements for the quarter ended July 31, 2016.

Additional information related to the Company 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 Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

Description of Business

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

The Company has recently made the commitment to move into the Unmanned Arial Vehicle sector by signing three letters of intent to purchase a 100% interest in three companies.

The may acquire a 100 percent interest in High Eye for 2,200,000 shares of the Issuer and $200,000 in cash.

The Company has a signed Letter of Intent to acquire a 100% interest in the UAV division of Pioneer Exploration Consultants 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 has issued 3,000,000 shares and paid $150,000 to Pioneer as an initial payment with the remaining payments as follows: 3,000,000 shares and $150,000 on the six month anniversary and the final 3,000,000 shares and $200,000 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 division for a period of five years.

In addition, the Company has a Letter of Intent for the purchase of a one hundred percent interest in Aeromao Inc., a manufacturer of fixed wing UAVs. The Issuer has 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 Company is in the process of completing a Change in Business to the Technology Sector, subject to CSE approval.

The Company had previously 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 Company subsequently cancelled the agreement for the purchase of Redecan Pharm and terminated the agreement for the purchase of Thor Pharma.

The Company's previous principal business activity was the acquisition and exploration of mineral properties with a focus on northwest Mexico. The Company utilized the project generator business model to maximize its exposure to discovery while minimizing shareholder risk. As a project generator the Company 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 Company had six projects in its portfolio, which remain in the Company’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.

Performance Summary

Alta Vista Ventures Ltd. (the "Company") previously acquired interests in mineral properties in Mexico and over the years has spent significant funds exploring these properties. As a result of a change in management, the Company 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. As at July 31, 2016, the Company still has title to these mineral properties.

As at July 31, 2016, the Company had a working capital deficit of $231,095 (October 31, 2015- $691,162 deficit). This is not sufficient to fund the Company's operating expenses and exploration activities in the short term, and additional funds will need to be raised through equity markets to provide additional financing for operating expenses and exploration activities.

Unmanned Aerial Vehicle Sector Activities:

On July 6, 2016, the Company announced the signing of a Letter of Intent to purchase a 100% interest in High Eye Aerial Imaging Inc. High Eye is a leader in unmanned aerial vehicle ('UAV') surveying and is the only company in Ontario to offer both multi rotor and fixed wing UAVs to their clients.

High Eye core business is providing two dimensional and three dimensional ortho-mosaic images, mapping of remote sites, aerial surveys, volumetric calculations, digital elevation modeling, aerial inspections of areas that are difficult to access, as well as environmental assessment & monitoring images. High Eye's key clients are in the mining, construction, industrial, agricultural, and environmental sectors.

Alta Vista has agreed to acquire High Eye for 2,200,000 shares of Alta Vista and $200,000 to be paid in two payments over six months. The companies have agreed to complete the required due diligence and prepare the definitive agreement for signing within 60 days.

"I am excited about this deal with Alta Vista as it will allow us to grow our operations in conjunction with Alta Vista's aggressive expansion plans", stated Murray Hunt, president of High Eye Aerial Imaging.

About the Unmanned Aerial Vehicle sector:

The UAV market is rapidly diversifying with new applications being introduced at a regular pace. The industry has expanded to include environmental management, crisis management, agriculture, policing and crowd monitoring, civil engineering, pollution monitoring, fisheries protection, disaster management, telecommunications maintenance, oil and gas exploration, mineral exploration, mine safety, geophysical surveys and mapping applications.

The UAV sector is quickly becoming one of the most dynamic sectors in the aerospace industry. According to a survey by marketsandmarkets.com in October of 2015 "the global Unmanned Aerial Vehicle (UAV) market is valued at US$ 10.1 Billion in 2015 and is expected to show a robust growth in future, accounting for USD 14.9 Billion by 2020…". In addition, it is forecast that spending on UAVs will triple over the next decade, growing from US$4 billion in 2015 to US$14 billion by 2024 (the Canadian Trade Commissioner Office).

About High Eye Aerial Imaging Inc.:

High Eye is a leader in UAV surveying and is the only company in Ontario to offer both multi rotor and fixed wing UAV's. All of High Eye's operations are conducted within the requirements of the CARS and Transport Canada Special Flight Operations Certifications.

All High Eye personnel involved in flight operations hold the following qualifications:

- Aeronautical training and certification to Transport Canada standards
- Holds either a Pilot permit issued by Transport Canada, or a Civil and Commercial UAV Training Certificate, issued by CCUVS
- Holds a "Restricted Operator Aeronautical" Radio Licence (ROC-A) issued by Industry Canada

For more information on High Eye Aerial Imaging please visit their website at www.higheye.ca.

On July 11, 2016, the Company announced the signing of a Letter of Intent to purchase a 100% interest in Aeromao Inc.

Aeromao is a manufacturer of Unmanned Aerial Vehicles (UAV) used for survey and mapping purposes. Aeromao has quickly grown into a leader in the industry with their UAVs. Aeromao has sold their proprietary line of Aeromapper UAVs to clients operating in every continent - and approximately 50 countries in total.

Since its conception the proprietary Aeromapper line of fixed wing UAVs has offered mapping and surveying companies a unique product in the quickly expanding marketplace. Competing manufacturers have not yet created a competitive product, which makes the Aeromapper line of UAVs true leaders in their categories. Critical competitive advantages are the superior battery life (equating to longer flight times), modularity and unique design characteristics, GNSS PPK capabilities, specific manufacturing processes, and affordability.

Aeromao has been growing consistently year-over-year since inception. It booked $614,849 of revenue in fiscal year 2015, which was an increase of 28% over the revenue of 2014.

Alta Vista has agreed to acquire Aeromao for $1,400,000 and 2,200,000 shares of Alta Vista. The companies have agreed to complete the required due diligence and prepare the definitive agreement for signing within 90 days.

About Aeromao Inc.:

Aeromao has been in business since 2013 and has quickly grown into a world leader in the industry. The Aeromapper line of UAVs are operating in every continent and in approximately 50 countries.
Aeromao is backed by years of experience and a history of innovative endeavours in the area of UAVs for high-precision mapping. Its roots date back to 2005 where the principles were involved in Latin America providing aerial photography and photomapping services with UAVs and RPVs (Remotely Piloted Vehicles) where they successfully completed more than 280 flight missions, in times where UAV services where unheard of. These missions resulted in high quality flight operations and imagery in complex terrain and evolving technology. These flight operations were completed for projects for government institutions, private firms and even military agencies.
For more information on Aeromao please visit their website at www.aeromao.com.

On July 15, 2016, the Company announced that the University of Guelph Muck Crops Research Station has chosen High Eye Aerial Imaging to be its partner in a multiyear "Innovative technologies" research project. This new project is designed to study how "aerial surveillance" can be used to identify areas of crops where disease is starting or help with an integrated pest management program. High Eye will be compensated through the length of the study through a federal-provincial-territorial initiative.

High Eye was chosen to be the exclusive partner in this project from a select group of UAV survey companies. High Eye will undertake flights once a week over the study area to take true colour and near infrared images.

This partnership will help High Eye to advance its standing as a leader in agricultural surveying, a rapidly growing business in the UAV surveying sector.

On July 19, 2016, the Company announced the signing of a Binding Letter of Intent to purchase a 100% interest in the unmanned aerial vehicle (UAV) division of Pioneer Exploration Consultants Ltd ("Pioneer").

The UAV division of Pioneer specializes in providing UAV solutions to the mining and exploration industry and has successfully completed aerial surveys throughout Canada, the United States and internationally for both major and junior mining and exploration companies. Clients include both major and junior mining companies.

In late 2014, Pioneer developed the world's first commercially available UAV based magnetometer survey called UAV-Aero Mag (trademarked). This proprietary survey uses ultra-sensitive magnetic equipment to aid in the discovery of diamonds, gold, silver and other types of deposits.

There are many competitive advantages to UAV based magnetometer surveys, of which the key one is not having to rely on helicopters – a significant cost saving to the client. Surveys can be flown at much lower elevations and at much closer line spacing than conventional surveys, enabling the delivery of much higher quality exploration data. Further, a UAV flies at a much slower speed than a helicopter and it is believed that that adds to much more detailed data. Additional cost savings that get passed on the client stem from the system's portability; the entire system can be transported anywhere in the world at a fraction of the cost of a conventional airborne magnetic survey system. This allows for surveys in very remote settings and in extreme conditions.

Another area of specialization includes UAV based LiDAR surveying. LiDAR (an acronym of Light Detection And Ranging) is becoming a more popular tool for mining and exploration companies as it gives a very accurate representation of topography, even in heavily forested areas. Many junior exploration companies attracted to LiDAR surveys do not undertake surveys due to the cost of helicopter based surveys. Alta Vista believes that cost effective UAV based LiDAR surveys utilizing Pioneer's proprietary UAV mounted system will become much more popular with junior exploration companies. As a division of Alta Vista, management will be able to quote on industrial and urban contacts – an as yet under-utilized use of this technology.

Other services provided by the UAV division of Pioneer include 3-D site modelling and volume calculations, high resolution orthophotos, pit and pile surveying, environmental monitoring, tailings dam survey control and remote site inspections.

Alta Vista has agreed to acquire the UAV division of Pioneer for 9,000,000 shares of Alta Vista and

$500,000 to be paid in three installments over 12 months from closing. Once the final installment is made Alta Vista will grant a 10% royalty on the profits of the Pioneer division for a period of five years.

The purchase includes proprietary equipment, trademarks, contract staff (support staff, geophysicist and business development), client list, contacts, and current business partnerships in the US with Lidar/UAV manufacturers. Michael Burns, President and CEO of Pioneer will continue to manage the business.

Upon closing of the transaction Mr. Burns will join Alta Vista's Board of Directors.

Michael Burns, President & CEO of Pioneer Exploration Consultants commented, "The management of Alta Vista Ventures forward thinking business plan is the perfect fit for our fast growing UAV business. The shareholders of Pioneer look forward to being strong, long-term supporters of Alta Vista. I look forward to this exciting opportunity to join the growing management team of Alta Vista and to leading the organic growth of Alta Vista's UAV business."

On July 29, 2016, the Company announced that acquisition target Aeromao Inc. (see news releases dated July 11 and 22, 2016) has introduced a significant upgrade to the Aeromapper 300 and Aeromapper Talon fixed wing Unmanned Aerial Vehicles (UAV). This upgrade is one of the most important advances to the Aeromapper line of products since its introduction to the market in 2012.

"Once again, the Aeromapper line of UAVs increases the gap between all its competitors. There's just no match out there", stated Mauricio Ortiz, President of Aeromao.

This upgrade allows operators of the Aeromapper UAVs to achieve an even higher level of accuracy for the aerial images captured during flight while minimizing or completely eliminating the hassle of ground control, which is typically required when using a UAV not equipped with a Global Navigation Satellite System (GNSS) with accurate kinematic geo-referencing capabilities and when high accuracy of the final data is required.

Aeromao's GNSS Post Processing Kinematic (PPK) system provides very accurate positioning information on every camera exposure. This minimizes or even eliminates the need for Ground Control Points, which can be time consuming and is an added expense, and allows the user to easily achieve accuracies of up to 3 cm.

Using this GNSS PPK system customers will save time and money on every survey using the Aeromappers. Of the few manufacturers of UAVs around the world that offer a similar GNSS PPK system on their offerings, only Aeromao's Aeromappers have all of these these advantages as a single complete package, which places them in a very unique position on the market.

Exploration Activities

The Company has a wholly owned subsidiary in Mexico named Minera Alta Visa S.A. de C.V. ('MAV'). MAV has eight projects in its portfolio: Urique, San Pedro, Cuiteco, Carol, La Verde, Dos Naciones, Orofino, and Apache. The Carol property is currently under option, but requirements have not been met by the option holder.

All of these exploration properties have been written down after consideration of the prevalent poor market conditions.

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

Medical Marijuana Sector Activities

On November 10, 2015, the Company announced that it has signed a formal agreement to purchase Thor Pharma Ltd. Thor Pharma is based in Burlington Ontario and has an MMPR (Marijuana for Medical Purposes Regulations) application with Heath Canada.

On November 27, 2015, the Company announced that it has signed a Letter of Intent to purchase a 100% undivided interest in RedeCan Pharm, one of Canada's 19 MMPR (Marijuana for Medical Purposes Regulations) cultivation and sales licenses.

On March 2, 2016, the Company reported that the March 1st, 2016 deadline for the signing of the definitive agreement for the acquisition of RedeCan Pharm (see news release dated January 29, 2016) had passed, however the parties remain in communication.

On March 7, 2016, the Company reported that the Letter of Intent with Redecan Pharm (see news release dated November 27, 2015 and January 29, 2016) had been terminated due to the Company failing to provide sufficient funding to RedeCan in the agreed upon timeframe.

On July 22, 2016, the Company announced that in conjunction with the initiation of this Change of Business, it had terminated the agreement for the purchase of Thor Pharma (see news release dated November 10, 2015) so that it can concentrate all of its efforts on the UAV sector.

Corporate Events

On May 30, 2016, the Company announced the closing of the private placement announced on April 7, 2016 and issued 4,570,000 Units (each, a "Unit") at a price of $0.05 per Unit (see news releases dated April 7 and May 19, 2016). The financing had net proceeds of $112,500 as $116,000 of the financing was paid for by way of debt settlement with various directors, officers and consultants.

Debt was settled in the following amounts to two companies related to officers and directors of the Company: Shaxon Enterprises Ltd. (Don Shaxon, President and Jason Springett, Director) for a total of $60,000; and, Schindler and Company (Jennifer Schindler, CFO) for a total of $10,000.

All securities issued pursuant to this placement are subject to a hold period until September 21, 2016 (four months and one day after closing) under applicable Canadian securities laws. Each Unit consists of one previously unissued common share and one 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 May 20, 2017. The Warrants will be exercisable at a price of $0.075 per share.

On July 6, 2016, the Company announced that Jason Springett replaced Don Shaxon as President of Alta Vista Ventures.

On July 18, 2016, the Company announced that Richard Groome has joined the Company as Director of Corporate Finance and Global Business Development.

Mr. Groome is an entrepreneur who started two successful securities firms in the 80's and 90's. Mr. Groome has the reputation of being one of the preeminent financiers of small and medium sized emerging growth companies. He has actively managed or participated in over 400 financings representing some $4 billion of small cap deals and is very well versed in start-up and early stage ventures.

Prior to the founding of Notre Dame Capital, Mr. Groome was a co-founder of Marleau Lemire Inc., which became the number one firm in Canada in small, mid cap financing during the late 1980's. He followed up that success with the creation of Groome Capital Inc, where he developed Canada's leading underwriter of IPO's, Private Placements and Secondary offerings on the internet between 1998 and 2000. Groome Capital was subsequently sold to Desjardins Group in 2001, Canada's seventh largest financial institution at the time. Mr. Groome was also a director of the CDNX Exchange, the predecessor of the TSX Venture exchange in addition to serving on the Board of Directors of numerous public and private companies over the last 30 years.

"The plan for Alta Vista is indeed ambitious and very exciting. I am very happy to be involved on the ground floor of this unique situation in the Unmanned Aerial Vehicle industry. It is very clear the industry is currently experiencing substantial growth and new uses are being discovered all the time", said Mr. Groome.

Mr. Groome has been granted 500,000 stock options at $0.10.

On July 22, 2016**,** announced that it has initiated a Change of Business with the Canadian Securities Exchange (the 'Exchange').

The Company currently has three Letters of Intent (LOI) for the purchase of three established businesses in the Unmanned Aerial Vehicle (UAV) sector (see below for a summary or news releases dated July 6, 11, and 19, 2016, for specific details). None of these transactions qualify as a Reverse Take Over.

The closing of these transactions will be subject several factors of which the key ones are: the Company successfully completing its due diligence, completing a financing, and signing of three separate definitive agreements. Each transaction will be subject to Exchange approval.

The Company's move into the UAV sector represents a Fundamental Change pursuant to the Exchange's Policy 8. In the coming weeks the Company will be filing with the Exchange a new listing statement (Form 2A) that will be made public on the Exchange's website. At that time the Company will solicit shareholder approval for the Fundamental Change. Should the Company receive shareholder approval the formal Change of Business will be subject to Exchange approval.

As part of the Change of Business, the Company will be changing its name and requesting from the Exchange a new trading symbol.

On July 28, 2016, the Company announced that it has agreed with certain consultants, directors and officers to settle outstanding indebtedness in the amount of $195,457.40 by the issuance of 3,909,148 units at a price of $0.05 per unit. Each unit consists of one share and one warrant. Each warrant entitles the holder to acquire one additional share at a price of $0.10 per share for a period of one year from the date of issuance. The shares forming part of the units and any shares acquired on exercise of the warrants will be subject to a hold period of four months plus one day from the date of issuance. The debt settlement arrangement is subject to acceptance by the Canadian Securities Exchange.

In addition the Company agreed with certain consultants to a write down of a total of $197,231.53 of indebtedness.

The Company also announced that it has been notified by its wholly owned Mexican subsidiary, Minera Alta Vista S.A. de C.V. (‘MAV’), that MAV has been successful in obtaining a judgement from the Tribunal Federal De Justicia Fiscal Y Administrativa to the effect that 1,200,000 pesos (approximately $83,852) of outstanding employee taxes due have been declared null and void. MAV had been challenging these taxes as having been improperly applied for approximately a year and the Company had been required to carry that amount on its books during that period of time.

These agreements and successful judgement combine to remove $476,540.93 of outstanding indebtedness from the Company’s financial statements.

On August 4, 2016, the Company announced that Mr. Mike McMillan has joined the Company as Head of Business Development. Mr. McMillan is a well-respected entrepreneur in the Unmanned Aerial Vehicle (UAV) sector and brings to Alta Vista a combined 15 years of experience in the mapping and UAV sectors.

Mr. McMillan has been involved in all aspects of the UAV sector – from surveying and mapping to the design and manufacturing of UAV’s. He has helped create, distribute, and sell successful brands with over one million dollars in retail sales.

Mr. McMillan has worked with clients in the environmental, construction, engineering, utilities, and public safety markets. He has been contracted by the Ontario Provincial Police, the RCMP, Special Investigations Unit, the Office of the Fire Marshal, and many of the local municipal public safety organizations as well as customers in the construction and engineering market such as Ellis Don, PCL, 407 Partners, Hatch, Amec, Acuren, etc. In addition, Mr. McMillan has years of experience working with federal, provincial, and municipal organizations including City of Toronto, Halton Region, Ministry of Transportation, MetroLinx, Go Transit and many more.

Mr. McMillan is also active in the development of new technologies and is currently involved in testing solutions for the Department of Fisheries and Oceans, Trout Unlimited, and Ducks Unlimited and looking to expand on these unique solutions into the mining sector.

“I am very excited about the potential for what Alta Vista is putting together. With the completion of the acquisitions that Alta Vista is contemplating, I believe that I will be able to help the company grow in all sector’s and help build Alta Vista’s various divisions that it will be creating”, stated Mr. McMillan.

On August 5, 2016, the Company announced that is has issued 3,909,148 Units as per its debt settlement announced on July 28, 2016.

All securities issued pursuant to this settlement are subject to a hold period until December 3, 2016 (four months and one day after closing) under applicable Canadian securities laws. Each Unit consists of one previously unissued common share and one 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 August 1, 2017. The Warrants are exercisable at a price of $0.10 per share.

The Company also wishes to announce that it has granted 2,350,000 incentive stock options at a price of $0.10 with a 3 year term to certain directors, officers, and consultants of the Company.

On August 22, 2016, reported that all resolutions were passed at its Annual General Meeting held on August 19, 2016. The Board of Directors and management would like to thank all shareholders for their continued support and confidence.

The Board of Directors and Officers for the upcoming year will consist of:

George Smitherman	- CEO, Director and Audit Committee Chair
Jason Springett	- President, Director and Audit Committee Member
Don Shaxon	- Director and Audit Committee Member
Jennifer Schindler	- CFO

On August 23, 2016, the Company announced a non-brokered private placement of up to 12,000,000 units at a price of $0.05 per unit (a "Unit") to raise a total of up to $600,000. Each Unit will consist of one previously unissued common share and one transferable purchase warrant (a "Warrant) of the Company. Each Warrant will entitle the holder, on exercise, to purchase one additional common share of the Company (a "Warrant Share") 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.

Alta Vista intends to use the proceeds of the private placement for the closing of the definitive agreements as set out in Letters of Intent (see news releases dated July 6, 11 and 19, 2016) and corporate purposes.

On September 8, 2016, the Company announced that it is increasing the previously announced financing (see news release dated August 23, 2016) from up to $600,000 to up to $800,000.

The financing will now be up to 16,000,000 units at a price of $0.05 per unit (a "Unit") to raise a total of up to $800,000. Each Unit will consist of one previously unissued common share and one transferable purchase warrant (a "Warrant) of the Company. Each Warrant will entitle the holder, on exercise, to purchase one additional common share of the Company (a "Warrant Share") 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.

Alta Vista intends to use the proceeds of the private placement for the closing of the definitive agreements as set out in Letters of Intent (see news releases dated July 6, 11 and 19, 2016) and corporate purposes.

The Company intends to pay finders fees on a portion of the financing.

Also on September 8, 2016, the Company announced that it had expanded its marketing and digital development capabilities with the addition of Neil Wills as Marketing & IT Director. Neil is a senior level marketing and development professional with over 15 years of agency experience. His work includes creative direction, design, and digital development for top tiered brands such as Canadian Tire, RBC, Dairy Queen, Loblaws, Sobeys, Home Depot, Suzuki, Staples, Rexall, Pharmasave and Grand & Toy. Neil has received multiple design awards for outstanding work in both traditional and digital design, and has helped his impressive client list bolster their visual brands and online presence with strategic UI/UX development of large data driven apps, web platforms, and print media.

As part of its new rebranding initiative, the Company announces the launch of our new online presence at www.altavistaventures.ca.

"We are very pleased with the new look for the Company and feel that it better reflects the opportunities that Alta Vista is pursuing in the UAV sector", stated Jason Springett, president of Alta Vista Ventures, "Neil's determination and passion will help bring Alta Vista Ventures into new and exciting digital spaces."

On September 23, 2016, the Company reported that it intends to extend the expiry date of 1,782,000 warrants that were to expire on October 21, 2016 to October 21, 2017 and 3,581,000 warrants that were to expire on November 4, 2016 to November 4, 2017 with no change to the exercise price of $0.075.

The extension of these warrants is subject to approval by the Canadian Securities Exchange.

On September 28, 2016, the Company announced that it has received subscription agreements for a total of $486,000 or for 9,720,000 units (each, a "Unit") at a price of $0.05 per Unit and has closed tranche one of its ongoing financing, subject to filings and approval of the Canadian Securities Exchange.

Each Unit consists 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% will be paid on a portion of the funds received.

Alta Vista will use the proceeds of the private placement to advance the formal agreement for the acquisition of High Eye Aerial Imaging and the UAV division of Pioneer Exploration Consultants (see news releases dated July 6 and 19, 2016), finders' fees, and corporate purposes.

"The amount closed in this first tranche is sufficient to make the initial payments for the purchase of both High Eye and the UAV division of Pioneer", stated Jason Springett, president of Alta Vista Ventures. "Upon closing the rest of the financing, our intent is to complete the purchase of the 100% interest in Pioneer well ahead of schedule".

On September 28, 2016, the Company announced that Mr. Donald Shaxon replaced Mr. George Smitherman as CEO of the company. Mr. Smitherman has been a valuable member of the board, and will remain a director of the company moving forward.

Results of Operations

Alta Vista Ventures Ltd. (the "Company") has acquired interests in mineral properties in Mexico and over the years has spent significant funds exploring these properties. During the nine months ended July 31, 2016, the Company entered into a letter of intent ("LOI"), subsequently terminated, to acquire Thor Pharma Ltd. ("Thor Pharma") in order to acquire facilities for the production and sale of medical marijuana upon the issuance of a licence by Health Canada. The Company also entered into an LOI, subsequently cancelled, to acquire RedeCan Pharm, a company holding a Marihuana for Medicinal Purposes Regulations ("MMPR") cultivation and sales licence. As a result, the Company 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. As at July 31, 2016, the Company still has title to these mineral properties.

The Company is in the process of completing a Change in Business to the Technology Sector, subject to CSE approval, as a result of three separate letters of intent that were entered into during the quarter.

The Company is not a party to any material legal proceedings, however the Tribunal Federal De Justicia Fiscal Y Administrativa has contested the judgement previously announced (see news release dated July 28, 2016) – the Company does not know, nor can predict, the length of time that will be required for this process. Except for its Mexican subsidiary, the Company is not in default under any material debt or other contractual obligations. No significant revenue generating contracts or cash commitments were entered into or undertaken by the Company during the period other than as set out herein or in the condensed consolidated interim financial statements of the Company.

