

DEVERON UAS CORP.

**CSE FORM 2A
LISTING STATEMENT**

July 14, 2016

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Schedule "A"	<p>Financial Statements of Issuer</p> <ul style="list-style-type: none"> • Auditor's consent of Abraham Chan LLP. • Audited Financial Statements for the years ended December 31, 2014 and 2015
Schedule "B"	<p>Financial Statements of Ontco</p> <ul style="list-style-type: none"> • Auditor's consent of Dale Matheson Carr-Hilton Labonte LLP. • Audited Financial Statements for the period from the date of incorporation (October 19, 2015 to December 31, 2015).
Schedule "C"	<p>Pro Forma Consolidated Financial Statements of the Issuer as at March 31, 2016.</p>

Forward-Looking Statements

The information provided in this listing statement (the “**Listing Statement**”), including information incorporated by reference, may contain “forward-looking statements” about the Issuer. In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and
- other risks described in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation (see *Section 17 – Risk Factors*).

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable,

the Issuer has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

2. CORPORATE STRUCTURE

- 2.1 Deveron UAS Corp. (the “**Issuer**” or “**Deveron**”)
1208-330 Bay Street
Toronto ON M5H 2S8
- 2.2 Deveron was incorporated on March 28, 2011, under the laws of the Province of Ontario. The Issuer filed articles of amendment effective September 7, 2011, removing the private company restrictions. The Issuer filed articles of amendment, to change its name from “Deveron Resources Ltd.” to “Deveron UAS Corp.” on July 12, 2016.
- 2.3 The corporate structure of the Issuer is as follows:



- 2.4 Pursuant to a share exchange agreement (the “**Share Exchange Agreement**”) dated February 19, 2016, between the Issuer, 2487473 Ontario Inc. (“**Ontco**”) and all of the securityholders of Ontco (the “**Ontco Securityholders**”), the Issuer acquired all of the issued and outstanding securities of Ontco (the “**Transaction**”). Ontco is now a wholly-owned subsidiary of the Issuer and the Issuer’s business is the business of Ontco. See Section 3.2 – Significant Acquisitions and Dispositions for a description of the Transaction.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1(a) General Development of Ontco’s Business

Ontco was incorporated on October 19, 2015, and is a service-based business that provides aerial imagery through sophisticated unmanned aerial vehicles (“**UASs**”) to farmers and other agricultural service providers.

On November 13, 2015, the Issuer executed a binding letter agreement outlining the terms and conditions upon which the Issuer will acquire Ontco. On February 19, 2016, the Issuer and Ontco entered into a definitive arm's length Share Exchange Agreement.

3.1(b) General Development of the Issuer's Business

The Issuer was incorporated on March 28, 2011, for the purpose of acquiring the 28 contiguous mineral claims comprising the Nechako property, within the Omineca Mining Division, in British Columbia.

On November 27, 2012, the common shares of the Issuer (the "**Issuer Shares**") began trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "DVR".

In April 2013, the Issuer acquired an initial stake in Boreal Agrominerals Inc. ("**Boreal**"), a private company which owns and operates a carbonatite quarry near Sudbury, Ontario. In May 2013, the Issuer acquired an additional stake in Boreal resulting in the Issuer holding a 13.6% interest in Boreal. During fiscal 2015, the investment in Boreal was impaired by \$599,999 due to Boreal's inability to advance the project and liquidity issues.

On October 28, 2014, the Issuer entered into a letter agreement ("**Letter Agreement**") with Greencastle Resources Ltd. ("**Greencastle**") relating to Greencastle's Rockstone Property located near Thunder Bay, in north-west Ontario.

On November 13, 2015, the Issuer executed a binding letter agreement outlining the terms and conditions upon which the Issuer will acquire Ontco and on February 19, 2016, the Issuer and Ontco entered the Share Exchange Agreement. The Transaction was completed on February 19, 2016.

The Issuer will change its name to "Deveron UAS Corp.", following the annual and special meeting of shareholders of the Issuer to be held on June 28, 2016.

3.2 Significant Acquisitions and Dispositions

The Transaction

Pursuant to the terms of the Share Exchange Agreement dated February 19, 2016, between the Issuer, Ontco and the Ontco Securityholders, the Ontco Securityholders agreed to sell to the Issuer and the Issuer has agreed to purchase all of the issued and outstanding common shares (the "**Purchased Shares**") and warrants of Ontco (the "**Purchased Warrants**") in exchange for one Issuer Share (each, a "**Payment Share**") and one Issuer Share purchase warrant (each, a "**Payment Warrant**"). Each Payment Warrant entitles the holder to acquire an additional Issuer Share at an exercise price of \$0.40 for a period of two years from the closing of the Transaction. In addition, the Issuer will issue an additional one (1) Issuer Share (an "**Additional Payment Share**") to certain of the Ontco Securityholders for each \$1.00 of gross revenue earned by Ontco, as further set out below.

Transaction Mechanics

Each Ontco Securityholder received one (1) Payment Share and Payment Warrant for every Purchased Share and Purchased Warrant, respectively, held by such Ontco Securityholder. There were 1,700,001 Purchased Shares and 1,700,000 Purchased Warrants outstanding prior to the completion of the Transaction. A total of 1,700,001 Payment Shares and 1,700,000 Payment Warrants were exchanged for the securities of Ontco. The Transaction was completed by way of exempt distribution in connection with a business combination pursuant to applicable securities laws.

Additional Payment Shares

In addition, the Issuer will issue an Additional Payment Share, to a maximum of 1,000,000 Additional Payment Shares, to certain of the Ontco Securityholders for each \$1.00 of gross revenue earned by Ontco, during the four fiscal years following the closing of the Transaction. The Additional Payment Shares will be issued in four instalments on each date that is five business days following the date on which the Issuer files its audited financial statements for the applicable fiscal year.

Conditions to Closing the Transaction and Required Approvals

The Transaction was subject to a number of approvals, which were obtained, and conditions, which were satisfied, prior to its implementation, including, but not limited to the following:

- (a) the approval of the Transaction by the shareholders of the Issuer, as required by the Exchange;
- (b) the entry into of an escrow agreement between the Ontco Securityholders, the Issuer and an escrow agent, as required by the Canadian Securities Exchange (the “CSE”);
- (c) all conditions precedent set forth in the Share Exchange Agreement, having to be satisfied or waived by the appropriate party; and
- (d) the receipt of all necessary corporate, regulatory and third party approvals and compliance with all applicable regulatory requirements and conditions in connection with the 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 Ontco and the Ontco Securityholders, the accuracy of each of the representations and warranties by Ontco and the Ontco Securityholders, the absence of any material adverse change to Ontco, 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 Ontco.

The obligations of Ontco and the Ontco Securityholders 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 Ontco and the Ontco Securityholders, 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.

The board of directors (the "**Board**") of the Issuer was reconstituted in conjunction with the completion of the Transaction such that it consists of five directors: James Pirie, David MacMillan, Chris Irwin, James Borland and Roger Dent. The Amalgamation Agreement also requires that following the Closing of the Transaction the constitution of the Issuer's senior management would include David MacMillan, as President and Chief Executive Officer, Carmelo Marrelli as Chief Financial Officer.

3.3 **Trends**

Until recently, the Issuer's main focus has been on the exploration and development of its mineral properties. Since signing the letter agreement to acquire Ontco, the Issuer has focused on developing the business of Ontco as it applies to the introduction of unmanned aerial vehicles ("UASs") to precision agriculture. The Issuer's drone business 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.

See Section 17 - "Risk Factors" for risk factors affecting the Issuer.

4. **NARRATIVE DESCRIPTION OF THE BUSINESS**

The management discussion and analysis in this Listing Statement includes previous disclosure about the objectives and use of proceeds with respect to the Issuer's mineral exploration projects. The Transaction and change of name constitute a change of business of the Issuer, and it is the intent of the Issuer to operate as solely a drone business. See Section 3.3 - "Trends".

- 4.1 Following the closing of the Transaction, the Issuer changed its business to the business of Ontco. The issuer is a full-service company providing farmers with the opportunity to increase yields and reduce costs through the use of sophisticated UAS, sensors, software and analytics. The service offering is targeted at farmers, agricultural retailers and independent agronomists using the most advanced drones and sensors on the market today. The Company provides a strong value proposition to farmers through reduced costs and/or increased yields (through the optimization of inputs such as water, fertilizer, pesticides, etc).

The Company has access to multiple sensors (near-infrared, RGB and multi-spectral) which it uses to collect data on the grower's farm. From this data, Deveron works with a variety of software-as-a-service companies (by paying for analysis on a per use basis) to manipulate the data which can then identify specific problems within the field of crops and provide solutions which can then help growers reduce costs or increase yields. The capability of analysis continues to improve but current applications of value include: field scouting, tile drainage analysis, elevation mapping, normalized difference vegetation ("NDVI") imaging, multi-spectral comparisons, trend analysis, plant stress metrics, zone mapping and input prescription building.

The Company is licensed to operate drones for commercial services by Transport Canada under a Special Flight Operating Certificate ("SFOC").

Aerial imagery is one of the key applications available in precision agriculture. Precision agriculture is a farming management concept based on observing, measuring and responding to inter and intra-field variability in crops, including monitoring plant health, detecting early outbreak of pests and diseases, refining fertilizer applications or scheduling irrigation, among others.

Precision agriculture aims to optimize field-level farm management, increasing yields and reducing costs. Some of the benefits of precision agriculture are:

- ***crop science***: by matching farming practices more closely to crop needs (e.g. fertilizer inputs);
- ***environmental protection***: by reducing environmental risks and footprint of farming (e.g. limiting leaching of nitrogen);
- ***economics***: by boosting competitiveness through more efficient practices (e.g. improved management of fertilizer usage and other inputs).

Precision agriculture also provides farmers with a wealth of information to:

- build up a record of their farm;
- improve decision-making;
- foster greater traceability;
- enhance marketing of farm products;
- improve lease arrangements and relationship with landlords; and
- enhance the inherent quality of farm products (e.g. protein level in bread-flour wheat)

In addition, precision agriculture can be used for prescriptive planting, a type of farming system that delivers data-driven planting advice that can determine variable planting rates to accommodate varying conditions across a single field, in order to maximize yield. It

has been described as "Big Data on the farm." Monsanto, DuPont and others are launching this technology in the United States.

Precision agriculture is a four-stage process using techniques to observe spatial variability in crops:

Geolocation of Data

The initial stage of the process is to utilize the global positioning system ("GPS") to locate the farmer's field. Geolocating a field enables the farmer to overlay information gathered from analysis of soils and residual nitrogen, and information on previous crops and soil resistivity. Geolocation is done in two ways:

- The field is delineated using an in-vehicle GPS receiver as the farmer drives a tractor around the field; or
- The field is delineated on a basemap derived from aerial or satellite imagery. The base images must have the right level of resolution and geometric quality to ensure that geolocation is sufficiently accurate.

Characterizing Variability

Intra and inter-field variability may result from a number of factors. These include climatic conditions (hail, drought, rain, etc.), soils (texture, depth, nitrogen levels), cropping practices (no-till farming), weeds and disease. Permanent indicators, chiefly soil indicators, provide farmers with information about the main environmental constants. Point indicators allow them to track a crop's status, for example, to see whether diseases are developing, if the crop is suffering from water stress, nitrogen stress, or lodging, whether it has been damaged by ice and so on. This information may come from weather stations and other sensors (soil electrical resistivity, detection with the naked eye, satellite imagery, etc.). Soil resistivity measurements combined with soil analysis make it possible to precisely map field conditions.

Decision-Making – Two Strategies for Dealing with Variability

Using soil maps, farmers can pursue two strategies to adjust field inputs:

- Predictive approach: based on analysis of static indicators (soil, resistivity, field history, etc.) during the crop cycle.
- Control approach: information from static indicators is regularly updated during the crop cycle by:
 - sampling: weighing biomass, measuring leaf chlorophyll content, weighing fruit, etc.;
 - remote sensing: measuring parameters like temperature (air/soil), humidity (air/soil/leaf), wind or stem diameter is possible thanks to Wireless Sensor Networks

- proxy-detection: in-vehicle sensors measure leaf status; this requires the farmer to drive around the entire field.
- aerial or satellite remote sensing: multispectral imagery is acquired and processed to derive maps of crop biophysical parameters.

Decisions may be based on decision-support models (crop simulation models and recommendation models), but in the final analysis it is up to the farmer to decide in terms of business value and impacts on the environment.

Practices to Address Variability

New information and communication technologies (“**NICT**”) make field-level crop management more operational and easier to achieve for farmers. Application of crop management decisions calls for agricultural equipment that supports variable-rate technology (“**VRT**”), for example varying seed density along with variable-rate application (“**VRA**”) of nitrogen and phytosanitary products.

