



GLOBAL UAV
TECHNOLOGIES

(A Technology Company)

Condensed Consolidated Interim Financial Statements

For the Three Months Ended January 31, 2023 and 2022

(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.

This notice is being provided in accordance with National Instrument 51-102 – Continuous Disclosure Obligations.

GLOBAL UAV TECHNOLOGIES LTD.Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at	January 31, 2023	October 31, 2022
ASSETS		
Current		
Cash	\$ 2,248	\$ 287
Amounts receivable and prepaid expenses (Note 4)	29,733	136,775
	<u>31,981</u>	<u>137,062</u>
Non-current		
Equipment (Note 5)	9,715	10,226
	<u>9,715</u>	<u>10,226</u>
TOTAL ASSETS	\$ 41,696	\$ 147,288
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 1,173,364	\$ 1,239,115
Non-current		
Loan payable (Note 7)	60,000	60,000
	<u>60,000</u>	<u>60,000</u>
TOTAL LIABILITIES	1,233,364	1,299,115
SHAREHOLDERS' DEFICIT		
Share capital (Note 8)	25,104,124	25,104,124
Reserves	2,969,058	2,969,058
Accumulated deficit	(29,264,850)	(29,225,009)
	<u>(1,191,668)</u>	<u>(1,151,827)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ 41,696	\$ 147,288

Nature of operations and going concern (Note 1)

Approved and authorized by the Board on March 31, 2023

"James Rogers" (signed)

..... Director

"Andrew Male" (signed)

..... Director

See notes to the condensed consolidated interim financial statements

GLOBAL UAV TECHNOLOGIES LTD.Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

For the three months ended January 31,	2023	2022
Operating Expenses		
Accounting, audit and legal (Note 9)	28,458	16,768
Consultants' fees	-	1,584
Depreciation (Notes 5)	511	17,781
Investor relations and promotion	-	180
Office and miscellaneous	898	1,365
Regulatory, listing, transfer agent fees	9,974	3,200
Rent	-	1,050
	<u>(39,841)</u>	<u>(41,928)</u>
Other Items		
Foreign exchange loss	-	(196)
	<u>-</u>	<u>(196)</u>
Net Loss and Comprehensive Loss for the Period	\$ (39,841)	\$ (42,124)
<i>Loss per Share, Basic and Diluted</i>	<i>\$ (0.03)</i>	<i>\$ (0.04)</i>
<i>Weighted Average Number of Common Shares Outstanding, Basic and Diluted</i>	<i>1,171,167</i>	<i>1,013,167</i>

See notes to the condensed consolidated interim financial statements

GLOBAL UAV TECHNOLOGIES LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficit
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Deficit	Total Shareholders' Deficit
Balance – October 31, 2021	1,013,167	\$ 25,025,124	\$ 2,969,058	\$ (29,042,494)	\$ (1,048,312)
Net loss for the period	-	-	-	(42,124)	(42,124)
Balance – January 31, 2022	1,013,167	25,025,124	2,969,058	(29,084,618)	(1,090,436)
Shares issued in settlement of debt	158,000	79,000	-	-	79,000
Net loss for the period	-	-	-	(140,391)	(140,391)
Balance – October 31, 2022	1,171,167	25,104,124	2,969,058	(29,225,009)	(1,151,827)
Net loss for the period	-	-	-	(39,841)	(39,841)
Balance – January 31, 2023	1,171,167	\$ 25,104,124	\$ 2,969,058	\$ (29,264,850)	\$ (1,191,668)

See notes to the condensed consolidated interim financial statements.

GLOBAL UAV TECHNOLOGIES LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the three months ended January 31,	2023		2022	
Operating Activities				
Net loss	\$	(39,841)	\$	(42,124)
Items not affecting cash:				
Depreciation		511		17,781
Changes in non-cash working capital:				
Amounts receivable		107,042		(1,137)
Prepaid expenses		-		792
Accounts payable and accrued liabilities		(65,751)		15,941
Cash Provided by (Used in) Operating Activities		<u>1,961</u>		<u>(8,747)</u>
Change in Cash		1,961		(8,747)
Cash, Beginning of Period		<u>287</u>		<u>9,989</u>
Cash, End of Period	\$	<u>2,248</u>	\$	<u>1,242</u>

Non-cash transactions:

The Company did not enter into any material non-cash transactions during the three-month period ended January 31, 2023.

During the year ended October 31, 2022, the Company issued 158,000 common shares valued at \$79,000 in settlement of \$183,382 of debt.

See notes to the condensed consolidated interim financial statements.

GLOBAL UAV TECHNOLOGIES LTD.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Global UAV Technologies Ltd. (the “Company”) was incorporated under the laws of British Columbia. The Company’s principal and registered place of business is located at 488 – 1090 West Georgia St., Vancouver, British Columbia, Canada, V6E 3V7. The Company is a technology issuer and is listed on the Canadian Securities Exchange under the symbol “UAV”.