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, 2015 (IFRS) $	**OCT. 31, 2014 (IFRS) $**	**Oct. 31, 2013 (IFRS) $**
Total revenue	Nil	Nil	Nil
Loss for the year	(508,087)	(623,443)	(1,287,789)
Basic and diluted loss per share	(0.05)	(0.08)	(0.31)
Total assets	43,152	119,294	246,420
Total long-term financial liabilities	Nil	Nil	Nil

Summary of Quarterly Results

The table below sets out the quarterly results of the Company for the 8 most recent quarters.

	Jul 31, 2016	Apr 30, 2016	Jan. 31, 2016	Oct. 31, 2015	Jul. 31, 2015	Apr. 30, 2015	Jan. 31, 2015	Oct. 31, 2014
Revenue	$0	$0	$0	$0	$0	$0	$0	$0
Loss (income) for the period	$941,974	$350,408	$890,895	$243,099	$81,233	$59,405	$124,350	$196,623
Basic and diluted loss (income) per share	$0.04	$0.01	$0.05	$0.02	$0.01	$0.01	$0.01	$0.02

Significant variances in the Company's operational results for the quarter ended July 31, 2016 compared with July 31, 2015 were as follows:

xii. Accounting, audit and legal expenses increased by $48,833 to $76,002 from $27,169 in 2015 due to the legal work done in Mexico to defend the Company from improperly assessed taxes during the current quarter. This lawsuit was settled in the Company's favour.

xiii. Consultants' fees increased by $71,500 to $85,000 from $13,500 in 2015 as a result of consultants retained as part of a restructuring of management.

xiv. Exploration costs decreased by $9,054 to $11,255 from $20,309 in 2015 due to the Company's change in focus from exploration to entering the MMPR and UAV markets.

xv. Share-based compensation increased by $34,000 to $34,000 from $nil in 2015 due to stock options being issued during the quarter and increased volatility in share price leading to a higher per-option value.

xvi. Travel decreased by $4,346 to $nil from $4,346 in 2015 due to a reduced need for Canadian and Mexican travel during the current quarter.

Significant variances in the Company's financial position for the quarter ended July 31, 2016 compared with July 31, 2015, were as follows:

v. Amounts receivable increased by $24,681 to $47,256 from $21,022 in 2015 due to increased refundable sales tax (GST/HST) on expenses incurred in Canada.

vi. Marketable securities decreased by $11,058 to $1,381 from $23,438 in 2015 due to the sale of some securities and a decline in market value of the remaining securities.

vii. Oil and gas interest decreased by $9,000 to $nil from $9,000 due to an impairment recorded to write the oil and gas interests down to their estimated value.

viii. Property, plant and equipment decreased by $3,704 to $4,498 from $8,202 in 2015 due to amortization of the Company's equipment and the disposition of depreciable assets in the year.

ix. Mineral property interests decreased by $46,002 to $nil from $46,002 in 2015 due to all mineral interests being written off in the fourth quarter of 2015.

x. Accounts payable and accrued liabilities decreased by $295,995 to $287,038 from $583,033 in 2015 due primarily to various related parties agreeing to settle amounts owing to them for shares in the Company.

xi. Due to directors decreased by $67,500 to $5,000 from $72,500 in 2015 due to various directors agreeing to settle amounts owing to them for shares in the Company.

xii. Share capital increased by $2,143,698 to $16,592,518 from $14,448,820 in 2015 due to shares issued for private placements, for debts, for consulting services, and for the exercise of warrants and stock options.

xiii. Obligation to issue shares increased by $195,457 to $195,457 from $nil in 2015 due to a debt settlement for which all agreements were signed and binding as at July 31, 2016, but for which the shares were not issued until August 2, 2016.

Significant variances in the Company's cash flows for the quarter ended July 31, 2016 compared to the quarter ended July 31, 2015, were as follows:

iv. Cash used in operating activities increased by $87,659 to $19,678 from $107,337 in 2015 due primarily to expenses incurred to attempt to enter the MMPR and UAV markets during the current quarter, and increased related consulting fees.

v. Cash provided by investing activities increased by $130 to $130 from $nil in 2015 primarily due to the sale of minor equipment in the current quarter.

vi. Cash provided by financing activities increased by $82,090 to $100,090 from $18,000 in 2015 due to the completion of a private placement as well as the exercise of warrants and stock options in the current quarter.

Related Party Transactions

d) Management transactions

Management transactions with related parties during the nine months ended July 31, 2016 and 2015 were as follows:

	2016			2015		
	Short-term employee benefits	**Share-based payments**	**Total**	**Short-term employee benefits**	**Share-based payments**	**Total**
Shaxon Enterprises Ltd. [i]	$ 75,000	$ -	$ 75,000	$ -	$ -	$ -
Ian Foreman [ii]	$ 12,000	$ -	$ 12,000	$ 49,500	$ -	$ 49,500
Timeline Filing Services Ltd.[iii]	$ 11,300	$ -	$ 11,300	$ 4,271	$ -	$ 4,271
Schindler & Company [iv]	$ 21,552	$ -	$ 21,552	$ 16,642	$ -	$ 16,642

(v) Shaxon Enterprises Ltd. is a private enterprise controlled by the Company's CEO, Donald Shaxon. Donald Shaxon became a related party on March 2, 2016, and accordingly amounts described above are from this date.

(vi) Ian Foreman was the Company's President until March 2, 2016, and accordingly, amounts described above are up until this date.

(vii) Timeline Filing Services Ltd. is a private enterprise controlled by the Company's Corporate Secretary, Laara Shaffer.

(viii) Schindler & Company is a private enterprise controlled by the Company's CFO, Jennifer Schindler.

e) Directors' transactions

During the nine months ended July 31, 2016, share based compensation recognized, related to directors (excluding share-based compensation disclosed in (a) above), was $nil (July 31, 2015 - $nil).

Liquidity and Capital Resources

As at July 31, 2016 the Company had a working capital deficit of $231,095 as compared to a working capital deficit of $691,162 as at October 31, 2015. The Company will require continued financing or outside participation, to undertake additional exploration and subsequent development of its mineral properties.

As at July 31, 2016, the Company had cash of $1,806 (October 31, 2015 - $2,534).

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

The Company's capital consists of shareholders' equity.

The Company 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 Company may issue new shares or debt or acquire or dispose of assets.

To effectively manage its resources and minimize risk, the Company maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company'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 Company's approach to capital management during the quarter ended August 31, 2016.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

		July 31, 2016		October 31, 2015
Financial assets:				
Fair value through profit and loss				
Cash and cash equivalents	$	1,806	$	2,534
Loans and receivables				
Amounts receivable*		4,020		4,954
Available for sale				
Marketable securities		1,381		9,675
Total financial assets	$	7,207	$	17,163
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	287,038	$	726,621
Due to directors		5,000		-
Total financial liabilities	$	292,038	$	726,621

*Excluding sales tax receivable

The fair values of the Company's amounts receivables, accounts payable and accrued liabilities and exploration advances approximate their carrying values due to the short-term nature of these instruments. Where marketable securities are publically traded their value is measured at market value, unless they are restricted from trading, where they will be measured at cost. The Company's Investment in oil and gas interest is valued at cost, as it does not have a quoted market price in an active market and the fair value cannot be reliably determined.

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 cash equivalents and amounts receivable.

The Company 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 receivable from the Mexican government. Management considers the risk of non-performance related to cash and cash equivalents 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 Company manages liquidity risk through the management of its capital structure.

At July 31, 2016 the Company had cash in the amount of $ 1,806 (October 31, 2015- $2,534) and accounts payable and accrued liabilities of $287,038 (October 31, 2015 - $726,621). Trade payables are due within twelve months of the financial position date.

The Company ensures, as far as reasonably possible, that there is sufficient capital in order to meet short-term business requirements, 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 Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company 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 Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk because of their short-term nature and maturity.

The Company is exposed from time to time to interest rate price risk as a result of holding fixed rate cash equivalent investments of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of these investments is limited as these investments are highly liquid securities with short-term maturities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, as a portion of these amounts are denominated in Mexican Pesos ("MXN") and US Dollars ("USD") as follows:

	July 31, 2016		October 31, 2015	
	MXN	**USD**	MXN	USD
Cash	**$ 622**	**$**	$ -	$ 51
Amounts receivable	**159,049**	**-**	120,144	-
Accounts payable and accrued liabilities	**(2,989,328)**	**-**	(2,271,314)	-
Rate to convert $1 CAD	**0.0695**	**n/a**	0.084	1.127

Based on the Company's net exposure, a 9% change (October 31, 2015 – 9%) in the Canadian/Mexican Peso exchange rate, and a 16% change (October 31, 2015 – 16%) 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. Although considered available for sale, these investments do not represent core assets of the Company nor are they considered material. However, the Company closely monitors the market values of these investments in order to determine the most appropriate course of action.

(c) Classification 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 cash equivalents and marketable securities are classified at level one of the fair value hierarchy. The Company had no level 2 or 3 financial assets at July 31, 2016 or October 31, 2015. 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.

Off-Balance Sheet Arrangements
The Company does not have any off-balance sheet arrangements

Proposed Transactions

There are currently no proposed transactions.

Risks

All of the properties in which the Company has an interest are in the exploration stage only and the business of the Company is subject to the following risks:

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company has not discovered a metals or diamond deposit of commercial grade on any of its properties. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability of the Company to obtain suitable machinery, equipment or labor are all risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required in order to establish ore reserves through drilling and staged bulk sampling, to develop optimum metallurgical processes to extract the metals or diamonds from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial mining operations or that funds required for development can be obtained on a timely basis. The economics of developing mining properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in the prices of ore which can be obtained on the metal markets, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There is no certainty that the expenditures to be made by the Company in the exploration and development of the interests described herein will result in discoveries of commercial quantities of ore.

Political Risks

The management and directors of the Company feel that Mexico is a politically stable area of the world that still has significant potential for discoveries.

Mexico is located immediately south of the United States of America and is 1,972,550 square kilometres in size (approximately twice the size of British Columbia). Elections held in July 2000 marked the first time since the 1910 Mexican Revolution that the opposition defeated the party in government, the Institutional Revolutionary Party (PRI). Vicente Fox of the National Action Party (PAN) was sworn in on 1 December 2000 as the first chief executive elected in free and fair elections. Recently Felipe Calderon was sworn in as the new president of Mexico and will be in power for the coming 6 years. Mexico has a free market economy that recently entered the trillion-dollar class. It contains a mixture of modern and outmoded industry and agriculture, increasingly dominated by the private sector. Recent administrations have expanded competition in seaports, railroads, telecommunications, electricity generation, natural gas distribution, and airports. Per capita income is one-fourth that of the US; income distribution remains highly unequal. Trade with the US and Canada has tripled since the implementation of NAFTA in 1994. Mexico has 12 free trade agreements with over 40 countries including, Guatemala, Honduras, El Salvador, the European Free Trade Area, and Japan, putting more than 90% of trade under free trade agreements.

Market Risks

The marketability of metals or diamonds recovered from deposits, which may be acquired or discovered by the Company, will be affected by numerous factors many of which are beyond the control of the Company. These factors include market fluctuations in the price of metals or diamonds, the capacity of the market, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of metals or minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return for shareholders.

Uninsurable Risks
Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, flooding, or other conditions may occur from time to time. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

No Assurance of Title or Boundaries, or of Access

While the Company has registered its mining claims with the appropriate mining authorities and has filed all pertinent information to industry standards, this should not be construed as a guarantee of title. In addition, the Company's properties consist of recorded mineral claims, none of which have been legally surveyed, and therefore, the precise boundaries and locations of such claims may be in doubt and may be challenged. The Company’s properties may also be subject to prior unregistered agreements or transfers or native land claims and the Company title may be affected by these and other undetected defects.

Government Regulation

The Company's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, return of capital and labor relations.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's operations. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the Company.

Environmental Regulation

The Company's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition on the Company of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that has lead to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of the Company's operations.

Competition

The exploration and mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition and exploration of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified management and employees.

Management

The success of the Company depends to a large extent on its ability to retain the services of its senior management and members of its board of directors. The loss of their services may have a material adverse effect on the Company.

The Company has no compensatory plans or arrangements in effect with any of its senior officers or members of its board of directors with respect to the resignation, retirement, or other termination of their services, or with respect to a change in their responsibilities following a change in the control of the Company.

Financing Risks

The Company has no source of operating cash flow, limited financial resources, and has no assurance that additional financing will be available to it for further exploration and development of its properties or to enable it to fulfill its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties and the possible loss of title to such properties. If such additional financing is raised, it will likely be through the issuance of additional equity securities of the Company, which may have a substantial dilutive effect on shareholders acquiring securities of the Company.

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations on the Company's properties.

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 Company 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 Company

Critical Accounting Estimates

The preparation of the condensed consolidated interim 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 condensed consolidated interim 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:

Useful life of property, plant and equipment
Property, plant and equipment are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property, plant and equipment at July 31, 2016 was $4,498 (October 31, 2015 - $6,193).

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 July 31, 2016, the Company recognized share-based compensation of $34,000 (2015 - $nil).

Critical judgments used in applying accounting policies
In the preparation of these condensed consolidated interim 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 condensed consolidated interim 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. Based on these criteria, Management has determined that a write-down of the Company's investment in RedeCan Pham was required during the quarter ended January 31, 2016 in the amount of $519,862 (January 31, 2015: $nil), and that a write-down of the Company's investment in Thor Pharma was required during the quarter ended July 31, 2016 in the amount of $925,000 (July 31,

2015: $nil).

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, and recorded a write-down of $3,397 (July 31, 2015: ($7,600) (unrealized gain)).

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 condensed consolidated interim financial statements.

Unit offerings
Proceeds received on the issuance of units, consisting of common shares and warrant components, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants. Management's judgment is used in the method used to establish the fair value of the components.

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for 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 condensed consolidated interim financial statements, the IASB has issued a number of new and revised standards and interpretations, which are not yet effective as at October 31, 2015. Management is assessing the effects of the future standards on its condensed consolidated interim financial statements. All of the new and revised standards described below may be early-adopted.

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of **IFRS 9,** which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement**. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of **IFRS 9** introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under **IAS 39**; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment**. The 2014 version of **IFRS 9** introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting**. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **De-recognition**. The requirements for the de-recognition of financial assets and liabilities are carried forward from **IAS 39**.

Applicable to the Company’s annual period beginning on November 1, 2018.

Disclosure of Outstanding Share Data

As at September 29, 2016, the Company had the following common shares, stock options and warrants outstanding:

Common shares	46,203,755
Stock options (vested and unvested)	7,240,000
Warrants	24,012,148
Fully diluted shares outstanding	77,455,903

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

6.17 Additional Disclosure for Issuers without Significant Revenue

Not applicable

6.18 Description of Securities:

As at the date hereof, there are 56,703,755 Common Shares issued and outstanding.

The breakdown of the fully diluted share capital of the Issuer is as follows:

Current Issued and Outstanding	56,703,755
Warrants	23,149,148
Stock Options	7,240,000
Fully Diluted	**87,092,903**

Reserved for issuing for Pioneer asset purchase (but not issued)	**3,000,000**

See Section 14.3 below for further detail with respect to the exercise price and expiry dates of the outstanding warrants.

See *Section 9* below for further detail with respect to the exercise price and expiry date of the outstanding stock options.

6.19 Provide Breakdown if the Issuer has not had significant revenue from operations in either of its last two financial years.

This section does not apply as the information required under the subsections has been disclosed in the financial statements.

6.20 Negative cash Flow

The Company had negative cash flow in financial year ended October 31, 2015 and anticipates a negative cash flow for its recently completed financial year ended October 31, 2016. Management understands that funds on hand will not be sufficient to cover operating expenses for an additional twelve months. Additional public financing will be required.

6.21 Additional disclosure for Issuers with significant equity investees:

Not applicable.

7. Market for Securities

The common shares of the Issuer are currently listed and posted for trading on the Canadian Securities Exchange under symbol "AVV". The Issuer has requested from the CSE a change in its trading symbol to "UAV".

8. Consolidated Capitalization

Since the last published financials – for the quarter ending July 31, 2016 and dated September 29, 2016 – the material changes to the Issuer's share and loan capital are as follows:

In August, 2016 the Issuer issued 3,909,148 units to resolve a total of $195,457.4 of debt
In September, 2016 the Issuer issued 9,720,000 units as a result of a financing (at a price of $0.05 per Unit) that brought into the Issuer gross proceeds of $486,000

A total of 3,600,000 stock options were issued to various consultants as well as a director, an officer and an advisor and a total of 850,000 stock option were cancelled for a net change of 2,750,000 options.

9. Options to Purchase Securities

The Issuer has 7,240,000 stock options granted. The following table summarizes the options, granted under the Issuer's stock option plan, outstanding as of November 25, 2016:

	No. of Options	Securities under Option	Grant Date	Expiry Date	Exercise Price per Common Share	Market Value of the Common Shares as of August 31, 2016
Executive Officers (4 persons)	500,000	500,000	5-Aug-16	4-Aug-19	0.100	$ 0.05
	500,000	500,000	6-Aug-15	5-Aug-18	0.100	$ 0.05
	500,000	500,000	6-Aug-15	5-Aug-18	0.100	$ 0.05
	37,500	37,500	26-Jul-13	25-Jul-18	0.200	$ 0.05
	75,000	75,000	3-Jun-14	3-Jun-17	0.105	$ 0.05
Total		1,612,500				
Directors & Non-Executive Officers (4 persons)	200,000	200,000	2-Aug-19	1-Aug-19	0.100	$ 0.05
	350,000	350,000	2-Aug-19	1-Aug-19	0.100	$ 0.05
	500,000	500,000	2-Aug-19	1-Aug-19	0.100	$ 0.05
	1,300,000	1,300,000	2-Aug-19	1-Aug-19	0.100	$ 0.05
Total		2,350,000				
Mexican Employees (1 person)	50,000	50,000	29-Dec-15	29-Dec-18	0.140	$ 0.05
Total		50,000				
Consultants (14 persons)	150000	150,000	8-Jan-15	8-Jan-18	0.105	$ 0.05
	190000	190000	2-Oct-18	2-Oct-15	0.100	$ 0.05
	500000	500000	2-Nov-18	2-Nov-15	0.100	$ 0.05
	500000	500,000	10-Dec-15	10-Dec-18	0.120	$ 0.05
	500000	500,000	29-Dec-15	29-Dec-18	0.140	$ 0.05
	50,000	50,000	26-Jul-13	25-Jul-18	0.200	$ 0.05
	300,000	300,000	3-Jun-14	3-Jun-17	0.105	$ 0.05
	37,500	37,500	23-Jul-13	25-Jul-18	0.200	$ 0.05
	100,000	100,000	3-Jun-14	3-Jun-17	0.105	$ 0.05
	150,000	150,000	30-Aug-16	29-Aug-19	0.100	$ 0.05
	200,000	200,000	30-Aug-16	29-Aug-19	0.100	$ 0.05
	150,000	150,000	30-Aug-16	29-Aug-19	0.100	$ 0.05
	200,000	200,000	30-Aug-16	29-Aug-19	0.100	$ 0.05
	200,000	200,000	21-Sep-16	21-Sep-19	0.100	$ 0.05
	100,000	100,000	14-Oct-16	14-Oct-19	0.100	$ 0.05
	250,000	250,000	28-Oct-16	28-Oct-19	0.100	$ 0.05
Total		3,577,500				

10. Description of the Securities

10.1 General

There are no special rights or restrictions attached to the Issuer's common shares. The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each common share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the common shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the board of directors of the Issuer may by resolution determine. In the event of the liquidation, dissolution or winding- up of the Issuer, whether voluntary or involuntary, the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

10.2-10.6 Debt Securities

Not applicable.

10.7 Prior Sales

For the 12-month period prior to the date of this document, the Issuer completed the following private placements:

November, 2015 - 4,950,000 units at a price of $0.05 per Unit were issued for gross proceeds of $247,500.
May, 2016 – 4,570,000 units at a price of $0.05 per Unit were issued for gross proceeds of $228,500.
August, 2016 - 3,909,148 units at a price of $0.05 per Unit were issued to resolve a total of $195,457.4 of debt
September, 2016 - 9,720,000 units at a price of $0.05 per Unit were issued for gross proceeds of $486,000

10.8 Stock Exchange Price

The common shares of the Issuer are listed and posted for trading on the Canadian Securities Exchange under the symbol "AVV".

The following table sets out the price ranges and volume traded or quoted on the CSE for the common shares of the Issuer for the 12-month period prior to November 25, 2016.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
OPEN	0.21	0.22	0.175	0.09	0.06	0.05	0.055	0.045	0.05	0.055	0.055	0.05
HIGH	0.21	0.22	0.175	0.09	0.12	0.055	0.055	0.075	0.07	0.065	0.055	0.07
LOW	0.1	0.135	0.08	0.035	0.04	0.045	0.03	0.04	0.045	0.05	0.035	0.035

CLOSE	0.2002	0.1748	0.0952	0.0498	0.045	0.05	0.0449	0.0552	0.0498	0.0498	0.05	0.0498
VOLUME	2,146,007	893,090	2,455,923	2,750,980	2,076,047	1,223,891	713,501	2,052,520	1,565,864	934,385	1,251,994	608,825

11. Escrowed Securities

11.1 Escrowed Securities

The Company currently has 115 shares in escrow subject to a historic escrow agreement dated prior to 2005.

12. Principal Shareholders

To the knowledge of the directors and officers of the Issuer, as of the date of this document no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to common shares except for the following:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Shares
Pioneer Exploration Consultants	6,000,000	10.58%

With a subsequent financing into the Issuer, it is expected that Pioneer's percentage ownership will drop below 10%

13. Directors and Officers

13.1-13.2

The Articles of the Issuer provide that the number of directors should not be fewer than three directors. Each director holds office until the close of the next annual general meeting of the Issuer, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The Company's Board currently consists of three directors, of whom two can be defined as "unrelated directors" or directors who are independent of management and are free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interests of the Issuer, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Issuer.

The following table provides the names of the directors and officers, municipalities of residence province and country, respective positions and offices held with the Issuer, their principal occupations for the past five years and the number and percentage of common shares owned, directly or indirectly, or over which control or direction is exercised, of voting securities of the Issuer, as of the date hereof:

Name, Province, Country of Residence and Position(s) with the Issuer	Principal Occupation	Director Since	Number of Shares Beneficially Owned or Controlled
George Smitherman[2] Ontario, Director	Businessman	January 22, 2016	Nil[1]
Donald Shaxon[2] Ontario, CEO and Director	Businessman	March 2, 2016	3,981,400[1]
Jason Springett[2] Ontario President and Director	Businessman	March 2, 2016	4,745,000[1]

Notes:

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at November 25, 2016, based upon information furnished to the Issuer by the individual directors and upon information derived from insider reports filed on SEDI.

(2) Member of the Audit Committee.

13.3

As of the date of this document, the directors and executive officers of the Issuer beneficially owned, directly or indirectly, as a group, 8,906,400 common shares of the Issuer representing approximately 15.71% of all the issued and outstanding voting securities of the Issuer.

13.4 Board Committees

The Company has one committee, the Audit Committee, whose members are:

George Smitherman	Chairman and Independent Member of the Audit Committee
Jason Springett	Non-Independent Member
Donald Shaxon	Non-Independent Member

A director that is nominated by Pioneer Exploration will join the Audit Committee.

13.5 Principal occupation of Directors

See table above in section 13.1-2.

13.6 Cease Trade Orders or Bankruptcies

To the knowledge of the Issuer *except for as noted below in section 13.8*, no director, officer or promoter of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer is, or within 10 years before the date of this document, has been, a director or officer of any other Company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.7 Penalties or Sanctions

To the knowledge of the Issuer, no director, officer or promoter of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer is, or within 10 years before the date of this document, has been, a director or officer of any other Issuer that, while that person was acting in that capacity, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 Personal Bankruptcies

Except as disclosed below, no proposed director of the Issuer has, within the ten (10) years before the date of this Information Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Don Shaxon, the CEO and a director of the Issuer, was the subject of bankruptcy proceedings in September of 2009. Mr. Shaxon was discharged from bankruptcy on the 26^{th} day of June, 2011

13.9 Conflicts of Interest

Certain of the directors and officers of the Issuer are also or may become directors and officers of other public companies. The directors of the Issuer are bound by the provisions of the *Business Corporations Act* (British Columbia) to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Issuer's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

13.10 Management and Directors

Jason Springett – President and Director

Mr Springett brings over 10 years of experience working for several Public Companies. He has personally raised hundreds of thousands of dollars for Puff Ventures, Cannabis Science and Alta Vista Ventures. He has also worked creating exposure for many other companies as well including Aim Health Group and Tara Minerals.