Precision agriculture uses technology on agricultural equipment (such as tractors, sprayers, harvesters, and other farm equipment):

- positioning system (such as GPS receivers that use satellite signals to precisely determine a position on the globe);
- geographic information systems (“**GIS**”), such as software that compiles all of the available data;
- variable-rate farming equipment (such as seeder and spreader).

Precision Agriculture Around the World

The concept of precision agriculture first emerged in the United States in the early 1980s. In 1985, researchers at the University of Minnesota varied lime inputs in crop fields. It was also at this time that the practice of grid sampling appeared (applying a fixed grid of one sample per hectare). Towards the end of the 1980s, this technique was used to derive the first input recommendation maps for fertilizers and pH corrections. The use of yield sensors developed from new technologies, combined with the advent of GPS receivers, has been gaining ground ever since. Today, such systems cover several million hectares.

In the American Midwest (US), it is associated not with sustainable agriculture but with mainstream farmers who are trying to maximize profits by spending money only in areas that require fertilizer. This practice allows the farmer to vary the rate of fertilizer across the field according to the need identified by GPS guided Grid or Zone Sampling. Fertilizer that would have been spread in areas that don't need it can be placed in areas that do, thereby optimizing its use.

Around the world, precision agriculture developed at a varying pace. Precursor nations were the United States, Canada and Australia. In Europe, the United Kingdom was the first to go down this path, followed closely by France, where it first appeared in 1997-

1998. In Latin America the leading country is Argentina, where it was introduced in the middle 1990s with the support of the National Agricultural Technology Institute. The actual scenario of agriculture in Brazil walks towards efficient production with environment protection therefore Embrapa established the Brazilian Precision Agriculture Research Network, with the objective of knowledge generation, tools and technologies development on precision agriculture to soybean, maize, wheat, rice, cotton, pasture, eucalyptus, pines, grapes, peach, orange and sugar cane crops. The development of GPS and variable-rate spreading techniques helped to anchor precision farming management practices. Today, less than 10% of France's farmers are equipped with variable-rate systems. Uptake of GPS is more widespread, but this hasn't stopped them using precision agriculture services, which supplies field-level recommendation maps.

Economic and Environmental Impacts

Precision agriculture management practices can significantly reduce the amount of nutrient and other crop inputs used while boosting yields. Farmers thus obtain a return on their investment by saving on phytosanitary and fertilizer costs. The second, larger-scale benefit of targeting inputs—in spatial, temporal and quantitative terms—concerns environmental impacts. Applying the right amount of inputs in the right place and at the right time benefits crops, soils and groundwater, and thus the entire crop cycle. Consequently, precision agriculture has become a cornerstone of sustainable agriculture, since it respects crops, soils and farmers. Sustainable agriculture seeks to assure a continued supply of food within the ecological, economic and social limits required to sustain production in the long term. Precision agriculture therefore seeks to use high-tech systems in pursuit of this goal.

The principal distribution of the Issuer's product is through direct sales by Deveron employees or through a sales network of agents who are paid a commission on a percentage of the generated sales revenue. The Issuer operates in the province of Ontario which has a direct market of nearly 6 million acres of cash crop (corn, soybean, wheat) and 8 million acres of total cropland.

The Issuer has completed beta testing of the product and is investing in developing scalable marketing channels and building service feasibility testing through strategic partners.

The purpose of 2016 is to test launch the service with key strategic partners with 2017 being the full commercial launch of the service offering across the province of Ontario.

The Issuer has a team of three UAS pilots and equipment, including five UASS, that are located across the province of Ontario that collect on-demand aerial imagery. The service process can be broken into the following steps:

- Step 1 – Needs assessment;
- Step 2 – Flight planning;
- Step 3 – Aerial imagery acquired during flight;

- Step 4 – Analyse data, provide insight and consultation on imagery; and
- Step 5 – Use information to increase yields, decrease costs and increase efficiency.

Deveron provides an all-encompassing solution for UAS imagery collection and manages the entire work flow process using the most advanced hardware, software and analytics to provide actionable data to its customers. There are a number of barriers to mass adoption that Deveron plans to solve by building its network of licensed drone pilots and drones. It is expensive for individual farmers to buy their own hardware and they cannot feasibly amortize the capital costs efficiently. By building a network solely focused on imagery, Deveron is able to amortize the costs associated with drones over multiple customers, thereby delivering the lowest cost solution in the market. The model is similar to networks that exist in commercial aircraft and other remote sensing businesses. As a service, multiple users allow for economies of scale. This increases adoption rates and removes many barriers to entry for individuals.

Farmers are interested in aerial imagery data and the analysis that third party software can perform. They are not interested in managing any of this process themselves. Deveron is working towards full integration, in the medium term, that will allow farmers to have their fields flown and then the data directly transferred into the farmer's field equipment so that an automatic application of input (chemical, fertilizer, nitrogen) can be applied.

Detailed knowledge of the growing of typical Ontario cash crops is required to explain the advantages of collecting and interpreting UAS data to the farmer and related entities; detailed knowledge of both the capabilities of individual UAS (drones) and on-board equipment (cameras, sensors, etc.) and the processing and interpretation of the data. Deveron has on staff probably the most experienced person in these fields in Ontario.

Agriculture is a seasonal business that Deveron is exposed to given its operations currently focus in Ontario. Deveron's opportunity to earn revenue is predominantly limited to times between April and October when land holders are interested in getting imagery observations of their fields. In addition, results can vary based on a number of factors, including weather, farmer demand for imagery products and Deveron's revenue recognition policies.

To the best of our knowledge, the flight operations of Deveron would not interfere or disturb the environment.

Employees

As of the date of this Listing Statement, the Issuer employees two people. In addition, once farming activity began in early Spring, the Company employed three UAS pilots who will operate under the Company's Special Flight Operations Certificate ("SFOC") from Transport Canada. The Issuer believes its ability to attract and retain qualified employees is a critical factor in the successful development of its products and that its future success will depend, in large measure, on its ability to continue to attract and retain qualified employees.

At this time, the Issuer has no significant contracts in place and no renegotiation or termination of contracts are anticipated in the current year.

Competition

At the moment, management has not identified an organized entity with a business model similar to the Issuer's in North America. The closest competitive entities with a service focus are all operating across multiple industries and are not specialized in agriculture or they do not operate in Ontario.

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 purchase the most advanced UASs, sensors and software platforms on the market and amortize the costs over multiple customers. The Issuer's business model will also allow the Issuer to negotiate favourable partnerships with the best providers of software and analytics as the Issuer is a key downstream pipeline for these companies to access customers and revenue.

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 UAS imagery if it can capitalize on a first mover advantage.

Business Objectives and Milestones

In the following 12-month period, the business objective of the Issuer is to further establish credibility and gain market awareness of the service offering to growers in the province of Ontario. The Issuer intends to do this by accomplishing the following business objectives:

- (a) Complete initial development and deployment of the UAS network to provide on-demand imagery to the agricultural industry across Ontario;
- (b) Complete provincial marketing campaign of service offering through sales network of agents and UAS pilots;
- (c) Confirm key management personnel (CEO and Head of Agriculture); and
- (d) Complete three product feasibility studies with strategic partners.

The Issuer anticipates that in order to accomplish the business objectives, it will have to meeting the following milestones:

Event	Cost	Timing
Complete development of on-demand UAS imagery network	\$60,000.00	3 months
Pilot Training	\$5,000.00	2 months
Ongoing Provincial Marketing Campaign	\$50,000.00	9 months
Management Personnel Hiring	\$120,000.00	9 months
Product Feasibility Testing with Partners	\$60,000.00	9 months
Total:	\$295,000.00	

The Issuer may need to adjust the timeframe for meeting various business objectives and milestones depending on the availability of funds. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of Deveron. For these reasons, it is considered to be in the best interests of Deveron and its shareholders to afford management a reasonable degree of flexibility as to how the funds are deployed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

Use of Proceeds

As of the date of this Listing Statement, the Issuer had a working capital deficiency of \$•. As set out in the table above, the Issuer will require approximately \$295,000 to be used to achieve the objectives and milestones described therein. The Issuer anticipates to satisfy its working capital requirements through the completion of a non-brokered private placement of 4,021,000 units (each, a “**Unit**”) of the Issuer at a price of \$0.20 per Unit for gross proceeds of \$804,200. Each Unit is comprised of one common share in the capital of the Issuer (each, an “**Issuer Share**”) and one-half of one Issuer Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire an Issuer Share for a period of 24 months from the date of issuance at an exercise price of \$0.30 per Issuer Share.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1(a) Annual Information - Issuer

The following table provides a brief summary of the Issuer’s financial operations for each of the three completed financial years. Refer to Schedule “A” for the complete set of the Issuer’s audited financial statements for the years ended December 31, 2015, December 31, 2014 and December 31, 2013.

Description	December 31, 2015 (audited) \$	December 31, 2014 (audited) \$	December 31, 2013 (audited) \$
Revenue	Nil	Nil	Nil
Net income (loss)	(793,323)	(130,712)	(285,771)
Net profit (loss) per share (basic and diluted)	(0.07)	(0.01)	(0.02)
Total Assets	40,667	797,337	702,129

5.1(a) Annual Information - Ontco

The following table provides a brief summary of Ontco's financial operations for the period from the date of incorporation of Ontco (October 19, 2015) to December 31, 2015. Refer to Schedule "B" for the complete set of Ontco's audited financial statements.

Description	Period from October 19, 2015 to December 31, 2015 (audited) \$
Revenue	Nil
Net income (loss)	(20,921)
Net profit (loss) per share (basic and diluted)	(0.03)
Total Assets	155,580

5.2(a) Quarterly Information - Issuer

Selected information for the eight quarterly periods ended December 31, 2015, are set out in the table below.

	12/31/15	9/30/15	06/30/15	3/31/15	12/31/14	09/30/14	06/30/14	03/31/14
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(653,748)	(32,421)	(27,640)	(79,514)	(54,557)	(29,947)	(24,389)	(21,525)
Loss/Share	(0.06)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	40,667	679,125	697,201	717,602	797,337	631,296	656,159	678,897

5.2(b) Quarterly Information - Ontco

Selected information for quarterly period from the date of incorporation of Ontco (October 19, 2015) to December 31, 2015, are set out in the table below.

	Period from October 19, 2015 to December 31, 2015
Revenue	Nil
Net loss	(20,921)
Loss/Share	(0.03)
Total Assets	155,580

5.3 Dividends

The Issuer has not paid dividends in the past and it has no present intention of paying dividends. Future dividends, if any, will be determined by the Board on the basis of earnings, financial requirements and other conditions existing at the time.

5.4 Foreign GAAP

This section is not applicable to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The management discussion and analysis in this Listing Statement includes previous disclosure about the objectives and use of proceeds with respect to the Issuer's mineral exploration projects. The Transaction and change of name constitute a change of business of the Issuer, and it is the intent of the Issuer to operate as solely a drone business. See Section 3.3 – "Trends".

6.1(a) MD&A of the Issuer for the Year Ended December 31, 2015 - Issuer

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Deveron constitutes management's review of the factors that affected the Issuer's financial and operating performance for the year ended December 31, 2015. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Issuer for the years ended December 31, 2015 and 2014, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Issuer's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of February 25, 2016, unless otherwise indicated.

Overall Performance

During the year ended December 31, 2015, the Issuer earned no revenue and reported a loss of \$793,323 (year ended December 31, 2015 - \$0.07 basic and diluted loss per share). That compares with a loss of \$130,418 for the year ended December 31, 2014 (year ended December 31, 2014 - \$0.01 basic and diluted loss per share). Losses in the years presented mainly represent exploration and evaluation expenditures (recovery), professional fees, shareholder relations, impairment of long-term investments and other general and administrative expenses.

At present, Deveron is involved in the exploration and development of mineral exploration assets in Canada and it will terminate these activities if the transaction of acquiring Ontco is successfully completed. The transaction may constitute a "Change of Business" under the policies of the TSXV and is subject to TSXV approval. The Issuer plans to apply to delist its common shares from the TSXV and apply for listing on the CSE. Delisting is subject to TSXV approval and listing on the CSE is subject to CSE approval. The Issuer is in the process of

preparing to submit the requisite documents to the CSE. There is no assurance the CSE will provide conditional or final approval of the Issuer's application to list the Common Shares on the CSE.

Capital Resources

The Issuer has limited capital resources and has to rely upon the sale of its equity and/or debt securities for cash required for: (i) acquisition, exploration and development of mineral resource properties; and (ii) funding of its UAS business. Since the Issuer does not expect to generate any significant revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Issuer in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to the Issuer.

The Issuer's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its UAS business if the transaction is allowed to proceed.

The Issuer has a need for equity capital and financing for working capital and exploration and development of the Nechako and Rockstone properties as well as proceeding with the Ontco business. Because of ongoing operating losses, the Issuer's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Issuer will attain profitable levels of operation.

Other than as disclosed in this MD&A, the Issuer does not have any commitments for capital expenditures as at the date hereof.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Issuer does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Issuer other than the Transaction which is described in this Listing Statement.

