



GLOBAL UAV
TECHNOLOGIES

**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2024**

Introduction

This Management's Discussion and Analysis ("MD&A") of Global UAV Technologies Ltd., including its wholly owned subsidiaries, is the responsibility of management and covers the three-month period ended January 31, 2024. The MD&A takes into account information available up to and including March 22, 2024, and should be read together with the condensed consolidated interim financial statements for the three-month period ended January 31, 2024 and with the audited annual consolidated financial statements for the year ended October 31, 2023. Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

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

Forward Looking Statements

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

Description of Business

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

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

Outlook

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

Due in part to COVID-19, the Company is evaluating various restructuring options, including a sale of its subsidiaries or its key UAV assets. The Company remains focused on restructuring the entity in order to attract investments and opportunities.

Performance Summary and Subsequent Events

Corporate Events

During the three-months ended January 31, 2024, and the subsequent period to the date of this report, the Company continued to investigate potential project acquisitions and financing opportunities.

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

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

Results of Operations

For the three-months period ended January 31, 2024:

Net loss and comprehensive loss for the three-months period ended January 31, 2024 was \$25,778 compared to a loss and comprehensive loss of \$39,841 during the comparative three-months period ended January 31, 2023, a decrease of \$14,063. Included in net loss were non-cash expenditures for depreciation of \$409 (2023 - \$511).

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

- i. Accounting, audit and legal expenses decreased by \$8,214 to \$20,244 from \$28,458 in 2023. This decrease is due to reduced activity during the period as the Company is focused on restructuring.
- ii. Office and miscellaneous decreased by \$554 to \$344 from \$898 in 2023 due to reduced activity as the company conserves working capital.
- iii. Regulatory, listing and transfer agent fees decreased by \$7,449 to \$2,525 from \$9,974 in 2023 due to reduced corporate activity.

Significant variances in the Issuer's financial position for the three-months ended January 31, 2024 compared to October 31, 2023

- i. Cash decreased by \$1,769 to \$793 at January 31, 2024 from \$2,248 at October 31, 2023. Refer to the cash-flow discussion below for a description of operating, investing and financing activities.
- ii. Equipment decreased by \$409 to \$7,772 at January 31, 2024 from \$8,181 at October 31, 2023. The decrease relates to depreciation for the period.
- iii. Accounts payable and accrued liabilities increased by \$25,496 to \$1,310,345 at January 31, 2024 from \$1,284,849 at October 31, 2023. The Company is focused on reducing costs during periods of decreased operating activities in order to conserve working capital.

Summary of Quarterly Results

	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Income (loss) for the quarter	(25,778)	(25,667)	(27,893)	(67,775)
Basic and diluted income (loss) per share	(0.02)	(0.02)	(0.02)	(0.06)
	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
Revenue	\$ -	\$ -	\$ -	\$ -
Income (loss) for the quarter	(39,841)	(144,766)	58,217	(53,842)
Basic and diluted loss per share	(0.03)	(0.12)	0.05	(0.05)

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

Related Party Transactions

Transactions with management and related parties during the period ended January 31, 2024 and 2023:

Supplier	Nature of Transaction	2024	2023
Red Fern Consulting Ltd ⁽ⁱ⁾	Accounting Services	\$ 15,000	\$ 15,000

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

Included in accounts payable and accrued liabilities is \$976,975 (October 31, 2023 - \$961,808) due to officers, former officers, and directors of the Company.

Liquidity and Capital Resources

As at January 31, 2024, the Issuer had cash totaling \$793 compared to \$2,562 as at October 31, 2023. As at January 31, 2024, the Company had a working capital deficit of \$1,286,553 (October 31, 2023 – deficit of \$1,261,184).

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

Significant variances in the Issuer's cash flows for the period ended January 31, 2024 compared to the three-months ended January 31, 2023, were as follows:

- i. Cash used in operating activities increased by \$3,730 to \$1,769 from \$1,961 provided by operating activities in 2023 largely due to the payment of accounts payable.

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

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

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

Financial Instruments and Risk Management

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

	January 31, 2024	October 31, 2023
Financial assets		
Cash	\$ 793	\$ 2,562
Amounts receivable	22,999	21,103
Total financial assets	\$ 23,792	\$ 23,665
Financial liabilities		
Accounts payable and accrued liabilities	\$ 1,310,345	\$ 1,284,849
Loan payable	60,000	60,000
Total financial liabilities	\$ 1,370,345	\$ 1,344,849

The fair values of the Company's cash, amounts receivable, accounts payable and accrued liabilities, and loan payable approximate their carrying values due to the short-term nature of these instruments. Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

a) Credit risk

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

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

b) Liquidity risk

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

As at January 31, 2024, the Company had cash in the amount of \$793 (October 31, 2023 - \$2,562) and accounts payable and accrued liabilities of \$1,310,345 (October 31, 2023 - \$1,284,849).

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

c) Market risk

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

Interest rate risk

Interest rate risk consists of two components:

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

The Issuer is not exposed to significant interest rate risk.

Foreign currency risk

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

Other price risk

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

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

d) Fair value of financial instruments

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

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

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

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

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

Management of Capital

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

The Issuer's capital consists of shareholders' deficit.

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

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

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

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

Off-Balance Sheet Arrangements

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

Proposed Transactions

There are currently no proposed transactions contemplated by the Issuer.

Contractual Obligations

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

Risks Related to Nature of Ownership of Common Shares

Dilution

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

Market Volatility

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

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:

Critical judgments used in applying accounting policies

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

Impairment of assets

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

Utilization of deferred income tax assets

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

New accounting standards and interpretations

The accounting policies applied in preparation of the 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, 2023.

Disclosure of Outstanding Share Data

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

Common shares	1,171,167
Stock options	-
Warrants	-
Fully diluted outstanding	1,171,167

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