George Smitherman –Director

Mr. Smitherman had a long successful political career until 2010 when he returned to his pre-politics roots as an entrepreneur. He is the founder of three companies and is an advisor to several others. Most recently a candidate for the Mayor of Toronto, Mr. Smitherman has previously been elected three times as a Member of the Provincial Parliament where he served as Ontario's Deputy Premier, Health Minister, Minister of Energy and Infrastructure as well as many other roles.
Over a career spanning almost 25 years Mr. Smitherman has been active in all three levels of government. Mr. Smitherman's interest in Medical Marijuana started when he was Ontario's Health Minister.

Donald Shaxon – CEO and Director

Mr. Shaxon brings with him over 20 years of experience in the capital markets. As Corporate Development Manager with companies such as St. Andrew Goldfields, and Cannabis Science Inc., he's helped build these companies from small cap companies into industry leaders with a market caps that topped $100 million.
As a dedicated drone enthusiast of several years, Mr. Shaxon has developed a sound understanding of the UAV industry and has been instrumental in Alta Vista moving into the UAV industry.

Mike McMillan – Head of Business Development

Mr. McMillan is a well-respected entrepreneur in the Unmanned Aerial Vehicle (UAV) sector and brings to Alta Vista a combined 15 years of experience in the mapping and UAV sectors. Mr. McMillan has been involved in all aspects of the UAV sector – from surveying and mapping to the design and manufacturing of UAV's. He has helped create, distribute, and sell successful brands with over one million dollars in retail sales.

Mr. McMillan has worked with clients in the environmental, construction, engineering, utilities, and public safety markets. He has been contracted by the Ontario Provincial Police, the RCMP, Special Investigations Unit, the Office of the Fire Marshal, and many of the local municipal public safety organizations as well as customers in the construction and engineering market such as Ellis Don, PCL, 407 Partners, Hatch, Amec, Acuren, etc. In addition, Mr. McMillan has years of experience working with federal, provincial, and municipal organizations including City of Toronto, Halton Region, Ministry of Transportation, MetroLinx, Go Transit and many more.

Mr. McMillan is also active in the development of new technologies and is currently involved in testing solutions for the Department of Fisheries and Oceans, Trout Unlimited, and Ducks Unlimited and looking to expand on these unique solutions into the mining sector.

Richard Groome – Director of Corporate Finance and Global Business Development.

Mr. Groome is an entrepreneur who started two successful securities firms in the 80's and 90's. Mr. Groome has the reputation of being one of the preeminent financiers of small and medium sized emerging growth companies. He has actively managed or participated in over 400 financings representing some $4 billion of small cap deals and is very well versed in start-up and early stage ventures.

Prior to the founding of Notre Dame Capital, Mr. Groome was a co-founder of Marleau Lemire Inc., which became the number one firm in Canada in small, mid cap financing during the late 1980's. He followed up that success with the creation of Groome Capital Inc, where he developed Canada's leading underwriter of IPO's, Private Placements and Secondary offerings on the internet between 1998 and 2000. Groome Capital was subsequently sold to Desjardins Group in 2001, Canada's seventh largest financial institution at the time. Mr. Groome was also a director of the CDNX Exchange, the predecessor of the TSX Venture exchange in addition to serving on the Board of Directors of numerous public and private companies over the last 30 years.

14. Capitalization

14.1 Issued Capital

As at November 25, 2016 * *Note – this includes shares issued to Pioneer Exploration Consultants and the underlying owners of High Eye	**Number of Securities (non-diluted)**	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
	56,703,755	87,092,903	100.00%	65.11%

The following table shows the number of securities held by related persons or employees of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held):

Related Persons**	12,226,400
Non-Related Persons	10,300,000
Total Public Float	34,177,355

** this includes the previous president of the company who stepped down in March of 2016

Other than 20,220,000 shares that are subject to a hold periods, there are no outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements, or in a shareholder agreement, or securities held by control block holders.

****Class of Security**	Public Security holders (Registered)	
Size of Holding	**Number of holders**	**Total number of securities**
1 - 99 securities	50	1,759
100 – 499 securities	116	26,376
500 – 999 securities	106	62,880
1,000 – 1,999 securities	73	90,942
2,000 – 2,999 securities	53	124,363
3,000 – 3,999 securities	21	68,456
4,000 – 4,999 securities	15	63,987
5,000 or more securities	184	16,582,475
Total	616	17,021,238

Class of Security	Non Public Security holders	
Size of Holding	**Number of holders**	**Total number of securities**
1 - 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Total	0	0

14.2 Convertible/Exchangeable Securities

The Issuer has 7,240,000 stock options granted.
See Section 10 for details.

14.3 Other Listed Securities

There are the following warrants outstanding:

- 4,570,000 warrants with an exercise price of $0.075 that expire on May 22, 2017.
- 3,909,148 warrants with an exercise price of $0.10 that expire on August 3, 2017.
- 9,720,000 warrants with an exercise price of $0.10 that expire on September 28, 2017
- 1,620,000 warrants with an exercise price of $0.075 that expire on October 23, 2017.
- 3,330,000 warrants with an exercise price of $0.075 that expire on November 4, 2017.

If all of these warrants are exercised they would result in an added $2,076,915 to the Issuer's treasury.

15. Executive Compensation

15.1

As per the Issuer's Information Circular for the year ended October 31, 2015:

STATEMENT OF EXECUTIVE COMPENSATION

General

The following discussion and analysis covers the compensation paid to the individuals who served as Chief Executive Officer and Chief Financial Officer of the Issuer, together with any other executive officer of the Issuer or its subsidiaries or other individual who had total compensation in excess of $150,000, during the financial year ended October 31, 2015 (each such person, a "Named Executive Officer" or "NEO").

Compensation Discussion and Analysis

The overall objective of the Issuer's compensation strategy is to offer medium-term and long-term compensation components to ensure that the Issuer has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has medium-term and long-term compensation components in place, and intends to further develop these compensation components. The objectives of the Issuer's compensation policies and procedures are to align the interests of the Issuer's employees with the interests of the Issuer's shareholders. Therefore, a significant portion of the total compensation is based upon overall corporate performance.

The Company does not have in place a Compensation and Nominating Committee. All tasks related to developing and monitoring the Issuer's approach to the compensation of officers of the Issuer and to developing and monitoring the Issuer's approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEOs and the Issuer's employees is reviewed, recommended and approved by the independent directors of the Issuer.

The Company chooses to grant stock options to NEOs to satisfy the long-term compensation component. The Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Issuer and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium term compensation component. In the future, the Board may also consider the grant of options to purchase common shares of the Issuer with longer future vesting dates to satisfy the long term compensation component.

Option-based awards

The directors of the Issuer have adopted the 2015 Stock Option Plan (the "Plan"), subject to shareholder and Exchange approval. The Plan complies with the requirements of the CSE Policies. Under the Plan, a maximum of 20% of the issued and outstanding shares of the Issuer are to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Plan increases with the issue of additional shares by the Issuer, the Plan is considered to be a "rolling" stock option plan.

NEO Summary Compensation Table

Particulars of compensation paid to each NEO in the most recently completed financial year is set out in the summary compensation table below:

Name and Principal Position	Year Ending	Salary[2] ($)	Share-based Awards [3] ($)	Option-based Awards [4] ($)	Non-equity Incentive Plan Compensation[1] ($) Annual Incentive Plans	Non-equity Incentive Plan Compensation[1] ($) Long-term Incentive Plans	Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
Ian Foreman (former CEO and Director)	2015 2014 2013	58,500 101,250 96,000	Nil Nil Nil	Nil 28,890 5,505	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	58,500[5] 130,140 101,505
Jennifer Schindler, CGA, CFO	2015 2014 2013	20,512 20,321 22,642	 Nil Nil	 7,220 4,129	 Nil Nil	 Nil Nil	 Nil Nil	 Nil Nil	20,512[6] 27,541 29,771
Ezra Jimenez (former CFO)	2013	49,000	Nil	Nil	Nil	Nil	Nil	Nil	49,000

Notes

(1) "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.

(2) The value of perquisites including property or other personal benefits provided to an NEO that are generally available to all employees, and that in the aggregate are worth less than $50,000, or are worth less than 20% of an NEO's total salary for the financial year are not reported herein.

(3) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

(4) "Option-based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features. The value of the option-based award was determined using the Black-Scholes option-pricing model.

(5) Foremost Management Services Inc. fees were $30,000 and Foremost Geological Consulting fees were $28,500.

(6) Schindler & Company was paid $20,512.

For compensation related to previous years, please refer to the Issuer's Management Information Circulars available at www.sedar.com.

Incentive Plan Awards for NEOs

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned paid, or payable under an incentive plan.

Outstanding share-based awards and option-based awards

The following table sets forth the share-based awards or option-based awards outstanding as of October 31, 2015.

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Jennifer Schindler	75,000 37,500	$0.105 $0.20	June 3/17 July 25/18	n/a n/a	n/a n/a	n/a n/a

Notes

(1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying common shares on the CSE Exchange on October 31, 2015. The closing price of the common shares on October 31, 2015, the last day that the stock traded prior to the October 31, 2015 year end, was $0.05.

For more information about option-based awards, see Particular of Matters to be Acted Upon –Approval 2015 Stock Option Plan. All stock options granted by the Issuer to its NEOs during the most recent completed fiscal year and in prior years and currently outstanding were fully vested and exercisable on the date of grant and exercise price represented the market price of the underlying common shares as at that date. As such, no dollar value of options vested (being, the difference between the market price of the underlying common shares and the option exercise price on the vesting date) was realized by any of the Issuer's NEOs during the fiscal year ended October 31, 2015. The Company did not issue any share-base awards to the NEOs. The Company does not provide a non-equity incentive plan to its NEOs.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has no contract, agreement, plan or arrangement that provides for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Issuer or a change in the NEO's responsibilities.

Director Compensation Table

The following table sets forth the details of compensation provided to the directors of the Issuer who are not Named Executive Officers during the Issuer's most recently completed financial year. For information on compensation provided to the Issuer's Named Executive Officers, see "Statement of Executive Compensation – Summary Compensation Table" above.

Name	Fees Earned ($)	Share-based Awards ($)	Option-based Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
N/A							

Notes

(1) The value of the option-based award was determined using the Black-Scholes option-pricing model.

Since the Issuer's 2015 fiscal year end, Mr. Donald Shaxon was president from March 2 to July 5, 2016. Mr. Jason Springett became president of the Issuer on July 5, 2016.

Both Mr. Shaxon and Mr. Springett are paid through Shaxon Enterprises Ltd. Shaxon Enterprises was paid $15,000 per month and that was reduced to $12,000 per month on the first of August 2016.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

As per the Issuer's financial statements for the quarter ending July 31, 2016 the Issuer had a working capital deficiency of $231,095. This included 2,989,328 pesos of indebtedness in its Mexican subsidiary, which equates to $207,758 at a conversion rate of 0.0695 pesos to the dollar.

The Issuer has subsequently completed a financing and paid much of the remaining debt. Official figures will be released in the Issuers October 31, 2016 year-end financials, which have not yet been completed and are anticipated to be completed prior to the end of February 2017.

16.2 Indebtedness under Securities Purchase and Other Programs

Not applicable.

17. Risk Factors

17.1 Risk Factors

Unmanned Aerial Vehicle Sector

(i) Regulatory risks

The activities of the Issuer will be subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale and or use of its products. Although the Issuer currently has all required approvals, it cannot predict the time required to secure any appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities should it require new or modified approvals. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Issuer and the Issuer post transaction.

(ii) Change in laws, regulations, and guidelines

The Issuer's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, and use of UAVs as well as including laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment.

While the impact of any potential changes to laws, regulation and guidelines are uncertain and are highly dependent on which specific laws, regulations, or guidelines are changed, it is not expected that any such changes would have an effect on the Issuer's operations that is materially different than the effect on similar-sized companies in the same business as the Issuer.

(iii) Reliance on management

The success of the Issuer is dependent upon the ability, expertise, judgment, discretion, and good faith of its management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results, or financial condition.

(iv) Factors which may prevent realization of growth targets

The Issuer is currently in the early development and growth stage of its business. The Issuer's growth strategy contemplates growth via additional contracts. There is a risk that these targets will not be achieved on time, on budget, or at all, as they are can be adversely affected by a variety of factors, including the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity; inability to attract sufficient numbers of qualified workers; disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Issuer may not have equipment or sufficient equipment available to meet the anticipated demand or to meet future demand for work when it arises.

(v) The Issuer has potential for net losses, may incur significant net losses in the future, and may not achieve or maintain profitability

the Issuer may not be able to achieve or maintain profitability and may incur significant losses in the future. If the Issuer's revenues do not offset costs and operating expenses, the Issuer will not be profitable.

(vi) Failure to obtain necessary regulatory approvals from Transport Canada or other governmental agencies, or limitations put on the use of UAVs in response to public privacy concerns

The regulation of small UAV for commercial use in Canada is undergoing substantial change and the ultimate treatment is uncertain. Currently, the operation of UAVs with a maximum take-off weight not exceeding 2kg., operated within visual line-of-sight are exempt from the regulations promulgated under the *Aeronautics Act* (Canada). The Company has been granted a Special Flight Operations Certificate (SFOC) for a one year period from Transport Canada which permits the Issuer to operate UAVs over this weight limit and carry out its UAV services.

Transport Canada is responsible for establishing, managing, and developing safety and security standards and regulations for civil aviation in Canada, which includes unmanned civil aviation. Civil operations include law enforcement, scientific research, or use by private sector companies for commercial purposes. UAV operations for civil or commercial purposes are only authorized to fly with a SFOC issued by Transport Canada. The Canadian Aviation Regulations (CARs) govern civil aviation safety and security in Canada, and by extension govern operation of UAVs in Canada to an equivalent level of safety as manned aircraft.

Transport Canada has acknowledged that the current regulatory regime in Canada has not kept pace with the rapid development in technology and the growing demand for commercial UAV use. In 2010, the Canadian Aviation Regulation Advisory Council ("**CARAC**") established the Unmanned Aircraft System Program Design Working Group to develop new regulations to increase the safety, scope and regulatory efficiency of commercial UAV applications in Canada. In 2012, the working group released its phase 1 report which outlines the overall proposed revisions to the Canadian regulatory regime. The working group is currently in the process of drafting the revised regulations contemplated in the phase 1 report with the objective of introducing the new regulations before 2017. The new regulations are understood to be intended to be consistent with the international UAV regulatory model established by the International Commercial Aviation Organization ("**ICAO**"). In addition, there exists public concern regarding the privacy implications of Canadian commercial and law enforcement use of small UAV. This concern has included calls to develop explicit written policies and procedures establishing usage limitations.

There is no assurance that the response from regulatory agencies, customers and privacy advocates to these concerns will not delay or restrict the adoption of small UAV by operators.

(vii) Additional financing

In order to execute a growth strategy, the Issuer may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, and/or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Issuer when needed or on terms which are acceptable. The Issuer's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Issuer's growth and may have a material adverse effect upon future profitability. The Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

(viii) Competition

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Issuer post transaction.

Because of the early stage of the industry in which the Issuer operates, the Issuer expects to face additional competition from new entrants. If the number of users of UAV related services in Canada increases, the demand for products will increase and the Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales, and client support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis, which could materially and adversely affect the business, financial condition, and results of operations of the Issuer post transaction.

(ix) Risks inherent in a technology based business

the Issuer's business will involve the flying of UAVs, a technology based product used outdoors. As such, the business is subject to the risks inherent in a technology based business such as faulty parts, break downs and crashes. Although the Issuer is anticipated to use their UAVs in good climactic conditions and carefully monitor the flying conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the use and effectiveness of its products.

(xi) Unfavourable publicity or consumer perception

The Issuer believes the UAV industry is highly dependent upon consumer perception regarding the safety, efficacy, and quality of the UAVs used. Consumer perception of these products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention, and other publicity regarding the use of UAVs. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention, or other research findings or publicity will be favourable to the UAV market. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Issuer's products and the business, results of operations, financial condition and cash flows of the Issuer. The dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Issuer, the demand for the Issuer's products, and the business, results of operations, financial condition and cash flows of the Issuer. Further, adverse publicity reports or other media attention regarding the safety, the efficacy, and quality of UAV based surveys in general, or the Issuer's products specifically, could have a material adverse effect.

(xii) Product liability

The Issuer faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Issuer's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product failure. The Issuer may be subject to various product liability claims, including, among others, that the Issuer's products caused injury. A product liability claim or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Issuer. There can be no assurances that the Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the business of the Issuer.

(xiii) Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Issuer's equipment were to be recalled due to an alleged product defect or for any other reason, the Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Additionally, if one of the Issuer's significant pieces of equipment were subject to recall, the image of that brand and the Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Issuer's products and could have a material adverse affect on the results of operations and financial condition of the Issuer and the Issuer post transaction. Additionally, product recalls may lead to increased scrutiny of the Issuer's operations by Transport Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

(xiv) Reliance on key inputs

The Issuer's business would be dependent on a number of key inputs and their related costs including materials and supplies related to its UAV operations. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Issuer. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Issuer might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Issuer in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Issuer.

(xv) Dependence on suppliers and skilled labour

The ability of the Issuer to compete and run its UAV business will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Issuer's capital expenditure program may be significantly greater than anticipated by the Issuer's management, and may be greater than funds available to the Issuer, in which circumstance the Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Issuer.

(xvi) Difficulty to forecast

The Issuer must rely largely on its own market research to forecast business as detailed forecasts are not generally obtainable from other sources at this early stage of the UAV industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Issuer.

(xvii) Operating risk and insurance coverage

The Issuer must have insurance to protect its assets, operations, and employees. While the Issuer would ensure that its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations, and financial condition could be materially adversely affected.

(xviii) Management of growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

(xix) Litigation

The Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Issuer becomes involved be determined against the Issuer such a decision c ould adversely affect its ability to continue operating and the market price for the Issuer post transaction common shares and could use significant Company resources. Even if the Issuer is involved in litigation and wins, litigation can redirect significant company resources.

(xx) The market price of the Issuer's common shares may be subject to wide price fluctuations

The market price of the Issuer's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Issuer and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Issuer post transaction and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Issuer's control In addition, stock markets have from time to time experienced extreme price and volume fluctuations, as well as general economic and political conditions which could adversely affect the market price of the Issuer's post transaction common shares.

(xxi) Dividends

The Issuer currently has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Any dividends that may be paid by the Issuer would be subject to tax and, potentially, withholdings.

(xxii) Environmental and employee health and safety regulations

The Issuer's operations will be subject to environmental and safety laws and regulations concerning, among other things, employee health and safety. The Issuer will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Issuer's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations, and financial condition of the Issuer.

18. Promoters

18.1 Promoters

During the two years immediately preceding the date of this document, the promoter of the Issuer has been and is as follows:

(a) and (b)

Name of Promoter	Number of shares	Percentage
Ian Foreman(1)	3,500,000	6.17%
Jason Springett (2)	4,745,000	8.37%
Don Shaxon(2)	3,981,400	7.02%

(1) Mr. Ian Foreman resigned as President and Director of the Issuer on March 2, 2016 and acts in the capacity of administrator for the Issuer on a consulting basis.

(2) Mrrs. Springett and Shaxon may be considered promoters of the Issuer in that they took the initiative to obtain various financings for the Issuer prior and after their election to the board of directors on March 2, 2016.

Prior to Mrrs. Springett and Shaxon the promoter of the Issuer was Mr. Ian Foreman who became a director and was appointed as President, Chief Executive Officer and Chairman of the Issuer on January 19, 2005 and subsequently resigned on March 2, 2016.

-Other than disclosed herein (monthly contract and stock options), there is nothing of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter(s) directly or indirectly from the Issuer or from a subsidiary of the Issuer, nor any assets, services or other consideration received or to be received by the Issuer or a subsidiary of the Issuer in return.

- Except as detailed below, no asset has been acquired, within the two years before the date of this document, or is to be acquired by the Issuer or by a subsidiary of the Issuer, from a promoter.

On November 10, 2015, the Issuer announced that it had signed a formal agreement to purchase Thor Pharma Ltd. from Shaxon Enterprises. Thor Pharma is based in Burlington Ontario and has an MMPR (Marijuana for Medical Purposes Regulations) application with Heath Canada.

The Issuer had the right to purchase Thor Pharma via an Assignment and Novation Agreement from Shaxon Enterprises by paying $1,000,000 and issuing 10,000,000 shares on a graduated basis as the Thor Pharma application moves through the licensing process with Health Canada. The Issuer had 30 days to make a $100,000 payment and issue 5,000,000 shares. Shaxon Enterprises will have a 10% royalty on net profits of Thor Pharma. The Assignment and Novation Agreement allows for the Issuer to assume the purchase of Thor Pharma for $1,500,000 from the underlying owners in staged payments that terminate on the third year anniversary of the issuance of a license from Health Canada.

The Issuer issued a total of 5,000,000 shares and paid $25,000 to Shaxon Enterprises. Shaxon Enterprises is owned 50% by Shaxon Enterprises and 19% by Jason Springett.

The Agreement to purchase Thor Pharma was subsequently terminated.

18.2 Corporate Cease Trade Orders or Bankruptcies

(1) Except as set forth below in 18.2(3) below, no promoter, while acting in the capacity as director, chief executive officer or chief financial officer of any person or company, within 10 years before the date of this document, was:

(a) subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

Don Shaxon, a director of the company, was the subject of bankruptcy proceedings in September of 2009. Mr. Shaxon was discharged from bankruptcy on the 26th day of June, 2011

(2) For the purposes of 18.2(1) above, “order” means:

(a) a cease trade order,

(b) an order similar to a cease trade order, or

(c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;

(3) While a director of the Issuer, Ian Foreman was a director of Golden Sun Mining Corp. that, pursuant to subsections 4.2(1)(j)(i) and 5.3(1)(c)(i) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101), was cease traded by the British Columbia Securities Commission on September 8, 2013 for failure to file an independent technical report supporting its disclosure of the mineral resource estimate and results of the PEA for its Cherry Hill Mine property.

(4) Not applicable

19. Legal Proceedings

19.1 Legal Proceedings

The Company is not currently a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

19.2 Regulatory Actions

Not applicable.

20. Interest of Management and Others in Material Transactions

20.1 Interest of Management and Others in Material Transactions

Except as detailed in sections 14.1 and 18.1, no director or executive officer of the Issuer or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Issuer’s outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of Company within the three years preceding the date of this document.

21. Auditors, Transfer Agents and Registrars

21.1 Auditor

SmytheRatcliffe
7th Floor – 355 Burrard Street,
Vancouver, British Columbia,
V6C 2G8

21.2 Transfer Agent and Registrar

Computershare Trust Company of Canada
510 Burrard Street, 3rd Floor
Vancouver, British Columbia,
V6C 3B9

22. Material Contracts

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Issuer within two years prior to the date hereof and which are currently in effect:

Foremost Management is a private company owned by Ian Foreman, the previous president of the Issuer. Foremost Management is paid $3,000 per month for administrative services to the Issuer.

The Issuer also rents office space from Foremost Management at a rate of $1,500 plus expenditures per month

Schindler and Company is a private accounting firm owned by the current Chief Financial Officer, Jennifer Schindler, and provides accounting services to the Issuer. Schindler and Company bills the Issuer on a quarterly basis.

Timeline Filing Services Ltd. is a private company owned by the Corporate Secretary, Laara Shaffer, and provides back office and corporate support services to the Issuer. Timeline Filing Services bills the Issuer a retainer of $1,500 per month with extra hours charged if a preset number of hours is surpassed.

Shaxon Enterprises is a private company owned by CEO and director, Don Shaxon, and the president and director, Jason Springett. Shaxon Enterprises is paid $10,500 per month for management services provided to the Issuer.

Gridline Financial Solutions Inc. is a private company owned by Mike McMillan, the Head of Business Development. Gridline Financial Solutions is paid $10,000 per month for management services provided to the Issuer.

23. Interest of Experts

No expert reports were relied upon in the creation of this document.