Discussion of Operations

Year ended December 31, 2015, compared with year ended December 31, 2014

The Issuer's net loss totaled \$793,323 for the year ended December 31, 2015, with basic and diluted loss per share of \$0.07. Activities for the year ended December 31, 2015, principally involved shareholder relations of \$52,599 pertaining to regulatory filing fees; professional fees of \$62,579, representing costs incurred for general legal, accounting and audit services; interest expense of \$28,680; office and general of \$1,958; consulting fees of \$6,000; impairment of long-

term investments of \$599,999; exploration and evaluation expenditures of \$34,370; and share-based payments of \$7,138.

The Issuer's net loss totaled \$130,418 for the year ended December 31, 2014, with basic and diluted loss per share of \$0.01. Activities for the year ended December 31, 2014, principally involved shareholder relations of \$46,275 pertaining to regulatory filing fees; professional fees of \$62,245, representing costs incurred for general legal, accounting and audit services; exploration and evaluation recovery of \$5,451; share-based payments of \$1,968; interest expense of \$21,726; travel expenses of \$198; office and general of \$7,751; and income tax recovery of \$4,294.

Three months ended December 31, 2015, compared with three months ended December 31, 2014

The Issuer's net loss totaled \$653,748 for the three months ended December 31, 2015, with basic and diluted loss per share of \$0.06. Activities for the three months ended December 31, 2015, principally involved shareholder relations of \$20,116 pertaining to regulatory filing fees and consulting fees; professional fees of \$20,231, representing costs incurred for general legal, accounting and audit services; consulting fees of \$6,000; impairment of long-term investments of \$599,999; interest expense of \$7,139; and office and general of \$263.

The Issuer's net loss totaled \$54,557 for the three months ended December 31, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended December 31, 2014, principally involved shareholder relations of \$25,502 pertaining to regulatory filing fees; professional fees of \$22,420, representing costs incurred for general legal, accounting and audit services; interest expense of \$6,767; travel expenses of \$198; office and general of \$3,964; and income tax recovery of \$4,294.

Liquidity and Financial Position

Should the Issuer not proceed with the Transaction, the activities of the Issuer, principally the acquisition, exploration, and development of properties prospective for base and precious minerals, will continue to be financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. No options or warrants were exercised and the Issuer did not complete an equity offering in fiscal 2015. There is no assurance that future equity capital will be available to the Issuer in the amounts or at the times desired by the Issuer or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

As at December 31, 2015, the Issuer had a working capital deficit of \$646,546 (December 31, 2014 – working capital deficit of \$460,360). The Issuer's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the claims and also identify, evaluate and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Issuer's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;
- the prevailing market prices for base and precious minerals;

- the potential abandonment of both the Nechako and Rockstone properties as exploration results provide further information relating to the underlying value of the projects;
- changes in laws, regulations and political conditions; and
- the ability of the Issuer to realize satisfactory terms in its negotiation of work contracts relating to both the Nechako and Rockstone properties.

The current trends are relatively unfavourable for the Issuer as junior exploration companies are finding it difficult to complete financings. This could negatively affect the Issuer's operations and business. Other than as disclosed in this MD&A, the Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its business, financial condition or results of operations. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

Assuming the Issuer remains in the mineral exploration business, the expected use of funds for the following twelve months (January 1, 2016 to December 31, 2016) includes:

Use of Total Available Funds ⁽³⁾	Amount
Phase 1 - Surface Program ⁽¹⁾⁽³⁾	\$260,000
Rockstone - Phase 1 ⁽³⁾⁽⁴⁾	\$108,500
Repayment of Greencastle demand loan	\$662,351
General and Administrative Expenses ⁽²⁾⁽³⁾	\$113,000
Total	\$1,143,851

Notes:

- (1) A total of \$260,000 has been estimated for the Phase 1 for the Nechako Property. Phase 1 will be commenced if and when sufficient and additional financing is raised.
- (2) General and administrative expenses
- (3) Discretionary and subject to change.
- (4) A total of \$108,500 has been estimated for the Phase 1 for the Rockstone Property. Phase 1 will be commenced if and when sufficient and additional financing is raised.

Description	Amount
Professional fees	\$60,000
Shareholder relations	\$50,000
Office and operating costs	\$3,000
Total	\$113,000

In addition, the Issuer has made a \$600,000 investment in Boreal for a 13.6% interest, to assist Boreal in pursuing its business plan of producing and selling its agromineral fertilizers and soil amendment products. The plan projects that Boreal will produce future cash flows, which can be distributed to its shareholders through dividends although this is not anticipated in the near term. As this is unlikely at December 31, 2015 and at the date of this MD&A, the Issuer has taken an impairment charge of \$599,999 on the Boreal investment.

The Issuer is currently working on an operating budget for its UAS business activities at the date of this MD&A.

Based on the rate of expenditure above, the Issuer will have to raise equity capital in fiscal 2016 in amounts sufficient to fund the Ontco business, if acquired and other working capital

requirements. The major variables are expected to be the success of the Issuer's drone business and its ability to continue to access capital to fund its ongoing operations. Payments on select accounts payable will be deferred until a financing is completed. The Issuer's cash balance at December 31, 2015, is not sufficient to fund its operating expenses at current levels. At the date hereof, the Issuer's cash balance has diminished as a result of normal business operations and management is attempting to defer all payments, to the extent practical. Should the Issuer not raise sufficient capital, it may cease to be a reporting issuer.

The Issuer will continue exploration and development of mineral exploration assets if the drone business is not successful.

Major Shareholder and Related Party Transactions

Major Shareholder

The Issuer is controlled by Greencastle. At December 31, 2015, Greencastle owned and/or exercised control over 7,756,005 common shares of Deveron, representing approximately 65.8% of the issued and outstanding Common Shares. The CEO of Deveron is the president, secretary and director of Greencastle and both companies have the same Chief Financial Officer ("CFO"). The remaining 34.2% of the shares are widely held, which includes various small holdings which are owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Issuer's major shareholder does not have different voting rights than other holders of the Issuer's common shares.

The Issuer is not aware of any arrangements that may at a subsequent date result in a change in control of the Issuer. To the knowledge of the Issuer, other than Greencastle, who owns or controls, directly or indirectly, approximately 65.8% of the issued and outstanding shares of the Issuer, the Issuer is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related Party Transactions

During the year ended December 31, 2015, the Issuer incurred professional fees of \$34,718 (year ended December 31, 2014 - \$33,540) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Deveron. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Issuer. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, Marrelli Support is owed \$8,650 (December 31, 2014 - \$2,798) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2015, the Issuer incurred professional fees of \$8,438 (year ended December 31, 2014 - \$8,827) to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As December 31, 2015, DSA is owed \$1,999 (December 31, 2014 - \$735) and this amount is included in amounts

payable and other liabilities.

During the year ended December 31, 2015, the Issuer also incurred legal fees of \$13,199 (year ended December 31, 2014 - \$9,840) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the December 31, 2015 amounts payable and other liabilities is \$6,321 due to Irwin Lowy LLP (December 31, 2014 - \$6,592).

For the year ended December 31, 2015, consulting fees of \$6,000 (year ended December 31, 2014 - \$nil) were charged by a director of the Issuer, for performing advisory services for Deveron.

On October 28, 2014, the Issuer entered into a Letter Agreement with its parent company, Greencastle, which was amended on January 21, 2015.

Greencastle loaned Deveron \$400,000 on May 22, 2013 and \$200,000 on October 29, 2014, which bears interest at prime plus two percent and is due on demand. As security for the loan, Deveron granted Greencastle a security interest over all assets of the Issuer. The carrying value of all the assets are \$40,667, being the value of the investments in Boreal, cash and amounts receivable and other assets. The Issuer's interest in the Nechako property and its option to earn 100% interest in the Rockstone property is carried at \$nil until such time as the project has been established as commercially viable and technically feasible. Included in due to related party as at December 31, 2015 is \$662,351 due to Greencastle (December 31, 2014 - \$633,671). For the year ended December 31, 2015, interest of \$28,680 (year ended December 31, 2014 - \$21,726) has been accrued and is included in interest expense in the statements of comprehensive loss.

Recent Accounting Pronouncements

(i) IFRS 9 – Financial Instruments (“**IFRS 9**”) was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“**IAS 39**”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous

versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. However, an entity may elect to apply the earlier versions of this new standard to annual periods beginning before January 1, 2018 if, and only if, its initial application date is before February 1, 2015. The Issuer is still in the process of assessing the impact of this pronouncement.

(ii) IFRS 11 - Joint Arrangements (“**IFRS 11**”) was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Issuer is still in the process of assessing the impact of this pronouncement.

(iii) IAS 1 – Presentation of Financial Statements (“**IAS 1**”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Issuer is still in the process of assessing the impact of this pronouncement.

Capital Management

The Issuer includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2015, totaled a deficit of \$646,545 (December 31, 2014 – equity of \$139,640).

The Issuer’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Issuer may attempt to raise additional funds through the issuance of debt or equity. The Issuer is not subject to any capital requirements imposed by a lending institution.

The Issuer monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Issuer may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Issuer’s capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015 and 2014.

The Issuer's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015. The Issuer is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Issuer is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Financial Instruments

The Issuer's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk). For a description of these risks and other risks facing the Issuer, see Section 17 – “Risk Factors”.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Issuer believes the following movements are reasonably possible over a twelve month period:

- (i) The amount due to related party is subject to interest rate risk. The promissory notes of \$400,000 and \$200,000, obtained from Greencastle on May 22, 2013 and October 29, 2014, respectively, bears an annual interest of prime plus two percent (2%). As at December 31, 2015, if interest rates had decreased/increased by 1% with all other variables held constant, it would affect the reported loss and comprehensive loss for the year ended December 31, 2015, by approximately \$6,000.
- (ii) The Issuer does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Share Capital

As at the date of this MD&A, the Issuer had a total of 11,794,505 Common Shares issued and outstanding. An additional 8,431,090 Common Shares are subject to issuance pursuant to the following: 1,175,000 stock options and 7,256,090 outstanding warrants. Each stock option will be exercisable to acquire one Common Share at a price of \$0.25 per Common Share with an expiry date of April 3, 2016 to November 29, 2017. Each warrant will be exercisable to acquire one common share at a price of \$0.30 per Common Share with an expiry date of July 31, 2016.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer, as of the date of and for the years presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (“**NI 52-109**”), the Issuer uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“**DC&P**”) and internal control over financial reporting (“**ICFR**”), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Entities without Significant Revenue

	Year Ended December 31, 2015 (\$)	Year Ended December 31, 2014 (\$)
Consulting fees	6,000	nil
Professional fees	62,579	62,245
Share-based payments	7,138	1,968
Shareholder relations	52,599	46,275
Exploration and evaluation expenditures (recovery)	34,370	(5,451)
Office and general	1,958	7,751
Interest expense	28,680	21,726
Travel	nil	198
Income tax recovery	nil	(4,294)
Impairment of long-term investments	599,999	nil
Total	793,323	130,418

Year Ended December 31, 2015			
	Nechako Property (\$)	Rockstone Property (\$)	Total (\$)
Exploration and evaluation recovery			
Acquisition costs	nil	30,000	30,000
Claim staking, maintenance fees	nil	4,370	4,370
Total	nil	34,370	34,370

Year Ended December 31, 2014			
Exploration and evaluation expenditures	Nechako Property (\$)	Rockstone Property (\$)	Total (\$)
Geochemistry costs	(5,451)	nil	(5,451)
Total	(5,451)	nil	(5,451)

6.1(b) MD&A of the Issuer for the Nine Month Period ended September 30, 2015 - Issuer

Overall Performance

During the nine months ended September 30, 2015, the Issuer earned no revenue and reported a loss of \$139,575 (nine months ended September 30, 2015 - \$0.01 basic and diluted loss per share). That compares with a loss of \$75,861 for the nine months ended September 30, 2014 (nine months ended September 30, 2014 - \$0.01 basic and diluted loss per share). Losses in the periods presented mainly represent exploration and evaluation expenditures (recovery), professional fees, shareholder relations and other general and administrative expenses.

During the prior year, the Chief Executive Officer (“CEO”) of Deveron and the CEO of Greencastle had agreed to forego their consulting fees until market conditions improve.

On October 28, 2014, the Issuer entered into a letter agreement (“Letter Agreement”) with Greencastle relating to Greencastle’s Rockstone Property located near Thunder Bay, in north-west Ontario. Under the terms of the Letter Agreement, Deveron will pay total cash considerations of \$150,000 and incur \$2,000,000 in exploration expenditures over a three year period to earn a 60% interest in the Rockstone Property. Deveron can elect to earn 100% interest in the Rockstone Property by incurring all expenditures required to produce a bankable feasibility study, subject to Greencastle retaining a 3% net smelter return royalty.