During the year ended October 31, 2021, the Board of Directors authorized a 135-for-1 share consolidation. The number of issued and outstanding shares and all per share disclosures have been retrospectively restated for all periods presented unless otherwise stated.

The Company has sustained recurring losses and negative cash flows from its operations. As at January 31, 2023, the Company had cash of \$2,248 (October 31, 2022 - \$287), working capital deficit of \$1,141,383 (October 31, 2022 – deficit of \$1,102,053) and an accumulated deficit of \$29,264,850 (October 31, 2022 - \$29,225,009). The Company will need to raise additional capital to fund operations and settle its debts. The Company expects to seek additional funding through equity financings. There can be no assurance as to the availability or terms upon which such financing might be available.

The ability of the Company to continue as a going concern and meet its commitments as they become due is dependent on the success of the Company’s wholly owned subsidiaries and/or the Company’s ability to obtain the necessary financing. If the Company is unable to obtain additional financing, the Company will be unable to finance itself 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 Company’s ability to continue as a going concern. These condensed consolidated interim 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 Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim 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 International Financial Reporting Interpretations Committee.

Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”), 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.

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2. BASIS OF PRESENTATION (cont'd...)

b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and the following subsidiaries:

Subsidiary		Percentage owned*	
		January 31, 2023	October 31, 2022
Minera Alta Vista SA de CV	Mexico	100%	100%
Pioneer Aerial Surveys Ltd.	Saskatchewan, Canada	100%	100%
High Eye Aerial Imaging Inc.	Ontario, Canada	100%	100%
UAV Regulatory Services Ltd.	BC, Canada	100%	100%
NOVAerial Robotics Inc.	Ontario, Canada	100%	100%
Global UAV Leasing Ltd.	Saskatchewan, Canada	100%	100%
Aerial Imaging Resources Inc.	Manitoba, Canada	100%	100%

*Percentage of voting power is proportion to ownership.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when we have existing rights that give us the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

c) Foreign currencies

i) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries 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 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:

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Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended January 31, 2023 and 2022
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2. BASIS OF PRESENTATION (cont'd...)

e) Significant accounting judgments and estimates (cont'd...)

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 8.

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. The recoverable amount is the greater of value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

For the three month period ended January 31, 2023, management determined that there were no indicators of impairment for its equipment held by Global UAV and its subsidiaries and recorded a write-down of \$nil.

For the year ended October 31, 2022, management determined that there were indicators of impairment for its equipment held by Global UAV and its subsidiaries and recorded a write-down of \$132,750.

Mexico liabilities provision:

The Company recognizes a provision where it is probable that an outflow of resources embodying economic benefit is likely to be required to settle an obligation. During the year ended October 31, 2021, the Company recognized a recovery to reduce its outstanding provision associated with its inactive Mexican subsidiary to \$nil. The recognition of this recovery involved judgement from management about the nature and likelihood of the associated provision.

Utilization of deferred income tax assets

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year, 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

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended October 31, 2022.

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4. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

Amounts receivable are comprised of the following:

	January 31, 2023	October 31, 2022
Trades receivable	\$ 5,000	\$ 105,000
Sales tax receivable	24,733	31,775
Total amounts receivable	\$ 29,733	\$ 136,775

5. EQUIPMENT

	Vehicles	Unmanned Aerial Vehicles	Office Equipment	Computer Software and Equipment	Sensors*	Total
COST						
Balance, October 31, 2021	\$ 94,560	\$ 437,138	\$ 50,458	\$ 106,404	\$ 326,358	\$ 1,014,918
Impairment	(31,586)	(101,164)	-	-	-	(132,750)
Disposals	-	-	-	-	(326,358)	(326,358)
Balance, October 31, 2022 and January 31, 2023	\$ 62,974	\$ 335,974	\$ 50,458	\$ 106,404	\$ -	\$ 555,810
ACCUMULATED DEPRECIATION						
Balance, October 31, 2021	\$ 41,883	\$ 305,928	\$ 50,458	\$ 106,404	\$ 227,906	\$ 732,579
Disposals	-	-	-	-	(255,857)	(255,857)
Depreciation	10,865	30,046	-	-	27,951	68,862
Balance, October 31, 2022	52,748	335,974	50,458	106,404	-	545,584
Depreciation	511	-	-	-	-	511
Balance, January 31, 2023	\$ 53,259	\$ 335,974	\$ 50,458	\$ 106,404	\$ -	\$ 546,095
CARRYING AMOUNTS						
At October 31, 2021	\$ 52,677	\$ 131,210	\$ -	\$ -	\$ 98,452	\$ 282,339
At October 31, 2022	\$ 10,226	\$ -	\$ -	\$ -	\$ -	\$ 10,226
At January 31, 2023	\$ 9,715	\$ -	\$ -	\$ -	\$ -	\$ 9,715

*During the year ended October 31, 2022, the Company sold its sensors for \$100,000 and recognized a gain on sale of equipment of \$29,499.