24. Other Material Facts

To the best of the Issuer's knowledge, there are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. Financial Statements

The following financial statements are available on SEDAR at www.sedar.com and on the Issuer's website at www.altavistaventures.ca, and are incorporated herein by reference:

(i) Annual audited consolidated financial statements of the Issuer including the auditor's report from SmytheRatcliffe, Chartered Accountants, for the financial year ended October 31, 2015;

(ii) Interim unaudited financial statements of the Issuer for the 2nd quarter ended April 30, 2016

(iii) Interim unaudited financial statements of the Issuer for the 3rd quarter ended July 31, 20016

Alta Vista Ventures Ltd.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ALTA VISTA VENTURES LTD.

We have audited the accompanying consolidated financial statements of Alta Vista Ventures Ltd., which comprise the consolidated statements of financial position as at October 31, 2015 and 2014, and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alta Vista Ventures Ltd. as at October 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Issuer's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 26, 2016

7th Floor 355 Burrard St
Vancouver, BC V6C 2G8

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ALTA VISTA VENTURES LTD.
(An Exploration Stage Company)
Consolidated Statements of Financial Position
Years Ended October 31
(Expressed in Canadian Dollars)

	2015	2014
ASSETS		
Current		
Cash	$ 2,534	$ 18,339
Amounts receivable (Note 4)	20,876	22,237
Marketable securities (Note 5)	9,675	4,938
Prepaid expenses	2,374	-
	35,459	45,514
Non-current		
Prepaid expenses	1,500	3,000
Oil and gas interest (Note 6)	-	9,000
Property, plant and equipment (Note 7)	6,193	15,778
Mineral property interests (Note 8)	-	46,002
	7,693	73,780
TOTAL ASSETS	$ 43,152	$ 119,294
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 9 and 11)	$ 726,621	$ 451,092
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 10)	14,499,595	14,448,820
Reserves	1,556,628	1,457,614
Accumulated deficit	(16,748,190)	(16,240,103)
Accumulated other comprehensive income	8,498	1,871
	(683,469)	(331,798)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	$ 43,152	$ 119,294

Approved by the Board:

"Ian Foreman" (signed)
……………………………………...… Director

"Ronald Shenton" (signed)
…………………………………...…… Director

ALTA VISTA VENTURES LTD.
(An Exploration Stage Company)
Consolidated Statements of Operations and Comprehensive Loss
Years Ended October 31
(Expressed in Canadian Dollars)

	2015	2014
Revenues		
Interest and miscellaneous	$ 1	$ 19
Oil and gas, net	269	2,121
	270	2,140
Operating Expenses		
Exploration expenditures, net of recoveries (Note 8)	119,025	180,664
Consultants' fees (Note 11)	169,522	103,616
Management fees (Note 11)	22,500	37,500
Accounting, audit and legal	44,973	65,858
Rent (Note 11)	18,000	5,932
Share-based compensation (Notes 10(f) and 11)	77,104	77,018
Office and miscellaneous	10,098	16,516
Regulatory fees	9,002	21,132
Depreciation	3,985	6,535
Transfer agent and listing fees	6,509	8,568
Investor relations and promotion	862	22,303
Telephone	890	2,257
Travel	2,854	5,674
	485,324	553,573
Write-down of mineral property interests (Note 8)	44,002	-
Write-off of accounts payable	(39,960)	-
Gain on disposal of property, plant and equipment	(695)	-
Foreign exchange loss (gain)	(7,130)	5,249
Gain on sale of marketable securities	(1,176)	(6,547)
Impairment loss on marketable securities	1,301	7,730
Write-down of oil and gas interests (Note 6)	9,000	24,611
Impairment of amounts receivable	17,691	40,967
	508,357	625,583
Net Loss for Year	508,087	623,443
Items of Comprehensive (Income) Loss		
Items that may be reclassified subsequently to profit or loss		
Unrealized (gain) loss on marketable securities	(6,502)	50,493
Transfer on sale of marketable securities	1,176	6,547
Transfer on impairment of marketable securities	(1,301)	(7,730)
Other Comprehensive (Income) Loss	(6,627)	49,310
Comprehensive Loss for Year	$ 501,460	$ 672,753

Loss per Share, Basic and Diluted	$ 0.05	$ 0.08
Weighted Average Number of Common Shares Outstanding	11,266,220	7,613,652

ALTA VISTA VENTURES LTD.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

			Reserves					
	Number of Shares	Share Capital	Equity Settled Share-based Payments	Warrants	Total	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Deficiency
Balance – October 31, 2014	**11,221,958**	**$ 14,448,820**	**$ 1,146,982**	**$ 310,632**	**$ 1,457,614**	**$ (16,240,103)**	**$ 1,871**	**$ (331,798)**
Net loss for the year	-	-	-	-	-	(508,087)	-	(508,087)
Items of other comprehensive income	-	-	-	-	-	-	6,627	6,627
Common shares issued in private placement (Note 10(c))	1,620,000	64,800	-	16,200	16,200	-	-	81,000
Share issue costs	-	(14,025)	-	5,710	5,710	-	-	(8,315)
Share-based compensation (Note 10(f)	-	-	77,104	-	77,104	-	-	77,104
Balance – October 31, 2015	**12,841,958**	**$ 14,499,595**	**$ 1,224,086**	**$ 332,542**	**$ 1,556,628**	**$ (16,748,190)**	**$ 8,498**	**$ (683,469)**
Balance – October 31, 2013	**4,481,958**	**$ 14,115,203**	**$ 1,069,964**	**$ 285,499**	**$ 1,355,463**	**$ (15,616,660)**	**$ 51,181**	**$ (94,813)**
Net loss for the year	-	-	-	-	-	(623,443)	-	(623,443)
Items of other comprehensive loss	-	-	-	-	-	-	(49,310)	(49,310)
Common shares issued in private placement (Note 10(c))	6,640,000	364,000	-	-	-	-	-	364,000
Exercise of warrants (Note 10(d))	100,000	7,500	-	-	-	-	-	7,500
Share issue costs	-	(37,883)	-	25,133	25,133	-	-	(12,750)
Share-based compensation (Note 10(f))	-	-	77,018	-	77,018	-	-	77,018
Balance – October 31, 2014	**11,221,958**	**$ 14,448,820**	**$ 1,146,982**	**$ 310,632**	**$ 1,457,614**	**$ (16,240,103)**	**$ 1,871**	**$ (331,798)**

ALTA VISTA VENTURES LTD.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years Ended October 31
(Expressed in Canadian Dollars)

	2015	2014
Operating Activities		
Net loss	$ (508,087)	$ (623,443)
Items not affecting cash		
Depreciation	3,985	6,535
Share-based compensation	77,104	77,018
Unrealized foreign exchange loss (gain)	9,242	(6,100)
Gain on disposition of capital assets	(695)	-
Gain on sale of marketable securities	(1,176)	(6,547)
Write-down of oil and gas interests	9,000	24,611
Write-down of mineral property interests	44,002	-
Impairment of amounts receivable	17,691	40,967
Impairment loss on marketable securities	1,301	12,033
Write-off of accounts payable	(39,960)	-
	(387,593)	(474,926)
Changes in non-cash working capital		
Amounts receivable	(17,005)	(2,939)
Prepaid expenses	(874)	(2,000)
Accounts payable and accrued liabilities	306,844	114,371
	288,965	109,432
Cash Used in Operating Activities	(98,628)	(365,494)
Investing Activities		
Recoveries on mineral property interests	2,000	-
Proceeds from (purchase of) property, plant and equipment	6,295	(1,551)
Proceeds on sale of marketable securities	1,763	24,864
Cash Provided by Investing Activities	10,058	23,313
Financing Activities		
Common shares issued for cash, net of share issue costs	72,685	358,750
Cash Provided by Financing Activities	72,685	358,750
Foreign Exchange Effect on Cash	80	(45)
Increase (Decrease) in Cash	(15,805)	16,524
Cash, Beginning of Year	18,339	1,815
Cash, End of Year	$ 2,534	$ 18,339

Alta Vista Ventures Ltd. (the “Company”) has acquired interests in mineral properties in Mexico and over the years has spent significant funds exploring these properties. However, subsequent to October 31, 2015, the Issuer entered into a letter of intent (“LOI”) (Note 16) to acquire Thor Pharma Ltd. (“Thor Pharma”) in order to acquire facilities for the production and sale of medical marijuana upon the issuance of a license by Health Canada. The Company also entered into a LOI to acquire RedeCan Pharm, a company holding a Marihuana for Medical Purposes Regulations (“MMPR”) cultivation and sales license. As a result the Issuer no longer intends to use its resources on its mineral exploration properties and wrote them down to $nil. As at October 31, 2015, the Issuer still has title to these properties.

The Company was incorporated under the laws of British Columbia. The Company’s principal and registered place of business is located at 459 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company has sustained recurring losses and negative cash flows from operations. As at October 31, 2015, the Issuer had cash of $2,534 (2014 - $18,339), working capital deficiency of $691,162 (2014 - $405,578) and an accumulated deficit of $16,748,190 (2014 - $16,240,103). The Company will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional funding through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

On May 9, 2014, the Issuer completed a 2:1 share consolidation, which converted 10,244,146 outstanding pre-consolidation shares to 5,122,073 outstanding post-consolidation shares. Unless otherwise noted, all references to number of shares, share purchase warrants and share options have been restated to reflect the share consolidation.

The ability of the Issuer to continue as a going concern and meet its commitments as they become due is dependent on the Issuer’s ability to obtain the necessary financing. Management is planning to raise additional capital to finance the acquisition described above, operations and expected growth. If the Issuer is unable to obtain additional financing, the Issuer will be unable to continue operations. There can be no assurance that management’s plans will be successful.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Issuer’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Issuer be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared and are presented in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and interpretations of the IFRS Interpretations Committee.

The consolidated financial statements were authorized for issue by the Board of Directors on February 26, 2016.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”) or available-for-sale (“AFS”), which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION (CONTINUED)

c) Foreign currencies

i) Presentation and functional currency

The presentation and functional currency of the Issuer and its subsidiary is the Canadian dollar.

ii) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains and losses arising on foreign currency translations are included in net loss for the year.

d) Significant accounting judgments and estimates

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

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

Useful life of property, plant and equipment
Property, plant and equipment are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property, plant and equipment at October 31, 2015 was $6,193 (2014 - $15,778).

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 Issuer's consolidated statement of operations and comprehensive loss. For the year ended October 31, 2015, the Issuer recognized share-based compensation of $77,104 (2014 - $77,018).

2. BASIS OF PRESENTATION (CONTINUED)

d) Significant accounting judgments and estimates (continued)

Critical judgments used in applying accounting policies

In the preparation of these 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 Issuer 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 Issuer 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 and recorded a write-down of $44,002 (2014 - $nil).

Impairment of marketable securities

At each reporting date, the Issuer 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 Issuer 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 Issuer recognizes an impairment, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired marketable securities, in profit or loss. Management has determined that there were indicators of impairment for its marketable securities and recorded a write-down of $1,301 (2014 - $7,730).

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 Issuer's ability to continue as a going concern and to raise sufficient funds to pay for 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.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

These consolidated financial statements include the accounts of the Issuer and its wholly-owned subsidiary, Minera AltaVista, S.A. de C.V. ("MAV"), a company incorporated under the laws of Mexico. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

All material intercompany transactions and balances, including unrealized income and expenses arising from intercompany transactions have been eliminated on consolidation.

b) Financial instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Issuer becomes a party to the contractual provisions of the financial instrument.

Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss for the period. Cash is included in this category of financial assets.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Other receivables are included in this category of financial assets.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Issuer's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss for the period. The Company has no assets classified as held-to-maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as AFS. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an AFS financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income and recognized in profit or loss for the period. The Company's marketable securities are classified as available-for-sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, other than those at FVTPL, are subject to review for impairment at each reporting date. Financial assets are considered impaired when there is objective evidence that a financial asset or a group of financial assets may not be recoverable. Different criteria to determine impairment are applied for each category of financial assets, which are disclosed above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments (continued)

Financial liabilities
The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss for the period.

Other financial liabilities - This category includes accounts payable and accrued Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate method.

c) Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated depreciation.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Material residual value estimates and estimates of useful life are updated annually.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of operations and comprehensive loss.

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

Depreciation is recorded on a declining basis at the following annual rates:

Vehicles	30%
Office equipment	10%
Computer software and equipment	45%

d) Mineral property interests

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis.

Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties, pursuant to the terms of the agreement. Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be technically feasible and commercially viable, capitalized costs for the property will be transferred to mining property and development assets. Prior to transfer the asset will be tested for impairment. The costs related to a property from which there is production will be depleted on a unit-of-production basis, using estimated proven and probable recoverable reserves as the depletion base.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Mineral property interests (continued)

Mineral properties acquired under an option agreement where payments are made at the sole discretion of the Issuer are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to operations. Option payments are at the discretion of the optionee, and accordingly, are accounted for when receipt is reasonably assured.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Issuer or its partners, when a property is abandoned or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral property interests is dependent on successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

e) Impairment of assets

At each financial position reporting date, the carrying amounts of the Issuer's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Issuer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of operations and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of operations and comprehensive loss.

f) Share capital

Common shares
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity.

Equity units
Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated on the residual value method; proceeds are allocated to the common shares up to their fair value, as determined by the current quoted trading price, and the balance, if any, to the reserve for warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Share-based compensation

The Company sometimes grants share-based awards to directors, officers, employees and consultants. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at the option's grant date, and the fair value of non-employee options is measured at the date or over the period during which goods or services are received. Options granted to non-employees are recorded at the fair value of goods or services received in the consolidated statement of operations and comprehensive loss. The fair value of the options granted to employees is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The fair value of each tranche of options granted, which do not vest immediately on grant, is recognized using the graded vesting method over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. If those options expire or are forfeited after vesting, the recorded value is transferred to deficit.

Share-based compensation expense is credited to the equity-settled share-based payment reserve. Their fair value is transferred from the reserve to share capital when the options are later exercised.

h) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the net loss attributable to common shareholders of the Issuer by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares; the effect of any anti-dilutive potential common shares are not taken into account in this calculation.

i) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

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. Temporary differences are not provided for on the initial recognition of assets or liabilities that affect neither accounting nor taxable loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Issuer does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Issuer intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to the passage of time is recognized as a finance cost.

k) Provision for asset retirement obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, or as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

l) 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, 2015. Management is assessing the effects of the future standards on its consolidated financial statements. All of the new and revised standards described below may be early-adopted.

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of **IFRS 9,** which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement**. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of **IFRS 9** introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under **IAS 39**; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**. The 2014 version of **IFRS 9** introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting**. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition**. The requirements for the derecognition of financial assets and liabilities are carried forward from **IAS 39**.

Applicable to the Issuer's annual period beginning on November 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) New accounting standards and interpretations not yet adopted (continued)

Offsetting Financial Assets and Financial Liabilities **(Amendments to IAS 32)**

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of “currently has a legally enforceable right of set-off”
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to the Issuer’s annual period beginning on November 1, 2015.

4. AMOUNTS RECEIVABLE

Amounts receivable are comprised of the following:

	2015	2014
Sales tax receivable	$ 15,922	$ 11,781
Other amounts receivable	4,954	10,456
Total amounts receivable	$ 20,876	$ 22,237

5. MARKETABLE SECURITIES

The Company holds marketable securities that are free-trading. Marketable securities are comprised of the following:

	2015		2014	
	Number of Shares	Fair Value	Number of Shares	Fair Value
Del Toro Silver Corp.	360,843	$ 8,498	360,843	$ 1,871
Sonora Resources Corp.	1,000,000	1,177	1,000,000	2,480
Hatch Interactive Technologies Corporation*	-	-	23,500	587
		$ 9,675		$ 4,938

* Hatch Interactive Technologies Corporation (formerly Tosca Mining Corp. (“Tosca”)) completed a 4:1 share consolidation on October 15, 2014. The number of shares above has been adjusted to reflect the share consolidation.

6. INVESTMENT IN OIL AND GAS INTEREST

During the year ended October 31, 2006, the Issuer 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 Issuer’s original investment, the interest was written down to $33,611. Given the decline in oil prices and reduction in oil reserves, revenues received from its investment were minimal during the year. During the year ended October 31, 2015, the Issuer considered the prevalent market conditions and recorded an impairment loss of $9,000 (2014 - $24,611) to reduce the carrying value to $nil (2014 - $9,000) measured using Level 3 of the fair value hierarchy. This reflects management’s estimate of the recoverable amount.

7. PROPERTY, PLANT AND EQUIPMENT

	Vehicles	Office Equipment	Computer Software and Equipment	Total
COST				
Balance, October 31, 2013	$ 14,472	$ 34,867	$ 24,820	$ 74,159
Additions	-	612	939	1,551
Balance, October 31, 2014	14,472	35,479	25,759	75,710
Disposals	(14,472)	(5,147)	-	(19,619)
Balance, October 31, 2015	$ -	$ 30,332	$ 25,759	$ 56,091
ACCUMULATED DEPRECIATION				
Balance, October 31, 2013	$ 8,444	$ 26,400	$ 18,553	$ 53,397
Depreciation	1,906	1,755	2,874	6,535
Balance, October 31, 2014	10,350	28,155	21,427	59,932
Depreciation	618	1,417	1,950	3,985
Disposals	(10,968)	(3,051)	-	(14,019)
Balance, October 31, 2015	$ -	$ 26,521	$ 23,377	$ 49,898
CARRYING AMOUNTS				
At October 31, 2014	$ 4,122	$ 7,324	$ 4,332	$ 15,778
At October 31, 2015	$ -	$ 3,811	$ 2,382	$ 6,193

8. MINERAL PROPERTY INTERESTS

The Company has accumulated the following acquisition expenditures:

	Carol-Balde	La Verde Grande	Dos Naciones	Total
Balance, October 31, 2013 and 2014	$ 46,000	$ 1	$ 1	$ 46,002
Recoveries	(2,000)	-	-	(2,000)
Write-down	(44,000)	(1)	(1)	(44,002)
Balance October 31, 2015	$ -	$ -	$ -	$ -

The Company incurred the following exploration expenditures, which were recognized in the consolidated statement of operations and comprehensive loss for the year ended October 31, 2015:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Orofino	Los Amoles	Apache	Total
Camp and exploration support	$ -	$ 59,513	$ -	$ -	$ 59,512	$ -	$ -	$ 119,025
Net expenditures for the year	$ -	$ 59,513	$ -	$ -	$ 59,512	$ -	$ -	$ 119,025

The Company incurred the following exploration expenditures, which were recognized in the consolidated statement of operations and comprehensive loss for the year ended October 31, 2014:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Orofino	Los Amoles	Apache	Total
Camp and exploration support	$ 6,827	$ 149,253	$ 1,646	$ 1,927	$ 54,904	$ 2,532	$ 1,265	$ 218,354
Drilling	-	1,497	-	-	-	-	-	1,497
Geological consulting	-	3,265	-	-	-	-	-	3,265
Geological fieldwork	533	28,594	-	67	734	67	67	30,062
Taxes	1,000	20,850	-	-	1,620	-	-	23,470
Travel	-	14,476	62	-	726	-	187	15,451
Total costs during the year	8,360	217,935	1,708	1,994	57,984	2,599	1,519	292,099
Recoveries	-	(111,435)	-	-	-	-	-	(111,435)
Net expenditures for the year	$ 8,360	$ 106,500	$ 1,708	$ 1,994	$ 57,984	$ 2,599	$ 1,519	$ 180,664

8. MINERAL PROPERTY INTERESTS (CONTINUED)

a) Urique Property, Mexico

On August 1, 2006, the Issuer entered into an option agreement with Exmin Resources Ltd. (“Exmin”) to acquire, in two stages, up to a 75% interest in ten mineral concessions in Chihuahua, Mexico. On April 6, 2009, the Issuer renegotiated the remaining commitments and acquired 100% of these concessions by paying US dollars (“US”) US$250,000 (paid), issuing 100,000 common shares (issued) and taking responsibility for accounts payable of US$148,000 arising from the optionor’s past expenditures on the project. Exmin retains a 2% net smelter return (“NSR”) royalty on these concessions.

The Company has separately divided the property based on the non-contiguous locations of the claims. The property consists of the following sub-divisions: San Pedro, Urique and Cuiteco.

During the year ended October 31, 2013, the Issuer considered the prevalent market conditions and the inability of the Issuer to raise financing to be indicators of impairment. As a result, the Issuer recorded an impairment of $599,835 relating to this property as at October 31, 2013 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

b) Carol-Balde Property, Mexico

On September 25, 2006, the Issuer entered into an assignment of option agreement with Minera Canamex S.A. de C.V. to acquire a 100% interest in the mineral claims. By an agreement dated January 31, 2008, the Issuer renegotiated the remaining commitments and acquired 100% ownership and property rights, subject to the 3% NSR royalty to the optionor, by making a cash payment of US$70,000 (paid) and issuing 28,000 common shares (issued).

On November 6, 2013, the Issuer entered into an option agreement with Tosca. The agreement allows Tosca to acquire a 100% interest in the Carol-Balde property. The Company received $5,000 and 37,500 shares of Tosca in the fiscal year ended October 31, 2013.

On November 6, 2014, the Issuer signed a Companion Agreement with Tosca extending the first anniversary of the Option Agreement to June 6, 2015. To keep the Agreement in good standing Tosca will have to keep the property in good standing, pay the Issuer $8,643 of exploration expenditures previously committed to the property in 2014, and make the first anniversary payment of $15,000 and the issuance of 150,000 shares. As of the issuance of these consolidated financial statements, these requirements have not been met. During the year ended October 31, 2015, the Issuer considered the prevalent market conditions and recorded an impairment loss of $44,000 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

c) Orofino Property, Mexico

The Company entered into an assignment of option agreement on nine concessions dated July 24, 2009. Under the terms of the option agreement, the Issuer could acquire a 100% interest for cash payments totaling $200,000 ($40,000 paid), issuing 100,000 common shares (30,000 issued) and paying taxes totaling Mexican pesos ("MXN") MXN 114,232 (paid). The Company paid an additional $10,000 for the extension of one payment.

By an amendment agreement dated April 18, 2011, the Issuer renegotiated the overall commitment and acquired the claims in consideration for 70,000 shares of the Issuer (issued).

The Company entered into an assignment of option agreement dated September 24, 2009 on an additional two concessions in the Orofino region. The Company subsequently amended the payment schedule, and under the terms of the revised option agreement, the Issuer may acquire a 100% interest in consideration of:

Cash payments totaling $200,000 as follows:

- $10,000 on or before January 9, 2010 (paid);
- $15,000 on or before July 9, 2010 (paid);
- $15,000 on or before November 25, 2011 (paid);
- $20,000 on or before May 25, 2012 (paid);
- $20,000 on or before November 25, 2012 (paid);
- $40,000 on or before May 25, 2013; and
- $80,000 on or before October 25, 2013.

Issuance of 100,000 common shares as follows:

- 10,000 common shares on or before January 9, 2010 (issued);
- 10,000 common shares on or before May 24, 2010 (issued);
- 10,000 common shares on or before July 9, 2011 (issued);
- 10,000 common shares on or before May 25, 2012 (issued);
- 10,000 common shares on or before November 25, 2012 (issued);
- 10,000 common shares on or before January 9, 2013 (issued); and
- 40,000 common shares on or before March 25, 2013.

As of February 2013, the Issuer and the owners of the concessions have agreed to suspend all consideration requirements until a mutually agreed upon future point in time. As such, the agreement is still in good standing.

During the year ended October 31, 2013, the Issuer considered the prevalent market conditions and the inability of the Issuer to raise financing to be indicators of impairment. As a result, the Issuer recorded an impairment of $132,265 relating to this property as at October 31, 2013 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

d) Realization of assets

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

e) Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Issuer's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on a property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Issuer.

f) Title to mineral property interests

Although the Issuer has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Issuer's title. Property title may be subject to unregistered prior agreements of transfers and title may be affected by undetected defects.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities were comprised of the following:

	2015	2014
Trade payables *	$ 614,021	$ 421,092
Accrued liabilities	31,000	30,000
Due to directors	81,600	-
Total accounts payable and accrued liabilities	$ 726,621	$ 451,092

*Included in trade payables is $97,067 owed to the Mexican Government for withholding taxes on salaries that were not remitted in prior years.

Subsequent to October 31, 2015, the Issuer repaid $155,815 of outstanding trade payables.