In connection with the Letter Agreement, Greencastle has also loaned Deveron \$200,000, which bears interest at prime plus two percent (2%) and is due on demand. As security for the loan, Deveron has granted Greencastle a security interest over all of its assets and undertakings.

On January 12, 2015, the Issuer granted 125,000 stock options to a director with each option exercisable into one common share of the Issuer at an exercise price of \$0.25 per share until November 29, 2017. The options vest immediately.

On January 21, 2015, the Letter Agreement between the Issuer and Greencastle was amended to include 10 additional claims for a total of 21 claims in the Rockstone Property.

Exploration Program

Nechako Property

Current and Future Plans Related to the Nechako Property

The following table summarizes the Issuer's current exploration programs at the Nechako Property, total estimated cost to complete each exploration program, and total expenditures incurred to date. For more information about exploration expenditures incurred by category during the nine months ended September 30, 2015 and 2014, please see "Additional Disclosure for Entities without Significant Revenue" below.

Summary of Completed Activities (Nine Months Ended September 30, 2015)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Based on the Issuer's working capital deficit of \$592,797 at September 30, 2015, the Issuer will have to raise equity capital in calendar 2015 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Issuer's exploration program and its ability to continue to access capital to fund its ongoing operations	\$498,098	Proposed Phase 1 2015 Program (Note 1)	\$260,000
		Phase 2 - Diamond drilling (Note 2)	\$375,000
		Care and maintenance until the Issuer completes a financing	
Nine months ended September 30, 2015 – no activities were completed			
The project claims are in good standing until August 2016			
Subtotals	\$498,098		\$635,000
Total (A+B)			\$1,133,098

Note 1

To trace the lateral extent of the mineralization through the overburden cover will require a phase 1 program of detailed grid soil geochemistry, geological mapping, possibly followed by 3D induced polarization (3DIP) geophysical surveys over the identified anomalous areas.

Detailed field evaluation should be carried out on other areas with anomalous gold, silver, copper and zinc in several of the soil grids. In addition, follow-up exploration will be required to assess several locations where anomalous gold and copper values were identified in stream sediment samples. This would include additional stream sediment sampling, mapping and soil sampling where appropriate.

Note 2

Following the recommended work in note 1 and contingent on the results thereof, a provision should be made for a second phase of work including a program of some 1,500 metres of diamond drilling to test any targets with potential for porphyry and/or epithermal precious metal mineralization.

Costs

The following is a detailed list of expenditures incurred to date on the Issuer's mineral property as at September 30, 2015 and December 31, 2014:

Nechako Property	Total September 30, 2015	Total December 31, 2014
Acquisition costs	\$320,109	\$320,109
Claim staking, maintenance fees	2,682	2,682
Laboratory and analysis	23,497	23,497
Geochemical costs	151,508	151,508
Geological costs	302	302
Total	\$498,098	\$498,098

Rockstone Property

On October 28, 2014, the Issuer entered into a Letter Agreement with Greencastle relating to Greencastle's Rockstone Property located near Thunder Bay, in north-west Ontario. The Rockstone Property consists of 11 claims.

Under the terms of the Letter Agreement, Deveron will pay total cash considerations of \$150,000 and incur \$2,000,000 in exploration expenditures over a three year period to earn a 60% interest in the Rockstone Property. Deveron can elect to earn 100% interest in the Rockstone Property by incurring all expenditures required to produce a bankable feasibility study, subject to Greencastle retaining a 3% net smelter return royalty. The transaction was approved by the TSXV.

On January 21, 2015, the Letter Agreement between the Issuer and Greencastle was amended to add 10 additional claims for a total of 21 claims in the Rockstone Property.

A Phase 1 exploration program of ground geophysics, mapping and sampling at an estimated cost of \$108,500 is recommended to evaluate the Rockstone Property. The ground geophysics will be comprised of magnetic and electromagnetic surveys on cut lines. Due to the lack of outcrop and known complexity of folding and deformation of the supracrustal rocks, the magnetic survey will help define the geological stratigraphy and structure. The electromagnetic survey will be used to better refine the VTEM anomalies in preparation for diamond drilling. The mapping and sampling will assess the geological environment around the conductive zones and assist in defining stratigraphic and structural setting of potential drill targets.

Once the results of the Phase 1 field work and detailed evaluation of the geophysical data are available, a number of targets will be identified and it is anticipated that a Phase 2 diamond drilling program of 2,000 metres in 8 holes at an estimated cost of \$340,000 will test the priority targets.

Current and Future Plans Related to the Rockstone Property

The following table summarizes the Issuer's current exploration programs at the Rockstone Property, total estimated cost to complete each exploration program, and total expenditures incurred to date. For more information about exploration expenditures incurred by category during the nine months ended September 30, 2015 and 2014, please see "Additional Disclosure for Entities without Significant Revenue" below.

Summary of Completed Activities (Nine Months Ended September 30, 2015)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Based on the Issuer's working capital deficit of \$592,797 at September 30, 2015, the Issuer will have to raise equity capital in calendar 2015 in amounts sufficient to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Issuer's exploration program and its ability to continue to access capital to fund its ongoing operations	\$34,370	A Phase 1 exploration program of ground geophysics, mapping and sampling	\$108,500
Nine months ended September 30, 2015 – no activities were completed		Phase 2 - Diamond drilling	\$340,000
All the project claims are in good standing		This next phase of work is subject to the Issuer completing a financing	
Subtotals	\$34,370		\$448,500
Total (A+B)			\$482,870

Technical Disclosure

All technical disclosure covering the Issuer's properties was prepared under the supervision of James Pirie, Ph.D., P. Eng., the CEO and a director of the Issuer and a "Qualified Person" within the meaning of National Instrument 43-101.

Business Objectives and Milestones

The Issuer's principal business is the acquisition, exploration and development of mineral properties. The Issuer intends to complete a financing, if available, to carry out planned exploration on both the Nechako and Rockstone properties and for working capital purposes. See "Liquidity and Financial Position".

On an ongoing basis, the Issuer will review and evaluate new opportunities to acquire other mineral properties. See "Caution Regarding Forward-looking Statements".

Capital Resources

The Issuer has limited capital resources and has to rely upon the sale of its equity and/or debt securities for cash required for acquisition, exploration and development of mineral resource properties. Since the Issuer does not expect to generate any revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to the Issuer in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to the Issuer.

The Issuer's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Issuer's mineral claims. The Issuer will require additional financing in order to

conduct its planned work programs on mineral properties, meet its ongoing corporate overhead and discharge its liabilities as they come due.

The Issuer has a need for equity capital and financing for working capital and exploration and development of the Nechako and Rockstone properties. Because of ongoing operating losses, the Issuer's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Issuer will attain profitable levels of operation.

Other than as disclosed in this MD&A, the Issuer does not have any commitments for capital expenditures as at the date hereof.

Discussion of Operations

Nine months ended September 30, 2015, compared with nine months ended September 30, 2014

The Issuer's net loss totaled \$139,575 for the nine months ended September 30, 2015, with basic and diluted loss per share of \$0.01. Activities for the nine months ended September 30, 2015, principally involved shareholder relations of \$32,483 pertaining to regulatory filing fees; professional fees of \$42,348, representing costs incurred for general legal, accounting and audit services; interest expense of \$21,541; office and general of \$1,695; exploration and evaluation expenditures of \$34,370; and share-based payments of \$7,138.

The Issuer's net loss totaled \$75,861 for the nine months ended September 30, 2014, with basic and diluted loss per share of \$0.01. Activities for the nine months ended September 30, 2014, principally involved shareholder relations of \$20,773 pertaining to regulatory filing fees; professional fees of \$39,825, representing costs incurred for general legal, accounting and audit services; exploration and evaluation recovery of \$5,451; share-based payments of \$1,968; interest expense of \$14,959; and office and general of \$3,787.

Three months ended September 30, 2015, compared with three months ended September 30, 2014

The Issuer's net loss totaled \$32,421 for the three months ended September 30, 2015, with basic and diluted loss per share of \$0.00. Activities for the three months ended September 30, 2015, principally involved shareholder relations of \$8,254 pertaining to regulatory filing fees; professional fees of \$16,822, representing costs incurred for general legal, accounting and audit services; interest expense of \$7,110; and office and general of \$235.

The Issuer's net loss totaled \$29,947 for the three months ended September 30, 2014, with basic and diluted loss per share of \$0.00. Activities for the three months ended September 30, 2014, principally involved shareholder relations of \$7,172 pertaining to regulatory filing fees; professional fees of \$14,307, representing costs incurred for general legal, accounting and audit services; interest expense of \$5,041; and office and general of \$3,427.

Liquidity and Financial Position

The activities of the Issuer, principally the acquisition, exploration, and development of properties prospective for base and precious minerals, are financed through the completion of

equity transactions such as equity offerings and the exercise of stock options and warrants. No options or warrants were exercised and the Issuer did not complete an equity offering in Q1, Q2 and Q3 2015. There is no assurance that future equity capital will be available to the Issuer in the amounts or at the times desired by the Issuer or on terms that are acceptable to it, if at all. See “Caution Regarding Forward-looking Statements” and “Risk Factors”.

As at September 30, 2015, the Issuer had a working capital deficit of \$592,797 (December 31, 2014 – working capital deficit of \$460,360). The Issuer’s continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to maintain its proposed mineral exploration programs on the claims and also identify, evaluate and acquire, if appropriate, interests in other mineral properties. The circumstances that could affect the Issuer’s ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally;
- the prevailing market prices for base and precious minerals;
- the potential abandonment of both the Nechako and Rockstone properties as exploration results provide further information relating to the underlying value of the projects;
- changes in laws, regulations and political conditions; and
- the ability of the Issuer to realize satisfactory terms in its negotiation of work contracts relating to both the Nechako and Rockstone properties.

The current trends are relatively unfavourable for the Issuer as junior exploration companies are finding it difficult to complete financings. This could negatively affect the Issuer’s operations and business. Other than as disclosed in this MD&A, the Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its business, financial condition or results of operations. See “Caution Regarding Forward-looking Statements” and “Risk Factors”.

Expected use of funds for the following three months (October 1, 2015 to December 31, 2015) includes:

Use of Total Available Funds ⁽³⁾	Amount
Phase 1 - Surface Program ⁽¹⁾⁽³⁾	\$260,000
Rockstone - Phase 1 ⁽³⁾⁽⁴⁾	\$108,500
Repayment of Greencastle demand loan	\$655,212
General and Administrative Expenses ⁽²⁾⁽³⁾	\$147,500
Total	\$1,171,212

Notes:

⁽¹⁾ A total of \$260,000 has been estimated for the Phase 1 for the Nechako Property. Phase 1 will be commenced if and when sufficient and additional financing is raised.

⁽²⁾ General and administrative expenses

⁽³⁾ Discretionary and subject to change.

⁽⁴⁾ A total of \$108,500 has been estimated for the Phase 1 for the Rockstone Property. Phase 1 will be commenced if and when sufficient and additional financing is raised.

Description	Amount	Spent (approx.)	Variance
Consulting	\$114,000	\$nil	\$114,000
Professional fees	60,000	42,300	17,700
Shareholder relations	40,000	32,500	7,500
Office and operating costs	10,000	1,700	8,300
Total	\$224,000	\$76,500	\$147,500

In addition, the Issuer has made a \$600,000 investment in Boreal for a 13.6% interest, to assist Boreal in pursuing its business plan of producing and selling its agromineral fertilizers and soil amendment products. The plan projects that Boreal will produce future cash flows, which can be distributed to its shareholders through dividends although this is not anticipated in the near term.

Based on the rate of expenditure above, the Issuer will have to raise equity capital in fiscal 2015 and 2016 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Issuer's exploration program and its ability to continue to access capital to fund its ongoing operations. Any further significant exploration programs on both the Nechako and Rockstone properties are subject to the Issuer raising capital. Payments on select accounts payable will be deferred until a financing is completed. The Issuer's cash balance at September 30, 2015, is not sufficient to fund its operating expenses at current levels. At the date hereof, the Issuer's cash balance has diminished as a result of normal business operations and management is attempting to defer all payments, to the extent practical. Should the Issuer not raise sufficient capital, it may cease to be a reporting issuer.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Issuer does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Issuer other than that which is disclosed in this MD&A. The Issuer continues to evaluate properties and corporate entities that it may acquire in the future.

Major Shareholder and Related Party Transactions

Major Shareholder

The Issuer is controlled by Greencastle. At September 30, 2015, Greencastle owned and/or exercised control over 7,756,005 Issuer Shares, representing approximately 65.8% of the issued and outstanding Issuer Shares. The CEO of Deveron is the president, secretary and director of Greencastle and both companies have the same Chief Financial Officer ("CFO"). The remaining 34.2% of the Issuer Shares are widely held, which includes various small holdings which are owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Issuer's major shareholder does not have different voting rights than other holders of the Issuer Shares.