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6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	January 31, 2023		October 31, 2022	
Trade payables	\$	1,168,364	\$	1,208,984
Accrued liabilities		5,000		20,000
Other payables		-		10,131
Total accounts payable and accrued liabilities	\$	1,173,364	\$	1,239,115

During the year ended October 31, 2022, the Company settled accounts payable of \$183,382 through the issuance of 158,000 common shares of the Company valued at \$79,000 at the time of issuance.

7. LOAN PAYABLE

As part of the Government of Canada's response to the COVID-19 global pandemic, certain businesses are eligible to apply for the Canada Emergency Business Account (the "CEBA"). The CEBA provides companies with a \$60,000 interest free loan to be used to cover non-deferrable operating expenses during the period where operations had been temporarily reduced due to the economic impacts of the COVID-19 virus. During the year ended October 31, 2020, the Company applied for the CEBA and received a \$40,000 loan and applied for an additional \$20,000 which it received during the year ended October 31, 2021. The CEBA remains interest free until December 31, 2023 and has no fixed repayment schedule. If \$40,000 is repaid on or before December 31, 2023, the remaining \$20,000 will be forgiven. If at December 31, 2023, any amount remains unpaid, the Company will enter into an extension agreement whereby it will accrue interest at a rate of 5% per annum, with a repayment schedule to be determined at that time.

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued

The Company did not issue any common shares during the three-month period ended January 31, 2023.

During the year ended October 31, 2022, the Company issued 158,000 common shares to creditors, valued at \$79,000 at the time of issuance, for the settlement of debt in the amount of \$183,382. The Company recorded a gain on settlement of \$104,382.

c) Share purchase warrants

A continuity schedule of outstanding common share purchase warrants for the three-month period ended January 31, 2023 and the year ended October 31, 2022 is as follows:

	January 31, 2023		October 31, 2022	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of period	-	\$ -	18,752	\$ 16.20
Expired	-	-	(18,752)	16.20
Outstanding, end of period	-	\$ -	-	\$ -

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9. RELATED PARTY TRANSACTIONS

Transactions with management and related parties during the three months ended January 31, 2023 and 2022 were as follows:

Supplier	Nature of Transaction	2023	2022
Red Fern Consulting Ltd ⁽ⁱ⁾	Accounting, audit and legal	\$ 15,000	\$ 15,000

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

Accounts payable to related parties

Included in accounts payable and accrued liabilities at January 31, 2023 is \$909,752 (October 31, 2022 - \$943,179) due to officers, former officers and directors of the Company.

Other – Gain on Settlement of Debt

During the year ended October 31, 2022, the Company issued 50,000 common shares to a former related party in settlement of debt of \$46,531. The common shares had a fair value of \$25,000 and the Company recognized a gain on settlement of debt of \$21,531 and a recovery of accounts payable of \$577.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	January 31, 2023	October 31, 2022
Financial assets		
Fair value through profit or loss		
Cash	\$ 2,248	\$ 287
Loans and receivables		
Amounts receivable	29,733	136,775
Total financial assets	\$ 31,981	\$ 137,062
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	\$ 1,173,364	\$ 1,239,115
Loan payable	60,000	60,000
Total financial liabilities	\$ 1,233,364	\$ 1,299,115

The fair values of the Company's amounts receivable and accounts payable and accrued liabilities, and loan payable approximate their carrying values due to the short-term nature of these instruments.

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 trade receivables, and Goods and Services Tax receivable from the Canadian government. Management considers the risk of non-performance related to cash and amounts receivable to be minimal.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd...)

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 January 31, 2023, the Company had cash in the amount of \$2,248 (October 31, 2022 - \$287) and accounts payable and accrued liabilities of \$1,173,364 (October 31, 2022 - \$1,239,115).

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 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.

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 in US dollars. The Company had accounts payable and accrued liabilities at January 31, 2023 of \$nil (October 31, 2022 - US\$3,562).

Based on the Company's net exposure, a 10% change in the Canadian/US exchange rate would result in \$nil (October 31, 2022 - \$486) gain or loss on foreign exchange.

Other price risk

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

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 is classified at Level 1 of the fair value hierarchy.

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12. 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 development of the Company's UAV business, and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company's capital consists of shareholders' deficit. 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'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 three-month period ended January 31, 2023.

14. SEGMENT REPORTING

The Company has one reportable operating segment, UAV services in Canada. The Company's assets are located in Canada.