10. SHARE CAPITAL

a) Authorized
Unlimited number of common shares without par value

b) Share Consolidation
On May 9, 2014, the Issuer consolidated its outstanding share capital on a 2:1 basis. Upon consolidation, 10,244,146 pre-consolidation shares became 5,122,073 post-consolidation shares.
Loss per share, weighted average number of common shares outstanding, number of shares outstanding, share purchase warrants, and stock options have been restated to reflect this consolidation.

c) Issued

On October 22, 2015, the Issuer completed a private placement comprised of 1,620,000 units at a price of $0.05 per unit totalling $81,000. Each unit consists of one common share and one transferable warrant. Each warrant entitles the owner to purchase one additional common share of the Issuer at a price of $0.075 for a period of twelve months from the date of issuance of the warrant. The warrants will have an acceleration clause so that if after the hold period the shares in the Issuer trade at or above $0.12 for ten consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants. The Company issued 162,000 agent's warrants to Foremost Capital Inc.

10. SHARE CAPITAL (CONTINUED)

c) Issued (continued)

On October 10, 2014, the Issuer issued 100,000 shares upon the exercise of 100,000 warrants at a price of $0.075 per warrant, for total proceeds of $7,500.

On May 29, 2014, the Issuer completed a private placement comprised of 6,000,000 units at a price of $0.05 per unit, for gross proceeds of $300,000. Each unit consists of one common share and one share purchase warrant allowing the holder to purchase an additional common share at a price of $0.075 until May 30, 2015. The Company paid a total of $5,000 and issued 200,000 agent's warrants to Haywood Securities Inc. as finders' fees.

On December 11, 2013, the Issuer completed a private placement comprised of 640,000 units at a price of $0.10 per unit for proceeds of $64,000. Each unit consists of one common share and one common share purchase warrant allowing the holder to purchase an additional common share at a price of $0.15 until December 11, 2014 and at $0.20 until December 11, 2015. The Company paid a total of $2,500 and issued 25,000 finder's warrants, with the same terms as the common share purchase warrants, to Haywood Securities Inc. as finders' fees.

d) Share purchase warrants

At October 31, 2015, the Issuer had 665,000 warrants outstanding, with each warrant allowing the holder to purchase one common share at a price of $0.20 until December 11, 2015 (subsequently expired), 6,100,000 warrants outstanding with each warrant allowing the holder to purchase one common share at a price of $0.075 until May 30, 2016 (extended from its original expiration date of May 30, 2015 during the year ended October 31, 2015), and 1,782,000 warrants outstanding with each warrant allowing the holder to purchase one common share at a price of $0.075 until October 22, 2016 unless the accelerated clause is put into place. The acceleration clause states that if after the hold period the shares in the Issuer trade at or above $0.12 for 10 consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants.

A continuity schedule of outstanding common share purchase warrants for the years ended October 31, 2015 and October 31, 2014 is as follows:

	2015		2014	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning of year	6,765,000	$ 0.09	-	$ -
Issued	1,782,000	$ 0.08	6,865,000	$ 0.09
Exercised	-	$ -	(100,000)	$ 0.08
Outstanding, end of year	8,547,000	$ 0.09	6,765,000	$ 0.09

Subsequent to year-end, 2,870,000 warrants were exercised.

10. SHARE CAPITAL (CONTINUED)

e) Share options

A continuity schedule of outstanding share options for the years ended October 31, 2015 and October 31, 2014 is as follows:

	2015		2014	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning of year	1,127,500	$ 0.13	385,250	$ 0.46
Granted	1,490,000	$ 0.10	800,000	$ 0.105
Expired	-	$ -	(57,750)	$ 2.00
Cancelled	(395,000)	$ 0.14	-	$ -
Outstanding,end of year	2,222,500	$ 0.11	1,127,500	$ 0.13

As at October 31, 2015, the Issuer had share options outstanding and exercisable to acquire common shares of the Issuer as follows:

October 31, 2015

Expiry Date	**Options outstanding and exercisable**	**Exercise Price**	**Weighted average remaining contractual life (in years)**
June 3, 2017	700,000*	$ 0.105	
July 25, 2018	182,500**	$ 0.20	
January 8, 2018	150,000	$ 0.105	
August 6, 2018	1,000,000	$ 0.10	
October 2, 2018	190,000	$ 0.10	
	2,222,500	$ 0.11	2.26

* 75,000 subsequently exercised
** 37,500 subsequently exercised

As at October 31, 2014, the Issuer had share options outstanding and exercisable to acquire common shares of the Issuer as follows:

October 31, 2014

Expiry Date	**Options outstanding and exercisable**	**Exercise Price**	**Weighted average remaining contractual life (in years)**
June 3, 2017	800,000	$ 0.105	
July 25, 2018	327,500	$ 0.20	
	1,127,500	$ 0.13	2.92

10. SHARE CAPITAL (CONTINUED)

f) Share-based compensation

During the year ended October 31, 2015, 1,150,000 share options were granted (2014 - 800,000) to directors, officers and consultants. These options vest on grant date.

The fair value of share options granted and vested during the years ended October 31, 2015 and 2014 was recognised as share-based compensation in the consolidated statement of operations and comprehensive loss, and was allocated as follows:

	2015	2014
Management fees	$ -	$ 36,102
Consultants' fees	77,104	40,916
Total share-based compensation	$ 77,104	$ 77,018

The fair value of the options granted and agent's warrants issued during the year ended October 31, 2015 and 2014 was estimated using the Black-Scholes option pricing model based on the following weighted assumptions:

	2015	2014
Risk free interest rate	0.69%	1.60%
Expected annual volatility*	249.94%	175.27%
Expected life	3 years	3 years
Expected dividend yield	0.00%	0.00%
Exercise price	$0.101	$0.105
Share price	$0.05	$0.10

* Expected volatility has been based on historical volatility of the Issuer's publicly traded shares.

11. RELATED PARTY TRANSACTIONS

f) Management transactions

Management and consulting fees charged by companies controlled by officers and directors of the Issuer for the years ended October 31, 2015 and 2014 were as follows:

	2015			2014		
	Short-term employee benefits	Share-based payments	Total	Short-term employee benefits	Share-based payments	Total
Foremost Management Services Inc. (i)	$ 30,000	$ -	$30,000	$ 39,375	$ 28,890	$ 68,265
Foremost Geological Consulting (ii)	$ 28,500	$ -	$28,500	$ 74,550	$ -	$ 74,550
Timeline Filing Services Ltd. (iii)	$ 10,737	$ -	$10,737	$ 6,000	$ 7,220	$ 13,220
Schindler & Company (iv)	$ 20,512	$ -	$20,512	$ 20,321	$ 7,220	$ 27,541

11. RELATED PARTY TRANSACTIONS (CONTINUED)

a) Management transactions (continued)

(ix) Foremost Management Services Inc. is a private enterprise controlled by the Issuer's President and CEO. Included in accounts payable and accrued liabilities is amounts payable of $91,962 (2014 - $40,165).

(x) Foremost Geological Consulting is a private enterprise controlled by the Issuer's President and CEO. Included in accounts payable and accrued liabilities is amounts payable of $165,235 (2014 - $138,460).

(xi) Timeline Filing Services Ltd. is a private enterprise controlled by the Issuer's Corporate Secretary, Laara Shaffer. Included in accounts payable and accrued liabilities is amounts payable of $16,733 (2014 - $15,183).

(xii) Schindler & Company is a private enterprise controlled by the Issuer's CFO, Jennifer Schindler. Included in accounts payable and accrued liabilities is amounts payable of $30,392 (2014 - $18,854).

Rent expense of $18,000 (2014 - $790) was also charged by Foremost Management Services Inc. for the leasing of office premises.

b) Directors' transactions

During the year ended October 31, 2015, included in the $77,104 (2014 - $77,018) of share-based compensation recognized is $nil (2014 - $22,299) relating to director compensation.

c) Loans payable

Included in accounts payable and accrued liabilities are loans of $81,600 (2014 - $2,000) borrowed from the President and CEO of the Issuer and companies controlled by the President and CEO of the Issuer. The loans are non-interest-bearing and have repayment terms of one year from the date of deposit, ranging from May 26, 2015 to October 14, 2016. Loans that have become due are payable on demand.

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, mineral exploration and development.

The Company's non-current assets, excluding financial instruments, located in its geographic segments of Canada and Mexico, were as follows:

	2015	2014
Canada	$ 2,855	$ 4,869
Mexico	3,338	56,911
	$ 6,193	$ 61,780

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	2015	2014
Financial assets		
Fair value through profit or loss		
Cash	$ 2,534	$ 18,339
Loans and receivables		
Amounts receivable*	4,954	10,456
Available-for-sale		
Marketable securities	9,675	4,938
Investment in oil and gas interest	-	9,000
Total financial assets	$ 17,163	$ 42,733
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	$ 726,621	$ 451,092
Total financial liabilities	$ 726,621	$ 451,092

*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 Company's investment in oil and gas interest is valued at cost, as it does not have a quoted market price in an active market and the fair value cannot be reliably determined.

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 Company deposits substantially all of its cash at a Canadian chartered bank. The Company's amounts receivable consist primarily of Government Sales Tax receivable from the Canadian government and Value Added Tax receivable 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 Company manages liquidity risk through the management of its capital structure.

At October 31, 2015, the Issuer had cash in the amount of $2,534 (2014 - $18,339) and accounts payable and accrued liabilities of $726,621 (2014 - $451,092). Trade payables are due within twelve months of the financial position date.

The Company 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.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 Company is not exposed to significant interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is 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 and US dollars as follows:

	2015		2014	
	MXN	US	MXN	US
Cash	-	$ 51	44,235	$ 135
Amounts receivable	-	$ -	120,144	$ -
Accounts payable and accrued liabilities	(2,271,314)	$ -	(1,726,790)	$ -
Rate to convert $1 CAD	0.079	1.308	0.084	1.127

Based on the Issuer's net exposure, a 9% change (2014 - 7%) in the Canadian/Mexican peso exchange rate and a 16% change (2014 - 8%) 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 35% (2014 - 30%) change in the market prices would impact the Issuer's earnings by approximately $3,400 (2014 - $1,500). 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.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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. The Company had no Level 2 or 3 financial assets at October 31, 2015 or 2014. 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.

14. MANAGEMENT OF CAPITAL

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

The Company's capital consists of shareholders' equity.

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

To effectively manage its resources and minimize risk, the Issuer maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Issuer does not pay out dividends.

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

There have been no changes to the Issuer's approach to capital management during the year ended October 31, 2015.

15. INCOME TAXES

As at October 31, 2015, the Issuer has non-capital losses of approximately $5,772,000 and capital losses of $24,985; $4,240,000 of non-capital losses and all of the capital losses may be applied against future income for Canadian income tax purposes, and $1,532,000 of non-capital losses may be applied against future income for Mexican income tax purposes.

The potential future tax benefits of these losses have not been recorded in these financial statements. The capital losses may be carried forward indefinitely. The non-capital losses expire as follows:

2017	$	241,000
2018		517,000
2019		503,000
2022		39,000
2024		190,000
2026		462,000
2027		457,000
2028		598,000
2029		501,000
2030		547,000
2031		516,000
2032		304,000
2033		294,000
2034		310,000
2035		293,000
	$	5,772,000

The reconciliation of income taxes computed at statutory rates to the reported income tax provision is as follows:

		2015		2014
Loss before income taxes	$	508,087	$	623,443
Income tax at statutory rates		26.00%		26.00%
Expected income tax recovery		132,102		162,095
Difference between Canadian and foreign tax rates		1,653		7,225
Non-deductible expenses and other permanent differences		(33,184)		(19,996)
Other		2,950		-
Losses expired		(168,608)		(60,800)
Under/over provided in prior years		35,377		-
Impact of foreign exchange on tax assets and liabilities		(41,054)		30,370
Unused tax losses and tax offsets not recognized		70,764		(118,894)
Total income tax expense	$	-	$	-

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the consolidated statement of financial position items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

15. INCOME TAXES (CONTINUED)

The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements:

		2015		2014
Non-capital losses carried forward	$	5,771,849	$	5,595,630
Capital losses carried forward		24,985		41,196
Mineral property interests		4,486,639		4,657,449
Marketable securities		6,300		257,608
Investment in oil and gas interests		37,065		32,565
Share issuance costs		33,950		30,308
Equipment		62,023		56,466
	$	10,422,811	$	10,671,222

16. SUBSEQUENT EVENTS

On November 6, 2015, the Issuer completed a private placement consisting of 3,330,000 units at $0.05 per unit for total proceeds of $166,500. Each unit includes one transferable warrant, which is exercisable at a price of $0.075 until November 4, 2016. The warrants will have an acceleration clause such that if after the required hold period the shares in the Issuer trade at or above $0.12 for ten consecutive trading days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants. Finders' fees of $10,050 and 201,000 warrants to Foremost Capital Inc., $1,000 and 20,000 warrants to Wolverton Securities and $1,500 and 30,000 warrants to PI Financial were paid in association with this tranche.

The Company signed a formal agreement to purchase Thor Pharma. Thor Pharma has a license application with Health Canada for the production and sale of up to 10,000,000 grams of dried marijuana per year. The Company has the right to purchase Thor Pharma via an Assignment and Novation Agreement from Shaxon Enterprises by paying $1,000,000 and issuing 10,000,000 shares on a graduated basis as the Thor Pharma application moves through the licensing process with Health Canada. The Company had until December 18, 2015 to make a $100,000 payment ($25,000 paid) and issue 5,000,000 shares (issued). Shaxon Enterprises will have a 10% royalty on profits from Thor Pharma.

On January 28, 2016, the Issuer signed an amended LOI to purchase 90% of issued and outstanding shares of RedeCan Pharm, one of Canada's MMPR cultivation and sales licenses. The terms of the LOI requires the Issuer to pay RedeCan Pharm an aggregate $8,000,000 in cash and 9,000,000 shares. Upon signing the LOI, the Issuer has paid a non-refundable deposit of $100,000 and issued 2,000,000 shares to RedeCan Pharm. The remaining payments will be made in two stages: 1) the Issuer will purchase a minority interest of 20% on or before March 1, 2016 by paying $1,900,000 and issuing 2,000,000 shares; 2) the Issuer will purchase an additional 20% interest (for a total 40% interest) on or before September 1, 2016 by paying $2,000,000 and 2,000,000 shares; and 3) the Issuer will purchase an additional 50% (for a total 90% interest) on or before March 1, 2017 by paying $4,000,000 and issuing 3,000,000 shares.

In addition to the purchase price, the Issuer will pay a 2% royalty of the gross revenues to RedeCan Pharm on a quarterly basis to be paid 50% in cash and 50% in shares of the Issuer. The Company has agreed to pay a finders' fee to Shaxon Enterprises upon successful completion of this transaction.

16. SUBSEQUENT EVENTS (CONTINUED)

On January 25, 2016, the Issuer signed an engagement letter with Jacob Capital Management Inc. ("JCMI") for the purpose of completing the acquisition of RedeCan Pharm and expanding its operations. In consideration for acting as strategic advisor, the Issuer has issued JCMI 500,000 shares. An additional 1,000,000 shares will be issued March 6, 2016 and 2,500,000 shares will be issued to JCMI upon successful completion of the acquisition of RedeCan Pharm.

There were 2,400,000 options issued to various consultants and directors of the Issuer, with exercise prices ranging from $0.14 to $0.18. These options were fully vested and have a three-year term.

Alta Vista Ventures Ltd.

Condensed Consolidated Interim Financial Statements
For the Six Months Ended April 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Financial Position
As at April 30, 2016 and October 31, 2015
(Unaudited - Expressed in Canadian Dollars)

	April 30, 2016	October 31, 2015
ASSETS		
Current		
Cash and cash equivalents	$8,923	$ 2,534
Amounts receivable (Note 4)	44,796	20,876
Marketable securities (Note 5)	4,779	9,675
	58,498	33,085
Non-current		
Amounts receivable (Note 4)	-	-
Prepaid expenses	6,500	3,874
Investment in oil and gas interest (Note 6)	-	-
Investment in Thor Pharma (Note 8)	925,000	
Property, plant and equipment (Note 7)	5,001	6,193
Mineral property interests (Note 10)	-	-
	936,501	10,067
TOTAL ASSETS	$994,999	$43,152
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	$650,170	$ 726,621
Due to directors (Note 14)	81,910	-
	732,080	726,621
SHAREHOLDERS' EQUITY (DEFICIENCY		
Share capital (Note 12)	16,364,618	14,499,595
Reserves	1,879,578	1,556,628
Accumulated deficit	(17,989,493)	(16,748,190)
Accumulated other comprehensive loss	8,216	8,498
	262,919	(683,469)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$994,999	$ 43,152

Approved by the Board:

"Ian Foreman" (signed)
……………………………………...… Director
"David Hall" (signed)
…………………………………...…… Director

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the Three and Six Months Ended April 30, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		**Six Months Ended**	
	April 30, 2016	**April 30, 2015**	**April 30, 2016**	**April 30, 2015**
Operating Expenses				
Accounting, audit and legal	$ 24,399	$ 12,533	$ 30,399	$ 14,433
Consultants' fees	158,929	9,000	157,248	18,000
Depreciation	504	2,789	1,008	3,899
Exploration costs (Note 10)	4,042	31,787	11,955	78,886
Investor relations and promotion	-	154	-	554
Management fees	-	7,500	-	30,000
Office and miscellaneous	10,172	279	10,742	1,810
Regulatory fees	4,189	4,143	10,564	5,643
Rent	4,500	4,500	9,000	9,000
Share-based compensation (note 12(e))	149,600	-	497,950	29,370
Telephone	72	300	240	590
Transfer agent and listing fees	1,858	697	3,464	1,719
Travel	697	-	697	-
	358,962	73,682	733,267	193,904
Other (Income) Expenses				
Foreign exchange (gain) loss	(8,554)	(10,729)	(13,610)	(7,393)
Oil and gas income; net	-	(123)	-	(123)
Other income	-	(1)	-	(1)
Loss (Gain) on disposal of equipment	-	(3,424)	(918)	(2,372)
Realized loss (Gain) on sale of securities	-	-	2,702	(262)
Impairment on investment (Note 9)	-	-	519,862	-
Net Loss for Period	350,408	59,405	1,241,303	183,753
Other Comprehensive Loss				
Unrealized loss (gain) on marketable securities	555	(5,080)	282	(12,304)
Transfer on sale of marketable securities				
	555	(5,080)	282	(12,304)
Total Comprehensive Loss for the Period	$ 350,963	$ 54,325	$ 1,241,585	$ 171,449
Net Loss per Share; basic and diluted	$ (0.01)	$ (0.005)	$ (0.05)	$ (0.02)
Weighted Average Number of Common Shares Outstanding	23,527,505	11,221,958	23,527,505	11,221,958

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
For the Three and Six Months Ended April 30, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

			Reserves					
	Number of Shares	**Share Capital**	**Equity Settled Share-Based Payments**	**Warrants**	**Total**	**Accumulated Deficit**	**Accumulated Other Comprehensive Income**	**Total Shareholders' Equity (Deficiency)**
Balance – October 31, 2015	**12,841,958**	**$ 14,499,595**	**$ 1,224,086**	**$ 332,542**	**$ 1,556,628**	**$ (16,748,190)**	**$ 8,498**	**$ (683,469)**
Net loss for the period	-	-	-	-	-	(1,241,303)	-	(1,241,303)
Items of other comprehensive loss	-	-	-	-	-	-	(282)	(282)
Common Shares issued in private placement (note 12(c))	3,330,000	166,500	-	-	-	-	-	166,500
Exercise of warrants (Note 12(d))	3,220,000	241,500	-	-	-	-	-	241,500
Exercise of Options (Note 12(e))	112,500	15,375	-	-	-	-	-	15,375
Common shares issued for the purchase of RedeCan Pharm (note 9)	2,000,000	400,000	-	-	-	-	-	400,000
Common shares issued for the purchase of Thor Pharma (note 8)	5,000,000	900,000	-	-	-	-	-	900,000
Common shares issued for consulting services	1,500,000	175,000	-	-	-	-	-	175,000
Options issued for compensation (note 10(e))			322,950	-	-	-	-	322,950
Share issue costs	-	(33,352)	-	-	-	-	-	(33,352)
Balance – April 30, 2016	**28,004,458**	**$16,364,618**	**$1,547,036**	**$332,542**	**$1,879,578**	**$(17,989,493)**	**$8,216**	**$262,919**

Balance – October 31, 2014	**11,221,958**	**$ 14,448,820**	**$ 1,146,982**	**$ 310,632**	**$ 1,457,614**	**$ (16,240,103)**	**$ 1,871**	**$ (331,798)**
Net loss for the period	-	-	-	-	-	(183,753)	-	(183,753)
Items of other comprehensive loss	-	-	-	-	-	-	12,304	12,304
Share-based compensation	-	-	29,370	-	29,370	-	-	29,370
Balance – April 30, 2015	**11,221,958**	**$ 14,448,820**	**$ 1,176,352**	**$ 310,632**	**$ 1,486,984**	**$ (16,423,856)**	**$ 14,175**	**$ (473,877)**

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Cash Flows
For the Three and Six Months Ended April 30, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	April 30, 2016	**April 30, 2015**	**April 30, 2016**	**April 30, 2015**
Operating Activities				
Net income (loss)	$ (350,408)	$ (59,405)	$ (1,241,303)	$ (183,753)
Items not affecting cash				
Depreciation	504	2,789	1,007	3,899
Loss on sale of marketable securities	-	-	2,702	(262)
Recovery on property taxes	-	-	519,862	-
Share-based compensation	149,600	-	322,950	29,370
Consulting fees paid with shares	80,000	-	175,000	-
Loss (gain on sale of equipment)	-	(3,423)	(918)	(2,372)
Operating Cash Flow	(120,304)	(60,039)	(220,700)	(153,118)
Changes in Non-Cash Working Capital				
Accounts receivable	(11,522)	1,219	(23,920)	2,122
Prepaid expenses	(5,000)		(2,626)	1,500
Accounts payable and accrued liabilities	92,014	21,266	5,150	70,283
	75,492	22,485	(21,396)	73,905
Cash Used in Operating Activities	(44,812)	(37,554)	(242,096)	(79,213)
Investing Activities				
Proceeds on sale of marketable securities	-	-	1,912	1,670
(Purchase) sale of property, plant and equipment	-	5,247	1,102	5,247
Proceeds from option of mineral property interests	-	2,000	-	2,000
Investment in Thor Pharma (note 8)		-	(25,000)	-
Investment in RedeCan Pharma (note 9)	-	-	(119,862)	-
Cash Provided by Investing Activities	-	7,247	(141,848)	8,917
Financing Activity				
Due to directors	310	22,500	310	54,500
Proceeds from issuance of common shares, net of share issue costs	34,125	-	390,023	-
Cash Provided by Financing Activities	34,435	22,500	390,333	54,500
Increase in Cash and cash equivalents	(10,378)	(7,807)	6,389	(15,796)
Cash and cash equivalents, Beginning of Period	19,301	10,350	2,534	18,339
Cash and cash equivalents, End of Period	$ 8,923	$ 2,543	$ 8,923	$ 2,543

1. NATURE OF OPERATIONS AND GOING-CONCERN

Alta Vista Ventures Ltd. (the "Company") has acquired interests in mineral properties in Mexico and over the years has spent significant funds exploring these properties. During the six months ended April, 2016, the Issuer entered into an agreement to acquire Thor Pharma Ltd. ("Thor Pharma") an early stage applicant for a Marijuana for Medicinal Purposes Regulations ("MMPR") licence by Health Canada. The Company also entered into an LOI, that was subsequently cancelled, to acquire RedeCan Pharm, a company holding a MMPR cultivation and sales licence. As a result, 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. As at April 30, 2016, the Issuer still has title to these properties.

The Company was incorporated under the laws of British Columbia. The Company's principal and registered place of business is located at 459 - 409 Granville St. Vancouver, B.C., Canada, V6C 1T2.

At April 30, 2016, the Issuer had a working capital deficiency of $673,582 (October 31, 2015: deficiency of $691,162) and an accumulated deficit of $17,989,493 (October 31, 2015: $16,748,190). The Company will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional funding through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available. Subsequent to the end of the quarter $228,100 of debt has been paid.

The ability of the Issuer to continue as a going concern and meet its commitments as they become due is dependent on the Issuer's ability to obtain necessary financing. Management is planning to raise additional capital to finance the acquisitions described above, operations and expected growth. If the Issuer is unable to obtain additional financing, the Issuer will be unable to continue operations. There can be no assurance that management's plans will be successful.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Issuer's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Issuer be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance and conversion to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Condensed Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit and loss or available for sale, which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

2. BASIS OF PREPARATION (continued)

c) Foreign currencies

i) Presentation and functional currency

The presentation and functional currency of the Issuer and its subsidiary is the Canadian dollar.

ii) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains and losses arising on foreign currency translations are included in net loss for the period.

d) Significant accounting judgments and estimates

The preparation of the condensed consolidated interim 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 condensed consolidated interim financial statements also requires management to exercise judgment in the process of applying the accounting policies.