The Issuer is not aware of any arrangements that may at a subsequent date result in a change in control of the Issuer. To the knowledge of the Issuer, other than Greencastle, who owns or controls, directly or indirectly, approximately 65.8% of the issued and outstanding Issuer Shares, the Issuer is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related Party Transactions

During the three and nine months ended September 30, 2015, the Issuer paid professional fees of \$7,856 and \$21,536, respectively (three and nine months ended September 30, 2014 - \$6,930 and \$20,610, respectively) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Deveron. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Issuer. All services were made on terms equivalent to those that prevail with arm's length transactions. As at September 30, 2015, Marrelli Support is owed \$2,633 (December 31, 2014 - \$2,798) and this amount is included in amounts payable and other liabilities.

During the three and nine months ended September 30, 2015, the Issuer paid professional fees of \$1,118 and \$6,088, respectively (three and nine months ended September 30, 2014 - \$2,325 and \$6,750, respectively) to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As September 30, 2015, DSA is owed \$650 (December 31, 2014 - \$735) and this amount is included in amounts payable and other liabilities.

During the three and nine months ended September 30, 2015, the Issuer also incurred legal fees of \$5,711 and \$8,959, respectively (three and nine months ended September 30, 2014 - \$2,210 and \$4,790, respectively) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the September 30, 2015 amounts payable and other liabilities is \$3,500 due to Irwin Lowy LLP (December 31, 2014 - \$6,592).

On January 21, 2015, the Issuer amended the Letter Agreement with its parent company, Greencastle.

Greencastle loaned Deveron \$400,000 on May 22, 2013 and \$200,000 on October 29, 2014, which bears interest at prime plus two percent and is due on demand. As security for the loan, Deveron granted Greencastle a security interest over all assets of the Issuer. The carrying value of all the assets are \$679,125, being the value of the investments in Boreal, cash and amounts receivable and other assets. The Issuer's interest in the Nechako property and its option to earn 100% interest in the Rockstone property is carried at \$nil until such time as the project has been established as commercially viable and technically feasible. Included in due to related party as at September 30, 2015 is \$655,212 due to Greencastle (December 31, 2014 - \$633,671). For the

three and nine months ended September 30, 2015, interest of \$7,110 and \$21,541, respectively (three and nine months ended September 30, 2014 - \$5,041 and \$14,959, respectively) has been accrued and is included in interest expense in the unaudited condensed interim statements of comprehensive loss.

Recent Accounting Pronouncements

IFRS 9 - Financial Instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is to be effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Capital Management

The Issuer includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at September 30, 2015, totaled \$7,203 (December 31, 2014 - \$139,640).

The Issuer’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Issuer may attempt to raise additional funds through the issuance of debt or equity. The Issuer is not subject to any capital requirements imposed by a lending institution.

The Issuer monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Issuer may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Issuer's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2015. The Issuer is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2015, the Issuer is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Financial Instruments

The Issuer's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Issuer's credit risk is primarily attributable to cash and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada and a miscellaneous receivable from the Issuer's Canadian chartered bank. Amounts receivable are in good standing as of September 30, 2015. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Issuer will not have sufficient cash resources to meet its financial obligations as they come due. The Issuer's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Issuer. The Issuer generates cash flow primarily from its financing activities. As at September 30, 2015, the Issuer had cash of \$65,810 (December 31, 2014 - \$177,778) to settle current liabilities of \$671,922 (December 31, 2014 - \$657,697). All of the Issuer's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms except for the amount due to related party which bears interest at prime plus two percent and is due on demand. The Issuer regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

On May 22, 2013, the Issuer obtained a \$400,000 loan from Greencastle. On October 29, 2014, the Issuer obtained an additional \$200,000 loan from Greencastle. The loans bear interest at prime annual rate plus two percent (2%), calculated on a monthly basis. The principal and unpaid interest shall become due and be paid in full on demand.

The Issuer obtained its financing through the equity market. Negative trend in the general equity market and the fall in commodity prices can adversely impact the Issuer's ability to obtain financing at favourable terms. If the Issuer cannot obtain the necessary financing to fund its operating and exploration activities, the Issuer might not be able to continue as a going concern entity.

There can be no assurance that additional financing or shareholder loans from Greencastle, if and when required, will be available or on terms acceptable to the Issuer.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Issuer has cash balances and interest-bearing debt. The Issuer's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with

which it keeps its bank accounts. As at September 30, 2015, the Issuer did not have any surplus cash. The Issuer periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Issuer is exposed to interest rate risk on the amount due to related party bearing interest at prime rate plus two percent (2%) per annum.

(b) Foreign currency risk

The Issuer's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Issuer is not exposed to foreign currency risk.

(c) Price risk

The Issuer is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Issuer's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

The Issuer has \$600,000 investment in shares of a Canadian private company, which operates in the organic fertilizer industry. This investment is not very liquid as the shares of the private company are not listed on any exchange and it might take time and effort for the Issuer to locate a suitable buyer of these investments in case the Issuer would like to dispose of the investment for cash. The amount of proceeds the Issuer can get from the disposition of the investment will depend on how profitable the investee is at the time of disposition, the expected future profitability of the investee, the overall performance of the equity market, the specific performance of the industry in which the investee operates, the commodity price of organic fertilizer, and other factors concerning investments in shares of private companies, such as marketability and cost of locating buyers as mentioned above.

The Issuer closely monitors the performance of the investee and the overall performance of the organic fertilizer industry to determine what course of action it should take.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Issuer believes the following movements are reasonably possible over a nine month period:

- (i) The amount due to related party is subject to interest rate risk. The promissory notes of \$400,000 and \$200,000, obtained from Greencastle on May 22, 2013 and October 29, 2014, respectively, bears an annual interest of prime plus two percent (2%). As at September 30, 2015, if interest rates had decreased/increased by 1% with all other variables held constant, it would affect the reported loss and comprehensive loss for the nine months ended September 30, 2015, by approximately \$4,500. The \$600,000 of investment in long-term investment is subject to equity and commodity price risks. In case of a 10% decrease in overall value of the investment due to a prolonged decrease in general market demand for organic fertilizer and commodity price of organic fertilizer, the lack of market for the investment, and difficulties in locating buyers without taking a

significant discount in the sale price, it would affect the Issuer's impairment loss by approximately \$60,000 and equity by \$60,000.

- (ii) The Issuer does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Share Capital

As at the date of this MD&A, the Issuer had a total of 11,794,505 common shares issued and outstanding. An additional 8,431,090 common shares are subject to issuance pursuant to the following: 1,175,000 stock options and 7,256,090 outstanding warrants. Each stock option will be exercisable to acquire one common share at a price of \$0.25 per common share with an expiry date of April 3, 2016 to November 29, 2017. Each warrant will be exercisable to acquire one common share at a price of \$0.30 per common share with an expiry date of July 31, 2016.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements; and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Issuer uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Entities without Significant Revenue

	Three Months Ended September 30, 2015 (\$)	Three Months Ended September 30, 2014 (\$)	Nine Months Ended September 30, 2015 (\$)	Nine Months Ended September 30, 2014 (\$)
Professional fees	16,822	14,307	42,348	39,825
Share-based payments	nil	nil	7,138	1,968
Shareholder relations	8,254	7,172	32,483	20,773
Exploration and evaluation expenditures (recovery)	nil	nil	34,370	(5,451)
Office and general	235	3,427	1,695	3,787
Interest expense	7,110	5,041	21,541	14,959
Total	32,421	29,947	139,575	75,861

Nine Months Ended September 30, 2015			
	Nechako Property (\$)	Rockstone Property (\$)	Total (\$)
Exploration and evaluation recovery			
Acquisition costs	nil	30,000	30,000
Claim staking, maintenance fees	nil	4,370	4,370
Total	nil	34,370	34,370

Nine Months Ended September 30, 2014			
	Nechako Property (\$)	Rockstone Property (\$)	Total (\$)
Exploration and evaluation expenditures			
Geochemistry costs	(5,451)	nil	(5,451)
Total	(5,451)	nil	(5,451)

There was no activity for the three months ended September 30, 2015 and September 30, 2014.

6.1(b) MD&A for the Period from October 19, 2015 to December 31, 2015 - Ontco

Introduction

The following MD&A of the financial condition and results of the operations of Ontco constitutes management's review of the factors that affected Ontco's financial and operating performance for the period from the date of incorporation (October 19, 2015) to December 31, 2015. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of Ontco for the period from the date of incorporation (October 19, 2015) to December 31, 2015, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Ontco's financial statements and the financial information contained in this MD&A are prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRIC. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of February 22, 2016, unless otherwise indicated.

Description of Business

Ontco was incorporated as a private company pursuant to the provision of the *Business Corporation Act* (Ontario) on October 19, 2015. Ontco's primary office is 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5. Ontco's financial year ends on December 31. Ontco operates as Ontco Imaging. Ontco uses advanced UASs along with industry leading hardware, camera, sensor and software technologies to collect crop data and provide solutions to farmers. Images can be used with existing farm GIS software for variable rate fertilizing, seeding, pesticide applications and other prescription management solutions to ultimately help farmers increase yields and reduce costs. With an initial focus on the 7 million acres of prime agricultural land in Ontario, Ontco is well positioned to capture the growth opportunities that exist in this new market.

The principal shareholders of Ontco are William Linton (resident in Toronto, Ontario), Quinsam Capital Corp. (a company incorporated pursuant to the laws of the Canada), each holding approximately 29.4% of the outstanding Ontco Shares, Roger Dent (resident in Toronto, Ontario), who holds approximately 17.7% of the outstanding Ontco Shares of the outstanding Ontco Shares.

At December 31, 2015, Ontco had a working capital of \$138,130. Ontco had accumulated losses of \$20,921 and expects to incur further losses in the development of its business.

Overall Performance

During the period ended October 19, 2015 to December 31, 2015, Ontco earned no revenue and reported a loss of \$20,921 with a basic and diluted loss per share of \$0.03. Loss in the period mainly represents professional fees, acquisition of drone related equipment and general and administrative expenses.

On October 19, 2015 (incorporation date), Ontco issued one Ontco share for \$1.00.

On November 1, 2015, Ontco issued 50,000 units at \$0.05 per unit for total proceed of \$2,500. Each unit consisted of one Ontco share and one-half of one Ontco Share purchase warrant. Each warrant entitles the holder to acquire one additional Ontco Share at an exercise price of \$0.40 for a period of 24 months.

On December 3, 2015, Ontco issued 1,650,000 units at \$0.10 per unit for total proceed of \$165,000. Each unit consisted of one Ontco Share and one-half of one Ontco Share purchase warrant. Each warrant entitles the holder to acquire one additional Ontco Share at an exercise price of \$0.40 for a period of 24 months.

Pursuant to the Share Exchange Agreement the Issuer will acquire all of the issued and outstanding Ontco Shares. For details of the terms and conditions of the Transaction, see Section 3.2 – “The Transaction”.

Trends

Ontco’s operations are focused within the agriculture marketplace. UAS technology could have a significant effect on this market by allowing farmers to reduce costs and strengthen yields therefore improving profitability. Other trend factors include applicable laws and regulations, political conditions, the hiring of qualified people and obtaining necessary services in jurisdictions where Ontco operates. The current trends relating to these factors could change at any time and negatively affect Ontco’s operations and business. See Section 17 - “Risk Factors” for a description of the risk factors affecting Ontco and the Issuer upon completion of the Transaction.

Business Objectives and Milestones

Ontco’s principal business is seeking and acquiring opportunities in the UAS space. On an ongoing basis, Ontco will review and evaluate new opportunities and complete the Transaction.

Capital Resources

Ontco has limited capital resources and has to rely upon the sale of its equity and/or debt securities for cash at this point in time. Since Ontco does not expect to generate any significant UAS revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will be available to Ontco in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to Ontco.

Ontco’s use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenses and the funding of its UAS business. Investing activities include the cash used to acquire equipment. Ontco will require additional financing in order to seek future opportunities, meet its ongoing corporate overhead and discharge its liabilities as they come due. Ontco does not have any commitments for capital expenditures as at the date hereof.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company as at December 31, 2015 and for the period from October 19, 2015 to December 31, 2015.

	Period from October 19, 2015 to December 31, 2015
Total revenues	\$nil
Total loss	\$(20,921)
Net loss per share – basic	\$(0.03)
Net loss per share – diluted	\$(0.03)
	As at December 31, 2015
Total assets	\$155,580
Total non-current financial liabilities	\$nil
Distribution of cash dividends	\$nil

- The net loss for the period from October 19, 2015 to December 31, 2015, consisted primarily of (i) professional fees of \$20,897; and (ii) general and administrative expenses of \$24.
- As Ontco has no recurring revenue, its ability to fund its operations is dependent upon securing financing. See “Trends” above and Section 17 - “Risk Factors”.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, Ontco does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Ontco, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by Ontco other than the Transaction which is disclosed in this MD&A.