<u>*Critical accounting estimates*</u>

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:

Impairment of assets

When there are indications that an asset may be impaired, the Issuer 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. Determining the value in use requires the Issuer to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the three months ended April 30, 2016 (three months ended April 30, 2015 – $nil).

Useful life of property, plant and equipment

Property, plant and equipment is depreciated over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property, plant and equipment at April 30, 2016 was $5,001 (October 31, 2015 - $6,193).

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 Issuer's condensed consolidated interim statement of operations and comprehensive loss. For the six months ended April 30, 2016 the Issuer recognized share-based compensation of $497,950 (April 30, 2015 - $nil).

<u>*Critical judgements used in applying accounting policies*</u>

In the preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements.

2. BASIS OF PREPARATION (continued)

d) Significant accounting judgments and estimates (continued)

Impairment of assets
When there are indications that an asset may be impaired, the Issuer 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 Issuer to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. Based on these criteria, Management has determined that a write-down of the Issuer's investment in RedeCan Pham was required during the six months ended April 30, 2016 in the amount of $519,862 (April 30, 2015: $nil)

Impairment of marketable securities
At each reporting date, the Issuer 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 Issuer 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 Issuer recognizes an impairment, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired marketable securities, and recorded a write-down of $555 (April 30, 2015: ($5,080) (unrealized gain)).

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 condensed consolidated interim financial statements.

Going concern
The assessment of the Issuer's ability to continue as a going concern and to raise sufficient funds to pay for 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.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Issuer and its wholly owned subsidiary Minera AltaVista, S.A. de C.V. ("MAV"), a company incorporated under the laws of Mexico, hereinafter collectively referred to as the "Company".

All material intercompany transactions and balances, including unrealised income and expenses arising from intercompany transactions have been eliminated on consolidation.

b) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Issuer becomes a party to the contractual provisions of the financial instrument.

Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments (continued)

Fair value through profit or loss (FVTPL) - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss for the period.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Financial assets (continued)
Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Issuer's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss for the period.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss for the period.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, other those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are disclosed above.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss for the period.

Other financial liabilities: This category includes accounts payables and accrued liabilities and exploration advances. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

d) Property, plant and equipment

Property, plant and equipment ("PPE") is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated on a declining balance basis at the following annual rates, when they become available for use:

Vehicles	30%
Office Equipment	20%
Computer software and equipment	45%

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Material residual value estimates and estimates of useful life are updated as required (but at least annually).

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the condensed consolidated statement of operations and comprehensive loss.

The Company compares the carrying value of PPE to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

d) Mineral property interests

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties, pursuant to the terms of the agreement. Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be technically feasible and commercially viable, capitalized costs for the property will be transferred to mining property and development assets. Prior to transfer the asset will be tested for impairment. The costs related to a property from which there is production will be depleted on a unit-of-production basis, using estimated proven and probable recoverable reserves as the depletion base.

Mineral properties acquired under an option agreement where payments are made at the sole discretion of the Issuer are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to operations. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Issuer or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral property interests is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Impairment of assets

At each financial position reporting date, the carrying amounts of the Issuer's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Issuer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statement of operations and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statement of operations and comprehensive loss.

f) Share capital

Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity Units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated on the residual value method; proceeds are allocated to the common shares up to their fair value, as determined by the current quoted trading price, and the balance, if any, to the reserve for warrants.

g) Share-based payments

The Company sometimes grants share-based awards to directors, officers, employees and consultants. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at the option's grant date, and the fair value of non-employee options is measured at the date or over the period during which goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The fair value of each tranche of options granted which do not vest immediately on grant, is recognized using the graded vesting method over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. If those options expire or are forfeited after vesting, the recorded value is transferred to retained earnings (accumulated deficit).

Share-based compensation expense is credited to the equity settled share-based payment reserve. Their fair value is transferred from the reserve to share capital when the options are later exercised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the net loss attributable to common shareholders of the Issuer by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares; the effect of any anti-dilutive potential common shares are not taken into account in this calculation

i) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

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. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable loss is not provided for. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Issuer does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Issuer intends to settle its current tax assets and liabilities on a net basis.

j) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to the passage of time is recognized as a finance cost.

k) Provision for Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, or as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Comparatives

Certain comparative figures have been reclassified in order to conform to the current year's financial statement presentation.

m) New accounting standards and interpretations not yet adopted

This is a finalized version of **IFRS 9,** which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement**. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of **IFRS 9** introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under **IAS 39**; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**. The 2014 version of **IFRS 9** introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting**. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition**. The requirements for the derecognition of financial assets and liabilities are carried forward from **IAS 39**.

Applicable to the Issuer’s annual period beginning on November 1, 2018.

4. AMOUNTS RECEIVABLE

Amounts receivable were comprised of the following:

	April 30, 2016	October 31, 2015
Current:		
Sales tax receivable	**$ 39,922**	$ 15,922
Other amounts receivable	**4,874**	4,954
Total amounts receivable	**44,796**	20,876

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES

The Company holds marketable securities that are restricted, held in escrow and free-trading. All marketable securities subject to restriction and with escrow terms of less than one year from the balance sheet dates are included in current assets, and are valued at cost.

	April 30, 2015		October 31, 2015	
	Number of shares	**Fair Value**	Number of shares	Fair Value
Del Toro Silver Corp.	**300,843**	**$ 3,775**	360,843	8,498
Sonora Resources Corp.	**1,000,000**	**1,004**	1,000,000	1,177
	1,300,843	**$ 4,779**	1,360,843	$ 9,675

6. INVESTMENT IN OIL AND GAS INTEREST

During the year ended October 31, 2006, the Issuer acquired, for investment purposes, a 2.78% (one-half unit) interest in an oil and gas joint venture for cash consideration of $52,598, at cost. The joint venture has an interest in two producing oil and gas wells located in Texas and Louisiana, United States. Subsequent to the Issuer's original investment, the interest was written down to $33,611. Given the decline in oil prices and reduction in oil reserves, revenues received from its investment were minimal during the year. During the year ended October 31, 2015, the Issuer considered the prevalent market conditions and recorded an impairment loss of $9,000 (2014 - $24,611) to reduce the carrying value to $nil (2014 - $9,000) measured using Level 3 of the fair value hierarchy. This reflects management's estimate of the recoverable amount.

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Vehicles	Office Equipment	Computer software and equipment	Total
COST				
Balance, October 31, 2014	$ 14,472	$ 35,479	$ 25,759	$ 75,710
Additions	(14,472)	(5,147)	-	(19,619)
Balance, October 31, 2015	-	30,332	25,759	56,091
Additions/(dispositions)	-	-	(2,597)	(2,597)
Balance, April 30, 2016	-	30,332	23,162	53,494
ACCUMULATED DEPRECIATION				
Balance, October 31, 2014	10,350	28,155	21,427	53,397
Depreciation	618	1,417	1,950	3,985
Disposals	(10,968)	(3,051)	-	(14,019)
Balance, October 31, 2015	-	26,521	23,377	49,898
Depreciation	-	513	495	1,008
Disposals	-	-	(2,413)	(2,413)
Balance, April 30, 2016	-	27,034	21,459	48,493
CARRYING AMOUNTS				
At October 31, 2014	4,122	7,324	4,332	15,778
At October 31, 2015	-	3,811	2,382	6,193
At April 30, 2016	**$ -**	**$ 3,298**	**$1,703**	**$ 5,001**

8. INVESTMENT IN THOR PHARMA

The Company signed a formal agreement to purchase Thor Pharma. Thor Pharma has an early stage license application with Health Canada for the production and sale of up to 10,000,000 grams of dried marijuana per year. The Company has the right to purchase Thor Pharma via an Assignment and Novation Agreement from Shaxon Enterprises by paying $1,000,000 and issuing 10,000,000 shares on a graduated basis as the Thor Pharma application moves through the licensing process with Health Canada. The Company had until December 18, 2015 to make a $100,000 payment ($25,000 paid) and issue 5,000,000 shares (issued). Shaxon Enterprises will have a 10% royalty on profits from Thor Pharma.

This investment will be accounted for on a cost-basis until such time as the Issuer completes its acquisition and controls Thor Pharma.

(Expressed in Canadian Dollars)

9. INVESTMENT IN REDECAN PHARM

On January 28, 2016, the Issuer signed an amended LOI to purchase 90% of issued and outstanding shares of RedeCan Pharm, one of Canada's MMPR cultivation and sales licenses. The terms of the LOI requires the Issuer to pay RedeCan Pharm an aggregate $8,000,000 in cash and 9,000,000 shares. Upon signing the LOI, the Issuer has paid a non-refundable deposit of $100,000 and issued 2,000,000 shares to RedeCan Pharm. The remaining payments will be made in two stages: 1) the Issuer will purchase a minority interest of 20% on or before March 1, 2016 by paying $1,900,000 and issuing 2,000,000 shares; 2) the Issuer will purchase an additional 20% interest (for a total 40% interest) on or before September 1, 2016 by paying $2,000,000 and 2,000,000 shares; and 3) the Issuer will purchase an additional 50% (for a total 90% interest) on or before March 1, 2017 by paying $4,000,000 and issuing 3,000,000 shares.

In addition to the purchase price, the Issuer will pay a 2% royalty of the gross revenues to RedeCan Pharm on a quarterly basis to be paid 50% in cash and 50% in shares of the Issuer. The Company had agreed to pay a finders' fee to Shaxon Enterprises upon successful completion of this transaction, which was not paid given the termination of the deal.

On January 25, 2016, the Issuer signed an engagement letter with Jacob Capital Management Inc. ("JCMI") for the purpose of completing the acquisition of RedeCan Pharm and expanding its operations. In consideration for acting as strategic advisor, the Issuer has issued JCMI 500,000 shares. An additional 1,000,000 shares were issued March 6, 2016 and 2,500,000 shares will be issued to JCMI upon successful completion of the acquisition of RedeCan Pharm.

The Company failed to make the $1,900,000 payment due to Redecan under the terms of the LOI, and the LOI was terminated. As a result, an impairment of $519,862 was recorded on the investment on January 31, 2016.

10. MINERAL PROPERTY INTERESTS

The Company has accumulated the following acquisition expenditures:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Total
Balance, October 31, 2014	$ -	$ 46,000	$ 1	$ 1	$ 46,000
Recoveries	-	(2,000)	-	-	(2,000)
Mineral interests written down	-	(44,000)	(1)	(1)	(46,000)
Net additions during the year	-	-	-	-	-
Balance, October 31, 2015	-	-	-	-	-
Acquisition costs during the year	-	-	-	-	-
Net additions during the period	-	-	-	-	-
Balance, April 30, 2016	**$ -**	**$ -**	**$ -**	**$ -**	**$-**

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (CONTINUED)

The Company incurred the following exploration expenditures, which were recognized in the statement of operations and comprehensive loss for the six months ended April 30, 2016:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Oro Fino	Apache	Other Properties	Total
Camp and exploration support	$ -	$ 5,977	$ -	$ -	$ 5,978	$ -	$ -	$ 11,955
Total costs during the period	-	5,977	-	-	5,978	-	-	11,955
Recoveries	-	-	-	-	-	-	-	-
Net expenditures for the period	**$ -**	**$ 5,977**	**$ -**	**$ -**	**$ 5,978**	**$ -**	**$ -**	**$ 11,955**

The Company incurred the following exploration expenditures, which were recognized in the statement of operations and comprehensive loss for the six months ended April 30, 2015:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Oro Fino	Apache	Other Propertie s	Total
Camp and exploration support	$ -	$ -	$ -	$ -	$ 78,886	$ -	$ -	$ 78,886
Total costs during the period	-	-		-	78,886	-	-	78,886
Recoveries	-	-	-	-	-	-	-	-
Net expenditures for the period	**$ -**	**$ -**	**$ -**	**$ -**	**$ 78,886**	**$ -**	**$ -**	**$ 78,886**

10. MINERAL PROPERTY INTERESTS (CONTINUED)

Urique Property, Mexico

On August 1, 2006, the Issuer entered into an option agreement with Exmin Resources Ltd. ("Exmin") to acquire, in two stages, up to a 75% interest in ten mineral concessions in Chihuahua, Mexico. On April 6, 2009, the Issuer renegotiated the remaining commitments and acquired 100% of these concessions by paying US dollars ("US") US$250,000 (paid), issuing 100,000 common shares (issued) and taking responsibility for accounts payable of US$148,000 arising from the optionor's past expenditures on the project. Exmin retains a 2% net smelter return ("NSR") royalty on these concessions.

The Company has separately divided the property based on the non-contiguous locations of the claims. The property consists of the following sub-divisions: San Pedro, Urique and Cuiteco.

During the year ended October 31, 2013, the Issuer considered the prevalent market conditions and the inability of the Issuer to raise financing to be indicators of impairment. As a result, the Issuer recorded an impairment of $599,835 relating to this property as at October 31, 2013 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

b) Carol-Balde Property, Mexico

On September 25, 2006, the Issuer entered into an assignment of option agreement with Minera Canamex S.A. de C.V. to acquire a 100% interest in the mineral claims. By an agreement dated January 31, 2008, the Issuer renegotiated the remaining commitments and acquired 100% ownership and property rights, subject to the 3% NSR royalty to the optionor, by making a cash payment of US$70,000 (paid) and issuing 28,000 common shares (issued).

On November 6, 2013, the Issuer entered into an option agreement with Tosca. The agreement allows Tosca to acquire a 100% interest in the Carol-Balde property. The Company received $5,000 and 37,500 shares of Tosca in the fiscal year ended October 31, 2013.

On November 6, 2014, the Issuer signed a Companion Agreement with Tosca extending the first anniversary of the Option Agreement to June 6, 2015. To keep the Agreement in good standing Tosca will have to keep the property in good standing, pay the Issuer $8,643 of exploration expenditures previously committed to the property in 2014, and make the first anniversary payment of $15,000 and the issuance of 150,000 shares. As of the issuance of these consolidated financial statements, these requirements have not been met. During the year ended October 31, 2015, the Issuer considered the prevalent market conditions and recorded an impairment loss of $44,000 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

10. MINERAL PROPERTY INTERESTS (CONTINUED)

c) Orofino Property, Mexico

The Company entered into an assignment of option agreement on nine concessions dated July 24, 2009. Under the terms of the option agreement, the Issuer could acquire a 100% interest for cash payments totaling $200,000 ($40,000 paid), issuing 100,000 common shares (30,000 issued) and paying taxes totaling Mexican pesos ("MXN") MXN 114,232 (paid). The Company paid an additional $10,000 for the extension of one payment.

By an amendment agreement dated April 18, 2011, the Issuer renegotiated the overall commitment and acquired the claims in consideration for 70,000 shares of the Issuer (issued).

The Company entered into an assignment of option agreement dated September 24, 2009 on an additional two concessions in the Orofino region. The Company subsequently amended the payment schedule, and under the terms of the revised option agreement, the Issuer may acquire a 100% interest in consideration of:
Cash payments totaling $200,000 as follows:

- $10,000 on or before January 9, 2010 (paid);
- $15,000 on or before July 9, 2010 (paid);
- $15,000 on or before November 25, 2011 (paid);
- $20,000 on or before May 25, 2012 (paid);
- $20,000 on or before November 25, 2012 (paid);
- $40,000 on or before May 25, 2013; and
- $80,000 on or before October 25, 2013.

Issuance of 100,000 common shares as follows:

- 10,000 common shares on or before January 9, 2010 (issued);
- 10,000 common shares on or before May 24, 2010 (issued);
- 10,000 common shares on or before July 9, 2011 (issued);
- 10,000 common shares on or before May 25, 2012 (issued);
- 10,000 common shares on or before November 25, 2012 (issued);
- 10,000 common shares on or before January 9, 2013 (issued); and
- 40,000 common shares on or before March 25, 2013.

As of February 2013, the Issuer and the owners of the concessions have agreed to suspend all consideration requirements until a mutually agreed upon future point in time. As such, although the consideration requirements for 2013 have not been met, the agreement is still in good standing.

During the year ended October 31, 2013, the Issuer considered the prevalent market conditions and the inability of the Issuer to raise financing to be indicators of impairment. As a result, the Issuer recorded an impairment of $132,265 relating to this property as at October 31, 2013 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (CONTINUED)

i) Realization of assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Issuer's assets. Realization of the Issuer's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

j) Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Issuer's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on a property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Issuer.

k) Title to mineral property interests

Although the Issuer has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Issuer's title. Property title may be subject to unregistered prior agreements of transfers and title may be affected by undetected defects.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities were comprised of the following:

	April 30, 2016	October 31, 2015
Trade payables	**$ 613,170**	$ 614,021
Accruals	**37,000**	31,000
Due to directors	**81,910**	81,600
Total accounts payable and accrued liabilities	**$ 732,080**	$ 726,621

12. SHARE CAPITAL

f) Authorized

Unlimited number of common shares without par value

g) Issued

On April 14, 2016 100,000 warrants were exercised by a shareholder at $0.075 for total proceeds of $7,500.

On April 8, 2016 1,000,000 shares were issued for services rendered by Jacob Capital Management at a deemed price of $0.08 per share for total proceeds of $80,000.

On March 16, 2016 200,000 warrants were exercised by a shareholder at $0.075 for total proceeds of $15,000.

On March 11, 2016 50,000 warrants were exercised by a shareholder at $0.075 for total proceeds of $3,750.

On February 4, 2016 75,000 options were exercised by a shareholder at $0.105 for total proceeds of $7,875.

On January 25, 2016 500,000 warrants were issued to Jacob Management Inc. at a fair market value of $0.19 totalling $95,000 to reimburse them for consulting services provided in connection with The Companies purchase of RedeCan Pharm.

On January 25, 2016, 50,000 warrants were exercised by shareholders at $0.075 for total proceeds of $3,750.

On January 18, 2016, 37,500 options were exercised at $0.20 for total proceeds of $7,500.

Between the dates of December 07, 2015 and January 12, 2016 2,100,000 warrants were exercised at $0.075 to various warrant holders for total proceeds of $157,500.

On November 30, 2015, the Issuer issued 2,000,000 shares to RedeCan Pharm at a fair market value of $0.20 totalling $400,000 to satisfy the first requirement of 3 as stated in the LOI in the November 27, 2015 news release.

On November 27, 2015, the Issuer issued 5,000,000 at a fair market value of $0.18 totalling $900,000 to satisfy the first purchase requirement per the LOI included in the November 10, 2015 news release.

Between the dates of November 12, 2015 and November 25, 2015 720,000 warrants were exercised at $0.075 to various warrant holders for proceeds of $54,000.

On November 4, 2015, the Issuer completed a private placement comprised of 3,330,000 units at a price of $0.05 per unit totalling $166,500. Each unit consists of one common share and one transferable warrant. Each warrant entitles the owner to purchase one additional common share of the Issuer at a price of $0.075 for a period of twelve months from the date of issuance of the warrant. The warrants will have an acceleration clause so that if after the hold period the shares in the Issuer trade at or above $0.12 for ten consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants. The Company issued 201,500 agent’s warrants to Foremost Capital Inc, 20,000 agent’s warrants were issued to Wolverton Securities and 30,000 agent’s warrants were issued to PI Financial.

On October 22, 2015, the Issuer completed a private placement comprised of 1,620,000 units at a price of $0.05 per unit totalling $81,000. Each unit consists of one common share and one transferable warrant. Each warrant entitles the owner to purchase one additional common share of the Issuer at a price of $0.075 for a period of twelve months from the date of issuance of the warrant. The warrants will have an acceleration clause so that if after the hold period the shares in the Issuer trade at or above $0.12 for ten consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants. The Company issued 162,000 agent's warrants to Foremost Capital Inc.

On October 22, 2015, the Issuer completed a private placement comprised of 1,620,000 units at a price of $0.05 per unit totalling $81,000. Each unit consists of one common share and one transferable warrant. Each warrant entitles the owner to purchase one additional common share of the Issuer at a price of $0.075 for a period of twelve months from the date of issuance of the warrant. The warrants will have an acceleration clause so that if after the hold period the shares in the Issuer trade at or above $0.12 for ten consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants. The Company issued 162,000 agent's warrants to Foremost Capital Inc.

h) Share purchase warrants

At April 30, 2016, the Issuer had 8,243,500 warrants outstanding of which 2,880,000 of them expire May 20, 2016 (subsequently expired) and contained the characteristics as noted below. The remaining; 1,782,000 warrants outstanding with each warrant allowing the holder to purchase one common share at a price of $0.075 until October 22, 2016 and 3,581,500 warrants allowing the holder to purchase one common share at a price of $0.075 until November 3, 2016 unless the accelerated clause is put into place. The acceleration clause states that if after the hold period the shares in the Issuer trade at or above $0.12 for 10 consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants.

At October 31, 2015, the Issuer had 665,000 warrants outstanding, with each warrant allowing the holder to purchase one common share at a price of $0.20 until December 11, 2015 at a price of 0.20 until December 11, 2015, and 6,100,000 warrants outstanding with each warrant allowing the holder to purchase one common share at a price of $0.075 until May 30, 2016 (extended from its original expiration date of May 30, 2015 during the year ended October 31, 2015), and 1,782,000 warrants outstanding with each warrant allowing the holder to purchase one common share at a price of $0.075 until October 22, 2016 unless the accelerated clause is put into place. The acceleration clause states that if after the hold period the shares in the Issuer trade at or above $0.12 for 10 consecutive days, the Issuer may give notice to the warrant holders that they have 30 days to exercise the warrants.

A continuity schedule of outstanding common share purchase warrants for the three months ended April 30, 2016 and the year ended October 31, 2015 is as follows:

	April 30, 2016		October 31, 2015	
	Number outstanding	**Weighted average exercise price**	Number outstanding	Weighted average exercise price
Outstanding, beginning of the year	**8,547,000**	**$ 0.09**	6,765,000	$ 0.09
Issued	**3,581,500**	**0.08**	1,782,000	$ 0 .08
Expired	**(665,000)**	**0.11**	-	-
Exercised	**(3,220,000)**	**0.08**	-	-
Outstanding, end of the period/year	**8,243,500**	**$ 0.075**	8,547,000	$ 0.09

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (CONTINUED)

i) Share Options

A continuity schedule of outstanding share options for the six months ended April 30, 2016 and the year ended October 31, 2015 is as follows:

	April 30, 2016		October 31, 2015	
	Number outstanding	**Weighted average exercise price**	Number outstanding	Weighted average exercise price
Outstanding, beginning of the year	**2,222,500**	**$ 0.11**	1,127,500	$ 0.13
Granted	**2,400,000**	**$ 0.14**	1,490,000	$ 0.10
Cancelled	**(112,500)**	**$ 0.10**	-	$ -
Exercised	**(170,000)**	**$ 0.12**	(395,000)	$ 0.14
Outstanding,end of the period/year	**4,340,000**	**$ 0.13**	2,222,500	$ 0.11

As at April 30, 2015 and October 31, 2015, the Issuer had share options outstanding and exercisable to acquire common shares of the Issuer as follows:

April 30, 2016

Expiry Date	Options outstanding and exercisable	Exercise Price	Weighted average remaining contractual life (in years)
June 3, 2017	475,000	$ 0.105	
January 08, 2018	75,000	$ 0.105	
July 25, 2018	125,000	$ 0.20	
August 6, 2018	1,000,000	$ 0.10	
November 02, 2018	500,000	$ 0.10	
December 10, 2018	500,000	$ 0.12	
December 29, 2018	550,000	$ 0.14	
January 31, 2019	850,000	$ 0.18	
	4,075,000	$ 0.13	2.35

October 31, 2015

Expiry Date	Options outstanding and exercisable	Exercise Price	Weighted average remaining contractual life (in years)
June 3, 2017	700,000	$ 0.105	
July 25, 2018	182,500	$ 0.20	
January 8, 2018	150,000	$ 0.105	
August 6, 2018	1,000,000	$ 0.10	
October 2, 2018	190,000	$ 0.10	
	2,222,500	$ 0.13	2.26

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (CONTINUED)

(e) Share-based compensation

The fair value of share options granted and vested during the six month before April 30, 2016 was recognized as share-based compensation in the statement of operations and comprehensive loss, and was allocated as follows:

	April 30, 2016	April 30, 2015
Management fees	$ -	$ -
Consultants’ fees	409,950	29,370
Board compensation	88,000	
Total share-based compensation	$497,950	$ 29,370

During the six months ended April 30, 2015 300,000 share options were granted to directors, officers, and consultants.

The fair value of options issued was estimated using the Black-Scholes option pricing model based on the following weighted assumptions:

	Nov 04, 2015	Dec 10, 2015	Dec 29, 2015	February 1, 2016
Risk free interest rate	1.03%	1.03%	1.03%	1.03%
Expected annual volatility*	268.47%	270.55%	268.86%	267.2117%
Expected life	3 years	3 years	3 years	3 years
Expected dividend yield	-	-	-	-
Exercise price	$0.10	$0.12	$0.14	$0.18
Share price	$0.08	$0.12	$0.14	$0.30

* Expected volatility has been based on historical volatility of the Issuer’s publicly traded shares.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS

g) Management transactions

Management transactions with related parties during the six months ended April 30, 2016 and 2015 were as follows:

	2016			2015		
	Short-term employee benefits	**Share-based payments**	**Total**	**Short-term employee benefits**	**Share-based payments**	**Total**
Don Shaxon, President (iv)	$ 30,000	$ -	$ 30,000	$ -	$ -	$ -
Ian Foreman; (iii)	$ 12,000	$ -	$ 12,000	$ 30,000	$ -	$ 30,000
Timeline Filing Services Ltd. (ii)	$ 2,639	$ -	$ 2,639	$ 506	$ -	$ 506
Schindler & Company (iii)	$ 14,208	$ -	$ 14,208	$ 3,000	$ -	$ 3,000

(iv) Timeline Filing Services Ltd. is a private enterprise controlled by the Issuer's Corporate Secretary, Laara Shaffer.
(v) Schindler & Company is a private enterprise controlled by the Issuer's CFO, Jennifer Schindler.
(vi) Ian Foreman was the Issuer's President until March 2, 2016. Short-term employee benefits reported above are until this date.
(vii) Don Shaxon has been the Issuer's president since March 2, 2016, and owns Shaxon Enterprises Ltd. which provides consulting services to the Issuer. Short-term employee benefits reported above are from this date.

h) Directors' transactions

During the six months ended April 30, 2016, share based compensation recognized, related to directors (excluding share-based compensation disclosed in (a) above), was $nil (April 30, 2015 - $nil).

14. SEGMENTED INFORMATION

The Company operates in one reportable operating segment; mineral exploration and development.

The Company's non-current assets, excluding financial instruments, located in its geographic segments of Canada and Mexico, were as follows:

	April 30, 2016	October 31, 2015
Canada	**$ 2,485**	$ 2,855
Mexico	**2,516**	3,338
	$ 5,001	$ 6,193

The Company's revenue earned from external customers during the six months ended April 30 2016 and 2015 in the geographic locations were as follows:

	April 30, 2016	April 30, 2015
Canada	**$ -**	$ -
Mexico	**-**	-

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	April 30, 2016	October 31, 2015
Financial assets:		
Fair value through profit and loss		
Cash and cash equivalents	$ 8,923	$ 2,534
Loans and receivables		
Amounts receivable*	4,120	4,954
Available for sale		
Marketable securities	4,779	9,675
Total financial assets	$ 17,822	$ 17,163
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities and due to directors	$ 732,080	$ 726,621
Total financial liabilities	$ 732,080	$ 726,621

*Excluding sales tax receivable

The fair values of the Issuer's amounts receivables, accounts payable and accrued liabilities and exploration advances approximate their carrying values due to the short-term nature of these instruments. Where marketable securities are publically traded their value is measured at market value, unless they are restricted from trading, where they will be measured at cost. The Company's Investment in oil and gas interest is valued at cost, as it does not have a quoted market price in an active market and the fair value cannot be reliably determined.

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

(d) 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 cash equivalents and amounts receivable.

The Company 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 receivable from the Mexican government. Management considers the risk of non-performance related to cash and cash equivalents and amounts receivable to be minimal.

(a) Liquidity Risk

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

At April 30, 2015 the Issuer had cash in the amount of $8,923 (October 31, 2015- $2,534) and accounts payable and accrued liabilities of $732,080 (October 31, 2015 - $726,621). Trade payables are due within twelve months of the financial position date.

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

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(b) 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:

iii) 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.
iv) 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.

Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk because of their short-term nature and maturity.

The Company is exposed from time to time to interest rate price risk as a result of holding fixed rate cash equivalent investments of varying maturities. The risk that the Issuer will realize a loss as a result of a decline in the fair value of these investments is limited as these investments are highly liquid securities with short-term maturities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, as a portion of these amounts are denominated in Mexican Pesos ("MXN") and US Dollars ("USD") as follows:

	April 30, 2016		October 31, 2015	
	MXN	**USD**	MXN	USD
Cash	**$ -**	**$ 6**	$ -	$ 51
Amounts receivable	**-**	**-**	-	-
Accounts payable and accrued liabilities	**(2,024,126)**	**-**	(2,271,314)	-
Rate to convert $1 CAD	**$0.073**	**$1.2548**	0.079	1.308

Based on the Issuer's net exposure, a 8% change (October 31, 2015 – 9%) in the Canadian/Mexican Peso exchange rate, and a 4% change (October 31, 2015 – 16%) 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.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company is exposed to other price risk related to the fluctuation in the market price of its marketable securities. Although considered available for sale, these investments do not represent core assets of the Issuer nor are they considered material. However, the Issuer closely monitors the market values of these investments in order to determine the most appropriate course of action.

(d) Classification 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 cash equivalents and marketable securities are classified at level one of the fair value hierarchy. The Company had no level 2 or 3 financial assets at April 30, 2015 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.

16. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Issuer's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.
The Company's capital consists of its cash and cash equivalents, investments, amounts receivable, and shareholders' equity.

The Company 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, acquire or dispose of assets or adjust the amount of cash and investments.

To effectively manage its resources and minimize risk, the Issuer maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Issuer does not pay out dividends.

The Company'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 six months ended April 30, 2016.

Alta Vista Ventures Ltd. (Formerly: Yale Resources Ltd.)
(An Explorations Stage Company)

Condensed Consolidated Interim Financial Statements
For the Nine Months Ended July 31, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Financial Position
As at July 31, 2016 and October 31, 2015
(Unaudited - Expressed in Canadian Dollars)

	July 31, 2016	October 31, 2015
ASSETS		
Current		
Cash and cash equivalents	$ 1,806	$ 2,534
Amounts receivable (Note 4)	47,256	20,876
Marketable securities (Note 5)	1,381	9,675
Prepaid expenses	10,500	2,374
	60,943	35,459
Non-current		
Prepaid expenses	1,500	1,500
Property, plant and equipment (Note 7)	4,498	6,193
	5,998	7,693
TOTAL ASSETS	$ 66,941	$ 43,152
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	$ 287,038	$ 726,621
Due to director	5,000	-
	292,038	726,621
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 10)	16,592,518	14,499,595
Obligation to issue shares (Note 15(a))	195,457	-
Reserves	1,913,578	1,556,628
Accumulated deficit	(18,931,468)	(16,748,190)
Accumulated other comprehensive loss	4,818	8,498
	(225,097)	(683,469)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 66,941	$ 43,152

Approved by the Board:

"Jason Springett" (signed)
……………………………………...… Director
"Donald Shaxon" (signed)
………………………………...…… Director

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the Three and Nine Months Ended July 31, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	July 31, 2016	**Jul 31 31, 2015**	**July 31, 2016**	**July 31, 2015**
Operating Expenses				
Accounting, audit and legal	$ 76,002	$ 27,169	$ 106,401	$ 41,602
Consultants' fees	85,000	13,500	242,248	39,000
Depreciation	372	801	1,380	4,700
Exploration costs (Note 8)	11,255	20,309	23,210	99,195
Investor relations and promotion	1,296	308	1,296	862
Management fees	-	-	-	22,500
Office and miscellaneous	4,235	3,880	14,977	5,690
Regulatory fees	1,600	1,500	12,164	7,143
Rent	4,500	4,500	13,500	13,500
Share-based compensation	34,000	-	531,950	29,370
Telephone (recovery)	416	-	656	590
Transfer agent and listing fees	872	-	4,336	6,065
Travel	-	4,346	697	-
	219,548	76,313	952,815	270,217
Other (Income) Expenses				
Impairment of investments	925,000	-	1,444,862	
Loss (gain) on disposal of equipment	-	-	(918)	(2,372)
Gain on settlement of debt	(198,634)	-	(198,634)	
Foreign exchange (gain) loss	(3,923)	(5,066)	(17,533)	(2,327)
Oil and gas income; net	(17)	(146)	(17)	(269)
Other income	-	-	-	(1)
Realized loss (gain) on sale of marketable Securities	-	-	2,702	(262)
Net Loss for Period	941,974	81,233	2,183,277	264,986
Other Comprehensive Loss				
Unrealized loss (gain) on marketable securities	282	(7,601)	555	(19,910)
Transfer on sale of marketable securities	-	-		-
	282	(7,601)	555	(19,910)
Total Comprehensive Loss for the Period	$ 942,256	$ 73,6332	$ 2,183,832	$ 245,076
Net Loss per Share; basic and diluted (Note 10(b))	$ (0.04)	$ (0.01)	$ (0.08)	$ (0.02)
Weighted Average Number of Common Shares Outstanding (Note 10(b))	25,710,478	11,221,95 8	25,710,478	11,221,958

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
For the Three and Nine Months Ended July 31, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

			Reserves					
	Number of Shares (Note 10(b))	**Share Capital**	**Equity Settled Share-Based Payments**	**Warrants**	**Total**	**Accumulated Deficit**	**Accumulated Other Comprehensive Income**	**Total Shareholders' Equity (Deficiency)**
Balance – October 31, 2015	**12,841,958**	**$14,499,595**	**$1,224,086**	**$ 332,542**	**$1,556,628**	**$(16,748,190)**	**$ 8,498**	**$ (683,469)**
Net loss for the period	-	-	-	-	-	(2,183,278)	-	(2,183,278)
Items of other comprehensive loss	-	-	-	-	-	-	(3,680)	(3,680)
Share-based Compensation	-	-	356,950	-	356,950	-	-	356,950
Common shares issued in private placements	5,580,000	279,000	-	-	-	-	-	279,000
Common shares issued on exercise of warrants	3,220,000	241,500	-	-	-	-	-	241,500
Common shares issued on exercise of stock options	112,500	15,375	-	-	-	-	-	15,375
Common shares issued for purchase of Thor Pharma (note 8)	5,000,000	900,000	-	-	-	-	-	900,000
Common shares issued for purchase of RedeCan Pharma (note 9)	2,000,000	400,000	-	-	-	-	-	400,000
Common shares issued for consulting services	1,500,000	175,000	-	-	-	-	-	175,000
Common shares issued for debt	2,320,000	116,000	-	-	-	-	-	116,000
Share issue costs	-	(33,952)	-	-	-	-	-	(33,952)
Obligation to issue shares (note 10)	-	-	-	-	-	-	-	195,457
Balance – July 31, 2016	**32,574,458**	$16,592,518	**$1,581,036**	**$ 332,542**	$1,913,578	$(18,931,468)	**$ 4,818**	**$ (225,097)**
Balance – October 31, 2014	**11,221,958**	**$ 14,448,820**	**$ 1,146,982**	**$ 310,632**	**$ 1,457,614**	**$ (16,240,103)**	**$ 1,871**	**$ (331,798)**
Net loss for the period	-	-	-	-	-	(264,986)	-	(264,986)
Items of other comprehensive loss	-	-	-	-	-		19,910	19,910
Share based compensation	-	-	29,370	-	29,370	-	-	29,370
Common shares issued for mineral property interests	-	-	-	-	-	-	-	-
Common shares issued for debt		-	-	-	-	-	-	-
Balance – July 31, 2015	**11,221,958**	**14,448,820**	**1,146,352**	**310,632**	**1,486,984**	**(16,505,089)**	**21,781**	**(547,504)**

Alta Vista Ventures Ltd.
Condensed Consolidated Interim Statements of Cash Flows
For the Three and Nine Months Ended July 31, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	July 31, 2016	**July 31, 2015**	**July 31, 2016**	**July 31, 2015**
Operating Activities				
Net income (loss)	$ (941,974)	$ (81,233)	$ (2,183,277)	$ (264,986)
Items not affecting cash				
Depreciation	373	801	1,380	4,700
Share-based compensation	34,000	-	356,950	29,370
Consulting fee paid with shares	-	-	175,000	-
Loss (gain) on sale of marketable securities		-	2,702	(262)
Loss (gain) on disposal of equipment		-	(918)	(2,372)
Gain on settlement of debt	(198,634)		(198,634)	
Impairment on investments	925,000		1,444,862	
Operating Cash Flow	(181,235)	(80,432)	(401,935)	(233,550)
Changes in Non-Cash Working Capital				
Accounts receivable	(2,460)	(907)	(26,380)	1,215
Prepaid expenses	(5,500)	-	(8,126)	1,500
Accounts payable and accrued liabilities	81,858	61,661	87,008	131,944
	73,898	60,754	52,502	134,659
Cash Used in Operating Activities	(107,337)	(19,678)	(349,433)	(98,891)
Investing Activities				
Proceeds on sale of marketable securities		-	1,912	1,670
Purchase (disposal) of property, plant and Equipment	130	-	1,232	5,247
Proceeds from option of mineral property interests		-		2,000
Investment in Thor Pharma (note 8)			(25,000)	
Investment in RedeCan Pharma (note 9)			(119,862)	
Cash Provided by Investing Activities	130	-	(141,718)	8,917
Financing Activity				
Due to directors	(11,810)	18,000	(11,500)	72,500
Proceeds from issuance of common shares, net of share issue costs	111,900	-	501,923	-
Cash Provided by Financing Activities	100,090	18,000	490,423	72,500
Increase in Cash and cash equivalents	(7,117)	(1,678)	(728)	(17,474)
Cash and cash equivalents, Beginning of Period	8,923	2,543	2,534	18,339
Cash and cash equivalents, End of Period	$ 1,806	$ 865	$ 1,806	$ 865

Supplemental Cash Flow Information (note 6)

1. NATURE OF OPERATIONS AND GOING-CONCERN

Alta Vista Ventures Ltd. (the "Company") has acquired interests in mineral properties in Mexico and over the years has spent significant funds exploring these properties. During the nine months ended July 31, 2016, the Company entered into a letter of intent ("LOI"), subsequently cancelled, to acquire Thor Pharma Ltd. ("Thor Pharma") in order to acquire facilities for the production and sale of medical marijuana upon the issuance of a licence by Health Canada. The Company also entered into an LOI, subsequently cancelled, to acquire RedeCan Pharm, a company holding a Marijuana for Medicinal Purposes Regulations ("MMPR") cultivation and sales licence. As a result, the Company 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. As at July 31, 2016, the Company still has title to these properties.

The recoverability of amounts shown for mineral interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development, and future profitable production from the properties or proceeds from disposition.

The company's' new direction's goal is to enter the Unmanned Aerial Vehicle (UAV) industry by purchasing a varied group of companies that will complement each other and, in turn, create a consortium of business that will cover all aspects of the industry.

At July 31, 2016, the Company had a working capital deficiency of $231,095 (October 31, 2015: deficiency of $691,162) and an accumulated deficit of $18,931,468 (October 31, 2015: $16,748,190). The Company will require additional financing or outside participation to meet its planned corporate and administrative expenses for the coming year, and to undertake further exploration and subsequent development of its mineral interests. The Company's ability to continue as a going-concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company's liabilities as they become payable.

These financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. These financial statements do not include any adjustments for the recoverability, and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going-concern.

2. BASIS OF PREPARATION

e) Statement of compliance and conversion to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Condensed Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

f) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as at fair value through profit and loss or available for sale, which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

2. BASIS OF PREPARATION (continued)

g) Foreign currencies

iii) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

iv) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains and losses arising on foreign currency translations are included in net loss for the period.

h) Significant accounting judgments and estimates

The preparation of the condensed consolidated interim 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 condensed consolidated interim 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:

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. 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. Investments impairments of non-financial assets have been recorded for the nine months ended July 31, 2016 (nine months ended July 31, 2015 – $nil).

Useful life of property, plant and equipment

Property, plant and equipment is depreciated over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property, plant and equipment at July 31, 2016 was $4,498 (October 31, 2015 - $6,193)

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 condensed consolidated interim statement of operations and comprehensive loss. For the nine months ended July 31, 2016 the Company recognized share-based compensation of $531,950 (July 31, 2015 - $29,370).

Critical judgements used in applying accounting policies

In the preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements.

2. BASIS OF PREPARATION (continued)

e) Significant accounting judgments and estimates (continued)

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. Based on these criteria, Management has determined that a write-down of the Company's investment in RedeCan Pham was required during the nine months ended July 31, 2016 in the amount of $519,862 (July 31, 2015: $nil) and a write-down of the Company's investment in Thor Pharma during the nine months ending July 31, 2016 in the amount of $925,000 (July 31, 2015: $nil)

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, and recorded a write-down (recovery) of $282 (July 31, 2015: ($7,601) (unrealized gain)).

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 condensed consolidated interim financial statements.

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for 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.

3. SIGNIFICANT ACCOUNTING POLICIES

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary Minera AltaVista, S.A. de C.V. ("MAV"), a company incorporated under the laws of Mexico, hereinafter collectively referred to as the "Company".

All material intercompany transactions and balances, including unrealised income and expenses arising from intercompany transactions have been eliminated on consolidation.

d) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss (FVTPL) - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss for the period.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss for the period.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss for the period.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, other those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are disclosed above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments (continued)

Fair value through profit or loss - This category comprises derivatives, or financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss for the period.

Other financial liabilities: This category includes accounts payables and accrued liabilities and exploration advances. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

***Cash and cash equivalents* -** Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

f) Property, plant and equipment

Property, plant and equipment ("PPE") is carried at cost, less accumulated depreciation and accumulated impairment losses.The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated on a declining balance basis at the following annual rates, when they become available for use:

Vehicles	30%
Office Equipment	20%
Computer software and equipment	45%

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Material residual value estimates and estimates of useful life are updated as required (but at least annually).

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the condensed consolidated statement of operations and comprehensive loss.

The Company compares the carrying value of PPE to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

f) Mineral property interests

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties, pursuant to the terms of the agreement. Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be technically feasible and commercially viable, capitalized costs for the property will be transferred to mining property and development assets. Prior to transfer the asset will be tested for impairment. The costs related to a property from which there is production will be depleted on a unit-of-production basis, using estimated proven and probable recoverable reserves as the depletion base.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Mineral property interests (continued)

Mineral properties acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at

which time they are then credited to operations. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral property interests is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the consolidated statement of operations and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statement of operations and comprehensive loss.

e) Share capital

Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity Units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated on the residual value method; proceeds are allocated to the common shares up to their fair value, as determined by the current quoted trading price, and the balance, if any, to the reserve for warrants.

f) Share-based payments

The Company sometimes grants share-based awards to directors, officers, employees and consultants. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Share-based payments (continued)

The fair value of employee options is measured at the option's grant date, and the fair value of non-employee options is measured at the date or over the period during which goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon
which the options were granted. The fair value of each tranche of options granted which do not vest immediately on grant, is recognized using the graded vesting method over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. If those options expire or are forfeited after vesting, the recorded value is transferred to retained earnings (accumulated deficit).

Share-based compensation expense is credited to the equity settled share-based payment reserve. Their fair value is transferred from the reserve to share capital when the options are later exercised.

g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares; the effect of any anti-dilutive potential common shares are not taken into account in this calculation.

h) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

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. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable loss is not provided for. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to the passage of time is recognized as a finance cost.

j) Provision for Asset Retirement Obligation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, or as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

k) Comparatives

Certain comparative figures have been reclassified in order to conform to the current period's financial statement presentation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) New accounting standards and interpretations not yet adopted

At the date of authorization of these financial statements, the IASB has issued a number of new and revised standards and interpretations which are not yet effective for the relevant reporting periods.

IFRS 9 Financial Instruments

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's consolidated financial statements.

IFRS 10 Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10, which is to be applied retrospectively, and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 10 replaces Standing Interpretations Committee ("SIC") 12 *Consolidation – Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements*. IFRS 10 eliminates the current risk and rewards approach and establishes control as the single basis for determining the consolidation of an entity. The standard provides guidance on how to apply the control principles in a number of situations, including agency relationships and holding potential voting rights. Management has not yet determined the potential impact that the adoption of IFRS 10 will have on the Company's consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12, which is to be applied retrospectively, and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 12 outlines the required disclosures for interests in subsidiaries and joint arrangements. The new disclosures require information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity's interests in subsidiaries and joint arrangements. Management has not yet determined the potential impact that the adoption of IFRS 12 will have on the Company's consolidated financial statements.

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13, which is to be applied prospectively, and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in most cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's consolidated financial statements.

Other

In June 2011, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* to revise the way in which other comprehensive income is presented. The Company does not believe the changes resulting from the

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) New accounting standards and interpretations not yet adopted (continued)

amended standard will have an impact on its consolidated financial statements. The amended standard is effective for annual periods beginning on or after July 1, 2012.

In June 2011, the IASB issued amendments to IAS 19 *Employee Benefits* with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The Company does not believe the changes resulting from these amendments are relevant to its consolidated financial statements. The amended standard is effective for annual periods beginning on or after January 1, 2013.

In June 2011, the IASB issued amendments to IFRS 7 *Financial Instruments: Disclosures*. The Company does not believe the changes resulting from these amendments are relevant to its consolidated financial statements. The amended standard is effective for annual periods beginning on or after July 1, 2011.

In May 2011, the IASB issued IFRS 11 *Joint Arrangements*, in addition to IFRS 10 and IFRS 12 discussed above. The Company does not believe the changes resulting from this new standard are relevant to its consolidated financial statements. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

In October 2011, the IASB issued IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*. The Company does not believe the changes resulting from this new standard are relevant to its consolidated financial statements. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013.

4. AMOUNTS RECEIVABLE

Amounts receivable were comprised of the following:

	July 31, 2016	October 31, 2015
Current:		
Sales tax receivable	**$27,576**	$ 15,922
Other amounts receivable	**19,680**	4,954
	47,256	20,876
Non-Current		
Sales tax receivable	**-**	-
Total amounts receivable	**$ 47,256**	**$ 20,876**

5. MARKETABLE SECURITIES

The Company holds marketable securities that are restricted, held in escrow and free-trading. All marketable securities subject to restriction and with escrow terms of less than one year from the balance sheet dates are included in current assets, and are valued at cost.

	July 31, 2015		October 31, 2015	
	Number of shares	**Fair Value**	Number of shares	Fair Value
Del Toro Silver Corp.	**300,843**	**377**	360,843	8,498
Sonora Resources Corp.	**1,000,000**	**1,004**	1,000,000	1,177
		$ 1,381	1,360,843	$ 9,675

6. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended July 31, 2016, the Company entered into the following non-cash transactions.

i) The Company issued shares in payment of consulting fees in the amount of $175,000 (2015: $nil)

ii) The Company issued shares to settle accounts payable of $116,000 (2015: $nil)

iii) The Company incurred an obligation to issues shares in the amount of $195,457 to settle accounts payable of $130,357 (2015: $nil) and amounts due to directors of $65,100 (2015: $nil)

7. PROPERTY, PLANT AND EQUIPMENT

	Vehicles	Office Equipment	Computer software and equipment	Total
COST				
Balance, October 31, 2014	$ 14,472	$ 35,479	$ 25,759	$ 75,710
Additions	(14,472)	(5,147)	-	(19,619)
Balance, October 31, 2015	-	30,332	25,759	56,091
Additions/(dispositions)	-	-	(2,597)	(2,597)
Balance, July 31, 2016	-	30,332	23,162	53,494
ACCUMULATED DEPRECIATION				
Balance, October 31, 2014	10,350	28,155	21,427	53,397
Depreciation	618	1,417	1,950	3,985
Disposals	(10,968)	(3,051)	-	(14,019)
Balance, October 31, 2015	-	26,521	23,377	49,898
Depreciation	-	769	742	1,511
Disposals	-	-	(2,413)	(2,413)
Balance, July 31, 2016	-	27,290	21,706	48,996
CARRYING AMOUNTS				
At October 31, 2014	4,122	7,324	4,332	15,778
At October 31, 2015	-	3,811	2,382	6,193
At July 31, 2016	**$ -**	**$ 3,042**	**$ 1,456**	**$ 4,498**

8. INVESTMENT IN THOR PHARMA

The Company signed a formal agreement to purchase Thor Pharma. Thor Pharma has a license application with Health Canada for the production and sale of up to 10,000,000 grams of dried marijuana per year. The Company has the right to purchase Thor Pharma via an Assignment and Novation Agreement from Shaxon Enterprises by paying $1,000,000 and issuing 10,000,000 shares on a graduated basis as the Thor Pharma application moves through the licensing process with Health Canada. The Company had until December 18, 2015 to make a $100,000 payment ($25,000 paid) and issue 5,000,000 shares (issued). Shaxon Enterprises would have had a 10% royalty on profits from Thor Pharma.