Discussion of Operations

Period from October 19, 2015 to December 31, 2015

Ontco’s net loss totaled \$20,921 for the period from October 19, 2015 to December 31, 2015, with basic and diluted loss per share of \$0.03. Activities for the period from October 19, 2015 to December 31, 2015, principally involved professional fees of \$20,897, representing costs incurred for general legal, accounting and audit services; and office and general of \$24.

Liquidity and Financial Position

The activities of Ontco, principally the acquisition of UAS companies, are financed through the completion of equity transactions such as equity offerings and the exercise of warrants. During the period from October 19, 2015 to December 31, 2015, Ontco completed equity offerings for gross proceeds of \$167,501 and no warrants were exercised. There is no assurance that future equity capital will be available to Ontco in the amounts or at the times desired by Ontco or on terms that are acceptable to it, if at all.

As at December 31, 2015, Ontco had a working capital \$138,130. Ontco's continuing operations are dependent on its ability to secure equity and/or debt financing, with which it intends to evaluate and acquire, if appropriate, UAS companies. The circumstances that could affect Ontco's ability to secure equity and/or debt financing that are reasonably likely to occur are, without limitation, as follows:

- the state of capital markets generally; and
- changes in laws, regulations and political conditions.

Other than as disclosed in this MD&A, Ontco is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its business, financial condition or results of operations.

Related Party Transactions

During the period from October 19, 2015 to December 31, 2015, Ontco paid professional fees of \$3,000 to Shaun Drake, a director and shareholder of Ontco. These services were incurred in the normal course of operations for consulting fees. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, Shaun Drake is owed \$3,000 and this amount is included in accounts payable and accrued liabilities.

Recent Accounting Pronouncements

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is to be effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Capital Management

Ontco includes equity, comprising issued share capital, warrants and deficit, in the definition of capital, which as at December 31, 2015, totaled \$146,580.

Ontco is not subject to any capital requirements imposed by a lending institution. Ontco monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. Ontco may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

Financial Instruments

Financial risk

Ontco's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest and foreign exchange risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Ontco's credit risk is primarily attributable to cash and HST receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. HST receivable is in good standing as of December 31, 2015. Management believes that the credit risk with respect to the HST receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that Ontco will not have sufficient cash resources to meet its financial obligations as they come due. Ontco's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to Ontco. Ontco generates cash flow primarily from its financing activities. As at December 31, 2015, Ontco had cash of \$144,524 to settle current liabilities of \$9,000. All of Ontco's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Ontco regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

Ontco has cash balances and no interest bearing debt.

(b) Foreign currency risk

Ontco's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, Ontco is not exposed to foreign currency risk.

Share Capital

As at the date of this MD&A, Ontco had a total of 1,700,001 Ontco Shares issued and outstanding. An additional 850,000 Ontco Shares are subject to issuance pursuant to 850,000 outstanding Ontco Share purchase warrants. Each warrant will be exercisable to acquire one common share at a price of \$0.40 per Ontco Share with an expiry date of November 1, 2017 to December 3, 2017.

Risk Factors

An investment in the securities of Ontco is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, Ontco and its financial position.

Financial Capability and Additional Financing

With the proceeds of its offerings, Ontco will have sufficient financial resources to seek future opportunities as discussed herein. However, Ontco has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further opportunities. The ability of Ontco to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of Ontco. Failure to obtain sufficient financing may result in the delay or indefinite postponement of opportunities to acquire UAS companies.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Ontco.

If Ontco raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

Additional Disclosure for Entities without Significant Revenue

	Period from October 19, 2015 to December 31, 2015 (\$)
Professional fees	20,897
General and administrative	24
Total	20,921

7. MARKET FOR SECURITIES

7.1 Market for Securities

The Issuer is currently listed on the TSXV under the symbol “DVR”.

8. Consolidated Capitalization

Designation of Security	Outstanding as at December 31, 2015 (audited)	Outstanding as at the date hereof (unaudited)
Issuer Shares	11,794,505	13,494,506
Options	1,175,000	1,175,000
Warrants	7,256,090	8,956,091

9. OPTIONS TO PURCHASE SECURITIES

9.1 Options to Purchase Securities

The Issuer has adopted a stock option plan (the “**Stock Option Plan**”) for senior officers, directors, employees and consultants of the Issuer. The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Issuer by directors, officers, employees and consultants of the Issuer and its affiliates and other designated persons. Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Issuer and its subsidiaries and other designated persons as designated from time to time by the Board. The number of Common Shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding shares of the Issuer as at the date of the grant of options. Any Common Shares subject to an option which is exercised, or for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Issuer or any of its subsidiaries or ceasing to have a designated relationship with the Issuer, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Issuer’s capitalization. Subject to Shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Issuer in respect of options granted under the Stock Option Plan.

The Issuer has outstanding options granted to officers, directors, consultants and employees of the Issuer as follows:

Security	Number Outstanding	Details
Stock Options	50,000	Exercise Price: \$0.25 Expiry Date: April 3, 2016
Stock Options	1,125,000	Exercise Price: \$0.25 Expiry Date: November 29, 2017

10. DESCRIPTION OF THE SECURITIES

10.1 General

The Issuer is authorized to issue an unlimited number of common shares without par value and an unlimited number of special shares without par value, issuable in series. As at the date hereof, the Issuer has 17,515,506 Common Shares issued and outstanding as fully paid and non-assessable and no special shares have been issued.

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares, to receive the remaining property of the Issuer upon dissolution.

The holders of special shares are entitled to dividends, as determined by the directors, and to receive a distribution of assets or return of capital in the event of liquidation, dissolution or winding up of the Issuer.

10.2 Prior Sales

10.2(a) Prior Sales of the Issuer

The following table sets out detail regarding the prior sales of the securities of the Issuer in the last 12 months:

Date of Issuance or Sale	Description of Transaction	Aggregate Number of Securities Issued	Type of Security	Price per Security	Total Gross Consideration
January 12, 2015	Grant of Options	125,000	Options	\$0.25	N/A
July 14, 2016	Purchase of Ontco	1,700,001	Common Shares	\$0.20	Assets of Ontco
July 14, 2016	Purchase of Ontco	1,700,000	Warrants	\$0.0001	Assets of Ontco

10.2(b) Prior Sales of Ontco

The following table sets out detail regarding the prior sales of the securities of Ontco in the last 12 months:

Date of Issuance or Sale	Description of Transaction	Aggregate Number of Securities Issued	Type of Security	Price per Security	Total Gross Consideration
Oct. 19, 2015	Incorporator's share	1	Common Shares	\$1.00	\$1
Nov. 1, 2015	Private Placement	50,000	Common Shares	\$0.05	\$2,500
Nov. 1, 2015	Private Placement	50,000	Warrants	\$0.0001	\$5
Dec. 3, 2015	Private Placement	1,650,000	Common Shares	\$0.10	\$165,000
Dec. 3, 2015	Private Placement	1,650,000	Warrants	\$0.0001	\$165

10.3 Stock Exchange Price:

The following table sets out the Common Share price as traded on the TSXV:

Period	Price Range and Trading Volume		
	High (\$)	Low (\$)	Volume
May 2015	0.280	0.272	270,500
June 2015	0.276	0.265	220,500
July 2015	0.292	0.287	137,000
August 2015	0.297	0.295	59,200
September 2015	0.261	0.254	99,700
October 2015	0.217	0.214	91,000
November 2015	0.243	0.237	97,500
December 2015 to June 2016 ⁽¹⁾	--	--	--

Notes:

(1) On November 12, 2015, the Issuer Shares were halted by the TSXV in connection with the announcement of the Transaction.

11. ESCROWED SECURITIES

11.1 Escrowed Securities

The following table sets out the Issuer Shares to be held in escrow pursuant to the terms of the escrow agreement (the “**Escrow Agreement**”) between the Issuer, Irwin Lowy LLP (the “**Escrow Agent**”) and the Principals:

Name	Number and Type of Securities	Percentage of Class ⁽¹⁾
Shaun Drake	50,001 Payment Shares 50,000 Payment Warrants	0.28% 2.94%
William Linton	500,000 Payment Shares 500,000 Payment Warrants	2.85% 29.41%
David Masotti	250,000 Payment Shares 250,000 Payment Warrants	1.43% 14.71%
Quinsam Capital Corp.	500,000 Payment Shares 500,000 Payment Warrants	2.85% 29.41%
Norman Lamothe	100,000 Payment Shares 100,000 Payment Warrants	0.57% 5.88%
Roger Dent	300,000 Payment Shares 300,000 Payment Warrants	1.71% 17.65%
Total:	1,700,001 Payment Shares 1,700,000 Payment Warrants	9.70% 100%

The Shares subject to the Escrow Agreement will be released according to the following schedule:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the Listing Date, with the remaining escrow securities being released in 15% tranches every six months thereafter.

The automatic time release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each Principal’s escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Listing Date, the Company meets the “established issuer” criteria, as set out in NP 46-201, the escrow securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of escrow securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining escrow securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, the securities of the Company held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Company or of material operating subsidiary of the Company, subject to the approval of the Company’s board of directors, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company’s outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company’s outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder’s legal representative.

For the purposes of NP 46-201 “Principals” include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

- (a) directors and senior officers of the Company or a material operating subsidiary of the Company, at the time of the initial public offering;
- (b) promoters of the Company during the two years preceding the initial public offering;

- (c) those who own and/or control, directly or indirectly, more than 10% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;
- (d) those who own and/or control more than 20% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and
- (e) the spouse(s) and relative(s) that live at the same address as any of the above.

12. PRINCIPAL SHAREHOLDERS

12.1 Principal Shareholders

To the knowledge of the directors and officers of the Issuer, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Issuer other than:

Name & Municipality	No. of Shares	% of Issued Shares
Greencastle Resources Ltd. Toronto, Ontario	7,756,005	65.8%

13. DIRECTORS AND OFFICERS

- 13.1 The following table sets forth the name of all current directors and officers of the Issuer, their municipalities of residence, their current positions with the Issuer, their principal occupations during the past five years and the number and percentage of Issuer Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date of this Listing Statement:

Name, Municipality of Residence, Position(s) with Issuer	Principal Occupation or Employment During the Past Five Years	Director/ Officer Since	Number and Percentage of Shares of the Issuer Held as at the date of the Listing Statement
James Pirie Secretary and Director Ontario, Canada	President, Secretary and Director of Greencastle Resources Ltd.	June 15, 2011	200,000 (1.14%)
David Macmillan President, CEO and Director Ontario, Canada	Vice-President, Corporate Development of the Issuer and Investor Relations, Seafield Resources Ltd.	April 1, 2011	10,000 (0.05%)
Chris Irwin ⁽¹⁾ Director Ontario, Canada	Partner of Irwin Lowy LLP, a law firm	April 1, 2011	200,000 (1.14%)
James Borland Director Ontario, Canada	Corporate Director and mining consultant to various companies.	May 29, 2014	10,000 (0.05%)
Roger Dent ⁽²⁾ Director Ontario, Canada	CEO of Quinsam Capital Corp. and Quinsam Opportunities I.	July 14, 2016	300,000 (1.71%)
Carmello Marrelli Chief Financial Officer Ontario, Canada	President of Marrelli Support Services Inc.	Jan. 17, 2013	Nil

Notes:

- (1) Mr. Irwin holds 100,000 Common Shares directly and 100,000 Common Shares indirectly through Irwin Professional Corporation, a corporation which he controls.
- (2) Mr. Dent holds 300,000 Common Shares indirectly through Quinsam Capital Corp., a corporation which he controls.

Management and Directors

The following are brief biographical descriptions of the management and directors of the Issuer.

James Pirie, Secretary & Director

Dr. Pirie's career as an exploration geologist spans more than 45 years in Canada, the U.S, Europe, Latin America and Asia. Dr. Pirie has held a number of positions of increasing responsibility including: VP Exploration, Breakwater Resources Ltd.; VP Exploration, Granduc Mining Corporation; and Exploration Manager, Homestake Canada and Esso Minerals Canada.

David MacMillan, President, CEO & Director

Mr. MacMillan provides corporate development services to junior mining companies. He has been involved in fund raising and due diligence for equity and debt placements for companies with varying stages of project development. He holds a BA Economics from McGill University and an MSc in International Economics from the University of Glasgow. Mr. MacMillan is currently a CFA Level II candidate.

Christopher Irwin, Director

Mr. Irwin practices securities and corporate/commercial law and has been the managing partner of Irwin Lowy LLP since January 2010; prior thereto he was the President of Irwin Professional Corporation from August 2006 to December 2009; and prior thereto he was an associate at Wildeboer Dellelce LLP from January 2004 to July 2006. Mr. Irwin advises a number of public companies, board of directors and independent committees on a variety of issues. Mr. Irwin is a director and/or officer of a number of public companies, including: Kerr Mines Inc., Laramide Resources Ltd. and Mag Copper Limited. Mr. Irwin is a former Director of Trelawney Mining and Exploration Inc., a company acquired by IAMGOLD Corporation in a \$608 million transaction; former Director of Southern Star Resources Inc., which was formerly listed on TSX prior to becoming Gold Eagle Mines Ltd. and being taken over by Goldcorp Inc. in a \$1.5 billion transaction.

Mr. Irwin holds a Masters of Laws (Osgoode), a Bachelor of Laws (University of New Brunswick) and a Bachelor of Arts (Bishop's University).

James Borland, Director

Mr. Borland brings 25 years of mining industry experience to the Company and is currently the President of Strait Minerals, a TSX Venture listed company. He founded Borland, Levand & Associates in 1998, a firm that has provided management services to clients in the mineral resources sector including Anvil Mining, Blue Pearl Mining and Glencairn Gold Corp. Previously, he was Manager of Research Communications for BMO Nesbitt Burns Inc. and Vice-President Investor Relations for Boliden Ltd. From 1987 to 1992, he was Editor of The Northern Miner newspaper, having worked at the publication as a journalist since 1984.

Roger Dent, Director

Mr. Roger Dent currently is CEO of Quinsam Capital Corp. and Quinsam Opportunities I. He is a director of AcuityAds, Omni-Lite, CalNano, and Tinley Beverages and serves on the advisory board of Energex Petroleum. Previously Mr. Dent was portfolio manager at Matrix Asset Management Inc. (2003-2011) where he managed a Small Companies Fund and Strategic Small Cap Fund. From 1996 to 2002, he was Director of Research & Vice Chairman at Yorkton Securities. From 1987 to 1996 Mr. Dent worked at CIBC and was active in corporate finance, debt syndication and research and was ranked #1 Small Cap Analyst in 1995. He graduated from Queen's University with a B. Comm. in 1983 and an MBA from the Harvard Business School in 1987.

13.4 Board committees of the Issuer

The Issuer currently has an audit committee of its board of directors. Other committees of the board of directors may be instituted as the Issuer deems necessary or advisable.

It is anticipated that David Macmillan, James Borland and Chris Irwin will comprise the members of the audit committee.

13.6 Cease Trade Orders, Bankruptcies and Penalties and Sanctions

Other than as set out below, no director, officer or promoter of the Issuer has, within the last ten years, been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, or within a period of one year thereafter, was the subject of a cease trade or similar order or an order that denied the Issuer access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been 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 that person.

Mr. Irwin was a Director, President and Secretary of Brighter Minds Media Inc., which is subject to a cease trade order resulting from a failure to file financial statements dated May 8, 2009 and May 20, 2009.

Mr. Pirie was a former Director of Seafield Resources Ltd. (“**Seafield**”). On September 9, 2014, Seafield announced that pursuant to an order of the Ontario Superior Court of Justice that KPMG Inc. had been appointed as a receiver and manager of Seafield pursuant to an application brought by Seafield’s secured creditor.

Mr. Borland was a Director of Acadian Mining Corporation (“**Acadian**”) in December 2008 when ScoZinc Limited (“**ScoZinc**”), a wholly owned subsidiary of Acadian, was granted an order by the Supreme Court of Nova Scotia under the Companies Creditors’ Arrangement Act protecting it from its creditors. The creditors of ScoZinc accepted the plan of arrangement (the “**Plan**”) ScoZinc presented to them at a meeting held on May 21, 2009, and the Plan was ratified by the Nova Scotia Supreme Court on May 29, 2009. The Plan was implemented and all affected creditors were paid in accordance with the terms of the Plan. The implementation of the Plan has been discharged.

13.7, 13.8 Penalties or Sanctions

No director, officer, or promoter of the Issuer, or any shareholder anticipated to hold a sufficient amount of securities of the Issuer to materially affect control of the Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 Personal Bankruptcies

No director, officer or promoter of the Issuer, or a shareholder anticipated to hold a sufficient amount of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

13.10 Conflicts of Interest

To the best knowledge of the Issuer, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director, officer or promoter of the Issuer except that certain of the directors, officers and promoters of the Issuer serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Issuer and their duties as a director, officer and promoter of such other companies. See *Section 17 – Risk Factors*.

The directors, officers and promoters of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the OBCA, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

14. Capitalization

14.1 Issued Capital

As at the date of this Listing Statement, the Issuer has the following issued and outstanding securities according to the below table:

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	17,515,506	29,657,096	100%	100%
Held by Related Persons or employees of the Issuer or Related Person 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) (B)	9,900,005	13,710,005	56.5%	53.8%
Total Public Float (A-B)	7,615,501	15,947,091	43.5%	46.2%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	5,721,501	9,432,001	32.7%	31.8%
Total Tradeable Float (A-C)	11,794,005	20,225,095	67.3%	68.2%

Public Securityholders (Registered)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	0	0
	0	0

Public Securityholders (Beneficial)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	1	45
100 – 499 securities	0	0
500 – 999 securities	9	5,400
1,000 – 1,999 securities	13	14,000
2,000 – 2,999 securities	13	26,000
3,000 – 3,999 securities	12	38,600
4,000 – 4,999 securities	11	44,500
5,000 or more securities	120	17,371,961
Unable to confirm	0	0

Non-Public Securityholders (Registered)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	1	15,000
	1	15,000

14.2 Convertible Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Stock options granted to executive officers and directors of the Issuer exercisable at \$0.25 per common share (50,000 expiring on April 3, 2016 and 1,125,000 expiring on November 29, 2017)	1,175,000 Common Shares	1,175,000 Common Shares
Warrants to acquire Common Shares exercisable at \$0.30 per Common Share expiring on July 31, 2016	7,256,090 Warrants to acquire Common Shares	7,256,090 Common Shares
Warrants to acquire Common Shares exercisable at \$0.40 per Common Share expiring 2 years from the date of closing	850,000 Warrants to acquire Common Shares	850,000 Common Shares
Warrants to acquire Common Shares exercisable at \$0.30 per Common Share expiring 2 years from the date of closing	2,010,500 Warrants to acquire Common Shares	2,010,500 Common Shares

14.3 Other Securities reserved for Issuance

Pursuant to the terms of the Share Exchange Agreement, the Issuer will issue an Additional Payment Share, to a maximum of 1,000,000 Additional Payment Shares, to certain of the Ontco Securityholders for each \$1.00 of gross revenue earned by Ontco, during the four fiscal years following the closing of the Transaction. The Additional Payment Shares will be issued in four instalments on each date that is five business days following the date on which the Issuer files its audited financial statements for the applicable fiscal year.

15. Executive Compensation

15.1 Compensation of Executive Officers

A. Named Executive Officers

The Issuer currently has the following two NEOs: James Pirie, President and CEO and Carmelo Marrelli, CFO.

B. Compensation Discussion and Analysis

When determining the compensation of the NEOs, the Board of the Issuer considers the limited resources of the Issuer and the objectives of: (i) recruiting and retaining the executives critical to the success of the Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Issuer; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. In order to achieve these objectives, the compensation paid to the NEOs consists of the following two components:

- (a) base fee or salary; and
- (b) long-term incentive in the form of stock options.

Base Fee or Salary

The base fee or salary of each particular NEO is determined by an assessment by the Board of such executive's performance, a consideration of competitive compensation levels in companies similar to the Issuer and a review of the performance of the Issuer as a whole and the role such executive officer played in such corporate performance. Neither Mr. Pirie, President and CEO of the Issuer nor Mr. Marrelli, CFO of the Issuer, received a base salary during the fiscal year ended December 31, 2015. The Board believes that the lack of base salaries was consistent with current competitive market conditions, and the early stage of the Issuer's development but did not necessarily reflect the skills of the NEOs.

Long-Term Incentive

The Issuer provides a long-term incentive by granting options to executive officers under the Stock Option Plan. The objective of granting options is to encourage executives to acquire an ownership interest in the Issuer over a period of time, which acts as a financial incentive for such executive to consider the long-term interests of the Issuer and its shareholders.

C. Option Based Awards

The Board reviews the performance of the Issuer’s management and advisors from time to time, and recommends option-based awards and other compensation awards or adjustments. These decisions take into consideration corporate and individual performance and industry standards. Previous grants of option-based awards are also taken into consideration in making this determination. The experience of the Board members who are also involved as management of, or Board members or advisors to, other companies also informs decisions concerning compensation.

Option-based awards are issued under the Stock Option Plan. The Issuer has a “rolling” Stock Option Plan whereby a maximum of 10% of the issued and outstanding Issuer Shares, from time to time, may be reserved for issuance pursuant to the exercise of options.

There are currently 17,515,506 Issuer Shares issued and outstanding, therefore the current number of Issuer Shares issuable pursuant to the Stock Option Plan is 1,751,550 Issuer Shares, representing 10% of the issued and outstanding Issuer Shares as at the date hereof.

For a description of the Stock Option Plan see Section – “Options to Purchase Securities”.

SUMMARY COMPENSATION TABLE ⁽¹⁾									
Named Executive Officer Name and Principal Position	Year	Salary (\$)	Share- based awards (\$)	Option- based awards ⁽²⁾ (\$)	Non-Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensa- -tion (\$)	Total compensation (\$)
					Annual incentive plans	Long- term incentive plans ⁽³⁾			
James Pirie Former President, Chief Executive Officer and Secretary	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	48,000	48,000
	2012	Nil	Nil	57,000	Nil	Nil	Nil	Nil	57,000
Carmelo Marrelli ⁽⁴⁾ Chief Financial	2014	Nil	Nil	Nil	Nil	Nil	Nil	42,367	42,367
	2013	Nil	Nil	Nil	Nil	Nil	Nil	42,270	42,270

Officer	2012	Nil	Nil	22,800	Nil	Nil	Nil	36,205	59,005
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Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
(2) The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

	2014	2013	2012
Expected life of options	3 years	5 years	5 years
Risk-free interest rate	1.10%	1.31%	1.31%
Expected stock price volatility	155.93%	174%	174%
Expected dividend yield	0%	0%	0%

- (3) "LTIP" or "long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.
(4) For the year ended December 31, 2014, the Issuer expensed \$33,540 to Marrelli Support Services Inc. ("Marrelli Support") for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") of the Issuer. In addition, Marrelli Support also provides bookkeeping services to the Issuer. Carmelo Marrelli is the president of Marrelli Support. The CFO of the Issuer is an officer of DSA Corporate Services Inc. ("DSA"). DSA is a private company controlled by Carmelo Marrelli, the CFO of the Issuer. Carmelo Marrelli is also the corporate secretary and sole director of DSA. Fees related to corporate secretarial services provided by DSA amounted to \$8,827. For the year ended December 31, 2013, the Issuer expensed \$34,470 to Marrelli Support for the services of Carmelo Marrelli to act as CFO of the Issuer. Fees related to corporate secretarial services provided by DSA amounted to \$7,800. For the year ended December 31, 2012, the Issuer expensed \$35,205 to Marrelli Support for the services of Carmelo Marrelli to act as CFO of the Issuer. Fees related to corporate secretarial services provided by DSA amounted to \$1,000.

D. Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets forth information concerning option-based awards and share-based awards granted by the Issuer to each of the Named Executive Officers and that were outstanding as at December 31, 2015.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (\$)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
James Pirie	250,000	0.25	Nov. 29, 2017	Nil	N/A	N/A
Carmelo Marrelli	100,000	0.25	Nov. 29, 2017	Nil	N/A	N/A

Note:

- (1) Calculated using the closing price of the Common Shares on the TSXV on December 31, 2014 of \$0.10 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Value Vested or Earned During the Year

During the financial year ended December 31, 2015, no incentive plan award vested with respect to the Named Executive Officers.

E. Pension Plan Benefits

There are no pension plan benefits in place for the NEOs.

F. Employment Contracts

The Company does not have in place any employment contract between the Company or any subsidiary or affiliate thereof and any Named Executive Officer.

G. Termination and Change of Control Benefits

The Issuer has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO, in connection with or related to the retirement, termination or resignation of such person and the Issuer has provided no compensation to such persons as a result of a change of control of the Issuer, its subsidiaries or affiliates. The Issuer is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of such person.

15.2 Compensation of Directors

The following table sets forth all compensation provided to each director of the Issuer (other than Named Executive Officers) for the financial year ended December 31, 2015:

COMPENSATION OF DIRECTORS ⁽¹⁾⁽²⁾							
Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Chris Irwin	Nil	Nil	Nil	Nil	Nil	9,840	9,840
David MacMillan	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Compensation paid to the Named Executive Officers who served as directors of the Issuer is disclosed in the Summary of Compensation Table.
- (3) The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements. For details of the assumptions and estimates used in connection with calculating the value of the option based awards please see note 2 of the Summary Compensation Table under the heading "Executive Compensation – Summary Compensation Table". During the financial year ended December 31, 2015, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, was paid fees of \$•for legal services.

16. Indebtedness of Directors and Executive Officers

No director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or any other individual who at any time during the most recently completed financial year of the Issuer was a director of the Issuer or any associate of the Issuer, is indebted to the Issuer, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

17. Risk Factors

17.1 Description of Risk Factors

The Issuer operates in evolving markets, which makes it difficult to evaluate its business and future prospects.