This investment was to be accounted for on a cost-basis until such time as the Company completed its acquisition and controlled Thor Pharma. During the current quarter, the company decided to terminate the agreement for the purchase of Thor Pharma so that it can concentrate on its new business venture in the UAV sector. As a result, an impairment of $925,000 has been recorded.

9. INVESTMENT IN REDECAN PHARM

On January 28, 2016, the Company signed an amended LOI to purchase 90% of issued and outstanding shares of RedeCan Pharm, one of Canada’s MMPR cultivation and sales licenses. The terms of the LOI requires the Company to pay RedeCan Pharm an aggregate $8,000,000 in cash and 9,000,000 shares. Upon signing the LOI, the Company paid a non-refundable deposit of $100,000 and issued 2,000,000 shares to RedeCan Pharm. The remaining payments were to be made in two stages: 1) the Company would purchase a minority interest of 20% on or before March 1, 2016 by paying $1,900,000 and issuing 2,000,000 shares; 2) the Company would purchase an additional 20% interest (for a total 40% interest) on or before September 1, 2016 by paying $2,000,000 and 2,000,000 shares; and 3) the Company

9. INVESTMENT IN REDECAN PHARM (CONTINUED)

would purchase an additional 50% (for a total 90% interest) on or before March 1, 2017 by paying $4,000,000 and issuing 3,000,000 shares.

In addition to the purchase price, the Company would pay a 2% royalty of the gross revenues to RedeCan Pharm on a quarterly basis to be paid 50% in cash and 50% in shares of the Company. The Company has agreed to pay a finders' fee to Shaxon Enterprises upon successful completion of this transaction.

On January 25, 2016, the Company signed an engagement letter with Jacob Capital Management Inc. ("JCMI") for the purpose of completing the acquisition of RedeCan Pharm and expanding its operations. In consideration for acting as strategic advisor, the Company has issued JCMI 500,000 shares. An additional 1,000,000 shares were issued March 6, 2016 and 2,500,000 shares were to be issued to JCMI upon successful completion of the acquisition of RedeCan Pharm.

The Company failed to make the $1,900,000 payment due to Redecan under the terms of the LOI, and the LOI was terminated. As a result, an impairment of $519,862 was recorded on the investment on January 31, 2016.

10. MINERAL PROPERTY INTERESTS

The Company has accumulated the following acquisition expenditures:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Total
Balance, October 31, 2014	$ -	$ 46,000	$ 1	$ 1	$ 46,000
Recoveries	-	(2,000)	-	-	(2,000)
Mineral interests written down	-	(44,000)	(1)	(1)	(46,000)
Net additions during the year	-	-	-	-	-
Balance, October 31, 2015	-	-	-	-	-
Acquisition costs during the year	-	-	-	-	-
Net additions during the period	-	-	-	-	-
Balance, July 31, 2016	**$ -**	**$ -**	**$ -**	**$ -**	**$-**

The Company incurred the following exploration expenditures, which were recognized in the statement of operations and comprehensive loss for the nine months ended July 31, 2016:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Oro Fino	Apache	Other Properties	Total
Camp and exploration support	$ -	$ 11,605 -	$ -	$ -	$ 11,605 -	$ -	$ -	$ 23,210
Total costs during the period	-		-	-		-	-	
Recoveries	-	-	-	-	-	-	-	-
Net expenditures for the period	**$ -**	**$ 11,605**	**$ -**	**$ -**	**$ 11,605**	**$ -**	**$ -**	**$ 23,210**

10. MINERAL PROPERTY INTERESTS (CONTINUED)

The Company incurred the following exploration expenditures, which were recognized in the statement of operations and comprehensive loss for the nine months ended July 31, 2015:

	Urique	Carol-Balde	La Verde Grande	Dos Naciones	Oro Fino	Apache	Other Properties	Total
Camp and exploration support	$ -	$ 49,597	$ -	$ -	$ 49,598	$ -	$ -	$ 99,195
Total costs during the period	-	49,597	-	-	49,598	-	-	99,195
Recoveries	-	-	-	-	-	-	-	-
Net expenditures for the period	**$ -**	**$ 49,597**	**$ -**	**$ -**	**$ 49,598**	**$ -**	**$ -**	**$ 99,195**

a) Urique Property, Mexico

On August 1, 2006, the Company entered into an option agreement with Exmin Resources Ltd. ("Exmin") to acquire, in two stages, up to a 75% interest in ten mineral concessions in Chihuahua, Mexico. On April 6, 2009, the Company renegotiated the remaining commitments and acquired 100% of these concessions by paying US dollars ("US") US$250,000 (paid), issuing 100,000 common shares (issued) and taking responsibility for accounts payable of US$148,000 arising from the optionor's past expenditures on the project. Exmin retains a 2% net smelter return ("NSR") royalty on these concessions.

The Company has separately divided the property based on the non-contiguous locations of the claims. The property consists of the following sub-divisions: San Pedro, Urique and Cuiteco.

During the year ended October 31, 2013, the Company considered the prevalent market conditions and the inability of the Company to raise financing to be indicators of impairment. As a result, the Company recorded an impairment of $599,835 relating to this property as at October 31, 2013 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

b) Carol-Balde Property, Mexico

On September 25, 2006, the Company entered into an assignment of option agreement with Minera Canamex S.A. de C.V. to acquire a 100% interest in the mineral claims. By an agreement dated January 31, 2008, the Company renegotiated the remaining commitments and acquired 100% ownership and property rights, subject to the 3% NSR royalty to the optionor, by making a cash payment of US$70,000 (paid) and issuing 28,000 common shares (issued).

On November 6, 2013, the Company entered into an option agreement with Tosca. The agreement allows Tosca to acquire a 100% interest in the Carol-Balde property. The Company received $5,000 and 37,500 shares of Tosca in the fiscal year ended October 31, 2013.

On November 6, 2014, the Company signed a Companion Agreement with Tosca extending the first anniversary of the Option Agreement to June 6, 2015. To keep the Agreement in good standing Tosca will have to keep the property in good standing, pay the Company $8,643 of exploration expenditures previously committed to the property in 2014, and make the first anniversary payment of $15,000 and the issuance of 150,000 shares. As of the issuance of these consolidated financial statements, these requirements have not been met. During the year ended October 31, 2015, the

10. MINERAL PROPERTY INTERESTS (CONTINUED)

b) Carol-Balde Property, Mexico (continued)

Company considered the prevalent market conditions and recorded an impairment loss of $44,000 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

The Company entered into an assignment of option agreement on nine concessions dated July 24, 2009. Under the terms of the option agreement, the Company could acquire a 100% interest for cash payments totaling $200,000

($40,000 paid), issuing 100,000 common shares (30,000 issued) and paying taxes totaling Mexican pesos ("MXN") MXN 114,232 (paid). The Company paid an additional $10,000 for the extension of one payment.

By an amendment agreement dated April 18, 2011, the Company renegotiated the overall commitment and acquired the claims in consideration for 70,000 shares of the Company (issued).

The Company entered into an assignment of option agreement dated September 24, 2009 on an additional two concessions in the Orofino region. The Company subsequently amended the payment schedule, and under the terms of the revised option agreement, the Company may acquire a 100% interest in consideration of:
Cash payments totaling $200,000 as follows:

- $10,000 on or before January 9, 2010 (paid);
- $15,000 on or before July 9, 2010 (paid);
- $15,000 on or before November 25, 2011 (paid);
- $20,000 on or before May 25, 2012 (paid);
- $20,000 on or before November 25, 2012 (paid);
- $40,000 on or before May 25, 2013; and
- $80,000 on or before October 25, 2013.

Issuance of 100,000 common shares as follows:

- 10,000 common shares on or before January 9, 2010 (issued);
- 10,000 common shares on or before May 24, 2010 (issued);
- 10,000 common shares on or before July 9, 2011 (issued);
- 10,000 common shares on or before May 25, 2012 (issued);
- 10,000 common shares on or before November 25, 2012 (issued);
- 10,000 common shares on or before January 9, 2013 (issued); and
- 40,000 common shares on or before March 25, 2013.

As of February 2013, the Company and the owners of the concessions have agreed to suspend all consideration requirements until a mutually agreed upon future point in time. As such, although the consideration requirements for 2013 have not been met, the agreement is still in good standing.

During the year ended October 31, 2013, the Company considered the prevalent market conditions and the inability of the Company to raise financing to be indicators of impairment. As a result, the Company recorded an impairment of $132,265 relating to this property as at October 31, 2013 to reduce the carrying value to $nil measured using Level 3 of the fair value hierarchy.

10. MINERAL PROPERTY INTERESTS (CONTINUED)

c) Realization of assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

d) Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on a property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

e) Title to mineral property interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements of transfers and title may be affected by undetected defects.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities were comprised of the following:

	July 31, 2016	October 31, 2015
Trade payables	**$ 236,538**	$ 614,021
Accruals	**50,500**	81,600
Total accounts payable and accrued liabilities	**$ 287,038**	$ 726,621

12. SHARE CAPITAL

j) Authorized
Unlimited number of common shares without par value

k) Issued

On April 14, 2016 100,000 warrants were exercised by a shareholder at $0.075 for total proceeds of $7,500.

On April 8, 2016 1,000,000 shares were issued for services rendered by Jacob Capital Management at a deemed price of $0.08 per share for total proceeds of $80,000.

On March 16, 2016 200,000 warrants were exercised by a shareholder at $0.075 for total proceeds of $15,000.

On March 11, 2016 50,000 warrants were exercised by a shareholder at $0.075 for total proceeds of $3,750.

On February 4, 2016 75,000 options were exercised by a shareholder at $0.105 for total proceeds of $7,875.

On January 25, 2016 500,000 warrants were issued to Jacob Management Inc. at a fair market value of $0.19 totalling $95,000 to reimburse them for consulting services provided in connection with the Companies purchase of RedeCan Pharm.

On January 25, 2016, 50,000 warrants were exercised by shareholders at $0.075 for total proceeds of $3,750.

On January 18, 2016, 37,500 options were exercised at $0.20 for total proceeds of $7,500.

Between the dates of December 07, 2015 and January 12, 2016 2,100,000 warrants were exercised at $0.075 to various warrant holders for total proceeds of $157,500.

On November 30, 2015, the Company issued 2,000,000 shares to RedeCan Pharm at a fair market value of $0.20 totalling $400,000 to satisfy the first requirement of 3 as stated in the LOI in the November 27, 2015 news release.

On November 27, 2015, the Company issued 5,000,000 at a fair market value of $0.18 totalling $900,000 to satisfy the first purchase requirement per the LOI included in the November 10, 2015 news release.

Between the dates of November 12, 2015 and November 25, 2015 720,000 warrants were exercised at $0.075 to various warrant holders for proceeds of $54,000.

On November 4, 2015, the Company completed a private placement comprised of 3,330,000 units at a price of $0.05 per unit totalling $166,500. Each unit consists of one common share and one transferable warrant. Each warrant entitles the owner to purchase one additional common share of the Company at a price of $0.075 for a period of twelve months from the date of issuance of the warrant. The warrants will have an acceleration clause so that if after the hold period the shares in the Company trade at or above $0.12 for ten consecutive days, the Company may give notice to the warrant holders that they have 30 days to exercise the warrants. The Company issued 201,500 agent's warrants to Foremost Capital Inc, 20,000 agent's warrants were issued to Wolverton Securities and 30,000 agent's warrants were issued to PI Financial.

On October 22, 2015, the Company completed a private placement comprised of 1,620,000 units at a price of $0.05 per unit totalling $81,000. Each unit consists of one common share and one transferable warrant. Each warrant entitles the owner to purchase one additional common share of the Company at a price of $0.075 for a period of twelve months from the date of issuance of the warrant. The warrants will have an acceleration clause so that if after the hold period the shares in the Company trade at or above $0.12 for ten consecutive days, the Company may give notice to the warrant holders that they have 30 days to exercise the warrants. The Company issued 162,000 agent's warrants to Foremost Capital Inc.

12. SHARE CAPITAL (CONTINUED)

(b) Share purchase warrants

As at July 31, 2016, the Company had share purchase warrants outstanding entitling the holder to acquire common shares as follows:

Exercise Price	Expiry Date	Outstanding at October 31, 2015	Issued	Exercised	Expired / Cancelled	Outstanding at July 31, 2016
$0.20	December 11, 2015	665,000	-	-	665,000	-
$0.075	May 29, 2016	6,100,000	-	3,220,000	2,880,000	-
$0.075	October 22, 2016	1,782,000	-	-	-	1,782,000
$0.075	November 3, 2017	-	3,581,500	-	-	3,581,500
		8,547,000	3,581,500	3,220,000	3,545,000	5,363,500

* On August 2, 2016, the Company issued, as part of a private placement, another 3,909,148 warrants with each warrant allowing the holder to purchase on common share at a price of $0.10 per share on or before August 2, 2017.

A continuity schedule of outstanding common share purchase warrants for the nine months ended July 31, 2016 and the year ended October 31, 2015 is as follows:

	July 31, 2016		October 31, 2015	
	Number outstanding	**Weighted average exercise price**	Number outstanding	Weighted average exercise price
Outstanding, beginning of the year	**8,547,000**	**$ 0.090**	6,765,000	$ 0.09
Issued	**3,581,500**	**$ 0.075**	1,782,000	$ 0.08
Exercised	**(3,220,000)**	**$ 0.075**	-	$ 0.08
Cancelled / Expired	**(3,545,000)**	**$ 0.100**	-	$ -
Outstanding, end of the period/year	**5,363,500**	**$ 0.075**	8,547,000	$ 0.09

(d) Share Options

A continuity schedule of outstanding share options for the nine months ended July 31, 2016 and the year ended October 31, 2015 is as follows:

	July 31, 2016		October 31, 2015	
	Number outstanding	**Weighted average exercise price**	Number outstanding	Weighted average exercise price
Outstanding, beginning of the year	**2,222,500**	**$ 0.11**	1,127,500	$ 0.13
Granted	**2,900,000**	**$ 0.11**	1,490,000	$ 0.10
Exercised	**(112,500)**	**$ 0.14**	-	$ -
Cancelled / Expired	**(170,000)**	**$ 0.12**	(395,000)	$ 0.14
Outstanding, end of the period/year	**4,840,000**	**$ 0.11**	2,222,500	$ 0.11

11. SHARE CAPITAL (CONTINUED)

(d) Share Options (continued)

As at July 31, 2016 and October 31, 2015, the Company had share options outstanding and exercisable to acquire common shares of the Company as follows:

July 31, 2016

Expiry Date	Options outstanding and exercisable	Exercise Price	Weighted average remaining contractual life (in years)
June 3, 2017	475,000	$ 0.105	
July 25, 2018	125,000	$ 0.105	
January 8, 2018	650,000	$ 0.10	
December 10, 2018	500,000	$ 0.12	
July 15, 2019	500,000	$ 0.10	
August 6, 2018	1,000,000	$ 0.10	
December 29, 2018	550,000	$ 0.14	
October 2, 2018	190,000	$ 0.10	
January 31, 2019	850,000	$ 0.14	
	4,840,000	$ 0.12	2.26

October 31, 2015

Expiry Date	Options outstanding and exercisable	Exercise Price	Weighted average remaining contractual life (in years)
June 3, 2017	700,000	$ 0.105	
July 25, 2018	182,500	$ 0.20	
January 8, 2018	150,000	$ 0.105	
August 6, 2018	1,000,000	$ 0.10	
October 2, 2018	190,000	$ 0.10	
	2,222,500	$ 0.11	2.26

(e) Share-based compensation

The fair value of share options granted and vested during the nine month period ended July 31, 2016 was recognized as share-based compensation in the statement of operations and comprehensive loss, and was allocated as follows:

	July 31, 2016	July 31, 2015
Consultants' fees	$ 443,950	$ 29.370
Consultants' fees	88,000	-
Total share-based compensation	$ 531,950	$ 29,370

During the nine months ended July 31, 2016, 5,950,000 share options were granted to directors, officers, and consultants.

The fair value of options issued was estimated using the Black-Scholes option pricing model based on the following weighted assumptions:

	July 31, 2016	July 31, 2015
Risk free interest rate	1.52%	1.13%
Expected annual volatility*	268.78%	209.61%
Expected life	3 years	3 years
Expected dividend yield	-	-
Exercise price	$0.11	$0.10
Share price	$0.11	$0.10

* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

12. RELATED PARTY TRANSACTIONS

i) Management transactions

Management transactions with related parties during the nine months ended July 31, 2016 and 2015 were as follows:

	2016			2015		
	Short-term employee benefits	**Share-based payments**	**Total**	**Short-term employee benefits**	**Share-based payments**	**Total**
Shaxon Enterprises Ltd. (i)	$ 75,000	$ -	$ 75,000	$ -	$ -	$ -
Ian Foreman (ii)	$ 12,000	$ -	$ 12,000	$ 49,500	$ -	$ 49,500
Timeline Filing Services Ltd.(iii)	$ 11,300	$ -	$ 11,300	$ 4,271	$ -	$ 4,271
Schindler & Company (iv)	$ 21,552	$ -	$ 21,552	$ 16,642	$ -	$ 16,642

(xiii) Shaxon Enterprises Ltd. is a private enterprise controlled by the Company's CEO, Donald Shaxon. Donald Shaxon became a related party on March 2, 2016, and accordingly amounts described above are from this date.

(xiv) Ian Foreman was the Company's President until March 2, 2016, and accordingly, amounts described above are up until this date.

(xv) Timeline Filing Services Ltd. is a private enterprise controlled by the Company's Corporate Secretary, Laara Shaffer.

(xvi)Schindler & Company is a private enterprise controlled by the Company's CFO, Jennifer Schindler.

j) Directors' transactions

During the nine months ended July 31, 2016, share based compensation recognized, related to directors (excluding share-based compensation disclosed in (a) above), was $nil (July 31, 2015 - $nil).

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment; mineral exploration and development.

The Company's non-current assets, excluding financial instruments, located in its geographic segments of Canada and Mexico, were as follows:

		July 31, 2016		October 31, 2015
Canada	**$**	**2,301**	$	2,855
Mexico		**2,197**		3,338
	$	**4,498**	$	6,193

The Company's revenue earned from external customers during the nine months ended July 31, 2016 and 2015 in the geographic locations were as follows:

		July 31, 2016		July 31, 2015
Canada	**$**	**-**	$	-
Mexico		**-**		-
	$	**-**	$	-

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

		July 31, 2016		October 31, 2015
Financial assets:				
Fair value through profit and loss				
Cash and cash equivalents	$	1,806	$	2,534
Loans and receivables				
Amounts receivable*		4,020		4,954
Available for sale				
Marketable securities		1,381		9,675
Total financial assets	$	7,207	$	17,163
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	287,038	$	726,621
Due to directors		5,000		-
Total financial liabilities	$	292,038	$	726,621

*Excluding sales tax receivable

The fair values of the Company's amounts receivables, accounts payable and accrued liabilities and exploration advances approximate their carrying values due to the short-term nature of these instruments. Where marketable securities are publically traded their value is measured at market value, unless they are restricted from trading, where they will be measured at cost. The Company's Investment in oil and gas interest is valued at cost, as it does not have a quoted market price in an active market and the fair value cannot be reliably determined.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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

(e) 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 cash equivalents and amounts receivable.

The Company 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 receivable from the Mexican government. Management considers the risk of non-performance related to cash and cash equivalents and amounts receivable to be minimal.

(f) Liquidity Risk

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

At July 31, 2016 the Company had cash in the amount of $ 1,806 (October 31, 2015- $2,534) and accounts payable and accrued liabilities of $287,038 (October 31, 2015 - $726,621). Trade payables are due within twelve months of the financial position date.

The Company ensures, as far as reasonably possible, that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company’s holdings of cash.

(g) 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:

v) To the extent that payments made or received on the Company’s monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

vi) To the extent that changes in prevailing market rates differ from the interest rate in the Company’s monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk because of their short-term nature and maturity.

The Company is exposed from time to time to interest rate price risk as a result of holding fixed rate cash equivalent investments of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of these investments is limited as these investments are highly liquid securities with short-term maturities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, as a portion of these amounts are denominated in Mexican Pesos (“MXN”) and US Dollars (“USD”) as follows:

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

	July 31, 2016		October 31, 2015	
	MXN	**USD**	MXN	USD
Cash	**$ 622**	**$**	$ -	$ 51
Amounts receivable	**159,049**	**-**	120,144	-
Accounts payable and accrued liabilities	**(2,989,328)**	**-**	(2,271,314)	-
Rate to convert $1 CAD	**0.0695**	**n/a**	0.084	1.127

Based on the Company's net exposure, a 9% change (October 31, 2015 – 9%) in the Canadian/Mexican Peso exchange rate, and a 16% change (October 31, 2015 – 16%) 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. Although considered available for sale, these investments do not represent core assets of the Company nor are they considered material. However, the Company closely monitors the market values of these investments in order to determine the most appropriate course of action.

(e) Classification 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 cash equivalents and marketable securities are classified at level one of the fair value hierarchy. The Company had no level 2 or 3 financial assets at July 31, 2016 or October 31, 2015. 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.

14. MANAGEMENT OF CAPITAL

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

The Company's capital consists of its cash and cash equivalents, investments, amounts receivable, and shareholders' equity.

The Company 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 Company may issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

To effectively manage its resources and minimize risk, the Company maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company'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 Company's approach to capital management during the nine months ended July 31, 2016.

15. SUBSEQUENT EVENTS

a. On August 2, 2016, the Company issued 3,909,148 units at $0.05 per unit for a total proceeds of $195,457 to satisfy its obligation to issue share capital. The proceeds was applied against various accounts payable as part of a debt settlement agreement.

   Each unit consisted of one common share and one share purchase warrant, with each share purchase warrant exercisable to acquire one additional common share of the Company at a price of $0.10 on or before August 2, 2017.

b. The Company has applied to extend the expiry date of 1,782,000 warrants that are set to expire on October 21, 2016 and 3,581,000 warrants that are set to expire on November 4, 2017 by one year. The extension of these warrants is subject to approval by the Canadian Securities Exchange.

c. On August 5, 2016, the Company granted 2,350,000 incentive stock options with an exercise price of $0.10 and with a three year term to certain directors, officers, and consultants of the Company.

d. On August 30, 2016, the Company granted 700,000 incentive stock options with an exercise price of $0.10 per share and with a three year term to certain directors, officers, and consultants of the Company.

e. On September 22, 2016, the Company granted 200,000 incentive stock options with an exercise price of $0.10 per share and with a three year term to a consultant of the Company.

15. SUBSEQUENT EVENTS (CONTINUED)

f. On August 23, 2016, the Company announced a non-brokered private placement of up to 16,000,000 units at a price of $0.05 per unit, for total proceeds of $800,000. Each unit is to consist of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of $0.10 for a period of one year.

   One September 28, 2016, the Company closed the first tranche of this private placement, consisting of 9,720,000 units for total proceeds of $486,000.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **ALTA VISTA VENTURES LTD. hereby** applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to **ALTA VISTA VENTURES LTD.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 11th day of January, 2017.

"Jason Springett"	*"George Smitherman"*
Jason Springett	George Smitherman
President and Director	Director
"Don Shaxon"	*"Jennifer Schindler"*
Don Shaxon	Jennifer Schindler
CEO and Director	Chief Financial Officer

APPENDIX A: MINERAL PROPERTIES

The Issuer had seven projects in its portfolio: Urique (including San Pedro), Cuiteco, Carol, La Verde, Dos Naciones, Orofino, and Apache. The primary projects for the Issuer are Urique (including San Pedro) and Orofino. Secondary projects are Carol and Dos Naciones, while Apache, Cuiteco and La Verde are third tier properties.

The Issuer previously held two other properties: the Los Amoles property was sold in March of 2013 and the Guadalupe property was sold in the 3rd quarter of 2012.

The Issuer has not performed any fieldwork on its properties in over a year.

Each of the properties is not material to the Issuer. With the recent acquisitions in the UAV sector, the Mexican subsidiary is considered a non-core asset of the Issuer and it is the Issuer's intent to divest itself of its Mexican Subsidiary.

APPENDIX B: OIL AND GAS PROJECTS

See section 4.4 for a description of the Issuer's oil and gas investment.