The Issuer's UASs are involved in new and rapidly evolving markets. The commercial UAS market is in early stages of customer adoption. Accordingly, the Issuer's business and future prospects may be difficult to evaluate. The Issuer cannot accurately predict the extent to which demand for its services will increase, if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Issuer's ability to do the following:

- generate sufficient revenue to maintain profitability;
- acquire and maintain market share;
- achieve or manage growth in its operations;
- develop and renew contracts;
- attract and retain other highly-qualified personnel;
- successfully develop and commercially market new services;
- adapt to new or changing policies; and
- access additional capital when required and on reasonable terms.

If the Issuer fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

If critical components or raw materials used to manufacture the Issuer's equipment become scarce or unavailable, then the Issuer may incur delays in the delivery of its products, which could damage its business

The Issuer obtains hardware components, various subsystems and systems from a limited group of suppliers. The Issuer does not have long-term agreements with any of these suppliers that obligate it to continue to sell components, subsystems, systems or products to the Issuer. The Issuer's reliance on these suppliers involves significant risks and uncertainties, including whether its suppliers will provide an adequate supply of required components, subsystems, or systems of sufficient quality, will increase prices for the components, subsystems or systems and will perform their obligations on a timely basis.

In addition, certain raw materials and components used in the manufacture of the products used by the Issuer are periodically subject to supply shortages, and its business is subject to the risk of price increases and periodic delays in delivery. Similarly, the market for electronic components is subject to cyclical reductions in supply. If the Issuer is unable to obtain components from

third-party suppliers in the quantities and of the quality that it requires, on a timely basis and at acceptable prices, then it may not be able to deliver its products on a timely or cost-effective basis to its customers, which could cause customers to terminate their contracts with the Issuer, increase the Issuer's costs and seriously harm its business, results of operations and financial condition. Moreover, if any of the Issuer's suppliers become financially unstable, then it may have to find new suppliers. It may take several months to locate alternative suppliers, if required, or to redesign the Issuer's products to accommodate components from different suppliers. The Issuer may experience significant delays in manufacturing and shipping its products to customers and incur additional development, manufacturing and other costs to establish alternative sources of supply if the Issuer loses any of these sources or is required to redesign its products. The Issuer cannot predict if it will be able to obtain replacement components within the time frames that it requires at an affordable cost, if at all.

Failure to obtain necessary regulatory approvals from Transport Canada or other governmental agencies, or limitations put on the use of UASs in response to public privacy concerns, may prevent the Issuer from expanding the sales of the Issuer's products

The regulation of small UAS for commercial use in Canada is undergoing substantial change and the ultimate treatment is uncertain. Currently, the operation of UASs 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 Company to operate UASs over this weight limit and carry out its UAS services.

Transport Canada is responsible for establishing, managing, and developing safety and security standards and regulations for civil aviation in Canada, and includes unmanned civil aviation. Civil operations include law enforcement, scientific research, or use by private sector companies for commercial purposes.

UAS 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 UASs 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 UAS 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 UAS 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 intended to be consistent with the international UAS 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 UAS. 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 UAS by operators.

The markets in which the Issuer competes are characterized by rapid technological change, which requires us to test new products and product enhancements, and could render its existing products obsolete.

Continuing technological changes in the market for the Issuer's products could make its products less competitive or obsolete, either generally or for particular applications. The Issuer's future success will depend upon its ability to develop and introduce a variety of new capabilities and enhancements to its existing service offerings, as well as introduce a variety of new service offerings, to address the changing needs of the markets in which it offers services.

If the Issuer is unable to devote adequate resources to evaluate new systems or cannot otherwise successfully test new systems or enhancements that meet customer requirements on a timely basis, its services could lose market share, its revenue and profits could decline, and the Issuer could experience operating losses.

The Issuer expects to incur research and development costs and devote resources to identifying and commercializing new services, which could significantly reduce its profitability and may never result in revenue to the Issuer.

The Issuer's future growth depends on penetrating new markets, adapting existing services to new applications, and introducing new services that achieve market acceptance. The Issuer plans to incur research and development costs as part of its efforts to, develop and commercialize new services and enhance existing products. The Issuer believes that there are significant investment opportunities in a number of business areas. Because the Issuer accounts for research and development as an operating expense, these expenditures will adversely affect its earnings in the future. Further, the Issuer's research and development programs may not produce successful results, and its new services may not achieve market acceptance, create additional revenue or become profitable, which could materially harm its business, prospects, financial results and liquidity.

The Issuer's services are complex and could have unknown defects or errors, which may give rise to claims against the Issuer, diminish its brand or divert its resources from other purposes.

The Issuer's UAS rely on complex avionics, sensors, user-friendly interfaces and tightly-integrated, electromechanical designs to accomplish their missions. Despite testing, the Issuer's products have contained defects and errors and may in the future contain defects, errors or performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by the Issuer's customers for a period of time. These problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in the Issuer's service and maintenance costs, exposure to liability for damages, damaged customer relationships and harm to its reputation, any of which could materially harm the Issuer's results of operations and ability to achieve market acceptance. In addition, increased development and warranty costs could be substantial and could reduce the Issuer's operating margins.

The existence of any defects, errors, or failures in the Issuer's products or the misuse of the Issuer's products could also lead to product liability claims or lawsuits against it. A defect, error or failure in one of the Issuer's UAS could result in injury, death or property damage and significantly damage our reputation and support for its UAS in general. The Issuer anticipates this risk will grow as its UAS begins to be used in Canadian domestic airspace and urban areas. While the Issuer's PosiCharge industrial EV charging systems include certain safety mechanisms, these systems can deliver up to 600 amps of current in their application, and the failure, malfunction or misuse of these systems could result in injury or death. The Issuer's passenger and fleet electric and HEV charging systems and power cycling and test systems also have the potential to cause injury, death or property damage in the event that they are misused, malfunction or fail to operate properly due to unknown defects or errors.

Although the Issuer maintains insurance policies, it cannot provide assurance that this insurance will be adequate to protect the Issuer from all material judgments and expenses related to potential future claims or that these levels of insurance will be available in the future at economical prices or at all. A successful product liability claim could result in substantial cost to the Issuer. Even if the Issuer is fully insured as it relates to a claim, the claim could nevertheless diminish the Issuer's brand and divert management's attention and resources, which could have a negative impact on our business, financial condition and results of operations.

Shortfalls in available external research and development funding could adversely affect the Issuer.

The Issuer depends on its research and development activities to develop the core technologies used in its UAS for the development of the Issuer's future products. A portion of the Issuer's research and development activities depends on funding by commercial companies and the Canadian government. Canadian government and commercial spending levels can be impacted by a number of variables, including general economic conditions, specific companies' financial performance and competition for Canadian government funding with other Canadian government-sponsored programs in the budget formulation and appropriation processes. Moreover, the Canadian, federal and provincial governments provide energy rebates and incentives to commercial companies, which directly impact the amount of research and development that companies appropriate for energy systems. To the extent that these energy rebates and incentives are reduced or eliminated, company funding for research and development could be reduced. Any reductions in available research and development funding could harm our business, financial condition and operating results.

If the Issuer fails to protect, or incur significant costs in defending, its intellectual property and other proprietary rights, its business, financial condition, and results of operations could be materially harmed.

The Issuer's success depends, in large part, on its ability to protect its intellectual property and other proprietary rights. The Issuer relies primarily on patents, trademarks, copyrights, trade secrets and unfair competition laws, as well as license agreements and other contractual provisions, to protect its intellectual property and other proprietary rights. However, a significant portion of the Issuer's technology is not patented, and it may be unable or may not seek to obtain patent protection for this technology. Moreover, existing legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only limited protection,

may not provide the Issuer with any competitive advantages, and may be challenged by third parties. The laws of countries other than the Canada may be even less protective of intellectual property rights. Accordingly, despite the Issuer's efforts, it may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to its technology. Unauthorized third parties may try to copy or reverse engineer the Issuer's services or otherwise obtain and use its intellectual property. Moreover, many of the Issuer's employees have access to its trade secrets and other intellectual property. If one or more of these employees leave the Issuer to work for one of its competitors, then they may disseminate this proprietary information, which may as a result damage the Issuer's competitive position. If the Issuer fails to protect its intellectual property and other proprietary rights, then its business, results of operations or financial condition could be materially harmed.

Affirmatively defending the Issuer's intellectual property rights and investigating whether it is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Issuer's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Issuer resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, then the proceedings could result in significant expense to it and divert the attention and efforts of our management and technical employees, even if the Issuer is successful.

The Issuer may be sued by third parties for alleged infringement of their proprietary rights, which could be costly, time-consuming and limit its ability to use certain technologies in the future.

The Issuer may become subject to claims that our services and technologies infringe upon the intellectual property or other proprietary rights of third parties. Any claims, with or without merit, could be time-consuming and expensive, and could divert management's attention away from the execution of our business plan. Moreover, any settlement or adverse judgment resulting from these claims could require the Issuer to pay substantial amounts or obtain a license to continue to use the disputed technology, or otherwise restrict or prohibit the Issuer's use of the its technology. The Issuer cannot be assured that it would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all, that we would be able to develop alternative technology on a timely basis, if at all, or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our customers to continue using, our affected service. An adverse determination also could prevent us from offering our products to others. Infringement claims asserted against us may have a material adverse effect on our business, results of operations or financial condition.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Issuer's credit risk is primarily attributable to cash and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of December 31, 2015. Management believes that the credit risk with respect to these amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Issuer will not have sufficient cash resources to meet its financial obligations as they come due. The Issuer's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Issuer. The Issuer generates cash flow primarily from its financing activities. As at December 31, 2015, the Issuer had cash of \$36,486 (December 31, 2014 - \$177,778) to settle current liabilities of \$687,212 (December 31, 2014 - \$657,697). All of the Issuer's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms except for the amount due to related party which bears interest at prime plus two percent and is due on demand. The Issuer regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

On May 22, 2013, the Issuer obtained a \$400,000 loan from Greencastle. On October 29, 2014, the Issuer obtained an additional \$200,000 loan from Greencastle. The loans bear interest at prime annual rate plus two percent (2%), calculated on a monthly basis. The principal and unpaid interest shall become due and be paid in full on demand.

The Issuer obtained its financing through the equity market. Negative trend in the general equity market can adversely impact the Issuer's ability to obtain financing at favourable terms. If the Issuer cannot obtain the necessary financing to fund its operating and exploration activities, the Issuer might not be able to continue as a going concern entity.

There can be no assurance that additional financing or shareholder loans from Greencastle, if and when required, will be available or on terms acceptable to the Issuer.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Interest rate risk

The Issuer has cash balances and interest-bearing debt. The Issuer's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts. As at December 31, 2015, the Issuer did not have any surplus cash. The Issuer periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Issuer is exposed to interest rate risk on the amount due to related party bearing interest at prime rate plus two percent (2%) per annum.

Foreign currency risk

The Issuer's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Issuer is not exposed to foreign currency risk.

Price risk

The Issuer is exposed to price risk with respect to equity prices.. Equity price risk is defined as the potential adverse impact on the Issuer's loss due to movements in individual equity prices or general movements in the level of stock market.

17.2 Additional Securityholder Risk

There is no risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 Other Risks

Subject to the risk factors set out under Section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Issuer Shares.

18. Promoters

18.1-18.2 Promoter Consideration

At this time, the Issuer does not have any person performing Investor Relations Activities (as defined in the CSE Policies) nor at this time would any other person be, other than management in their normal course duties, be considered a promoter of the Issuer.

19. Legal Proceedings

19.1 Legal Proceedings

As of the date of this Listing Statement, there are no legal proceedings material to the Issuer to which the Issuer is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to the Issuer to be contemplated.

19.2 Regulatory actions

As of the date of this Listing Statement, the Issuer has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Issuer entered into a settlement agreement with a securities regulatory authority, nor has the Issuer been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Issuer's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. Interest of Management and Others in Material Transactions

No material conflict of interest, either direct or indirect, is currently known to exist with respect to any proposed transaction, or any transaction consummated over the three years before the date of this Listing Statement, that has affected or will materially affect the Issuer.

Conflicts of interest may arise as a result of the directors and officers of the Issuer also holding positions as directors or officers of other companies. Some of those individuals have been and

will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer.

The directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the OBCA, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

21. Auditors, Transfer Agents and Registrars

21.1 Auditors

The auditor of the Issuer is Abraham Chan LLP, Chartered Accountants.

21.2 Transfer Agent and Registrar

The registrar and transfer agent of the Issuer is Equity Financial Trust Company.

22. Material Contracts

22.1 Material Contracts of the Issuer

Other than the Share Exchange Agreement, the Issuer has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business.

The material contracts described above may be inspected without further charge at the offices of Irwin Lowy LLP, solicitors of the Issuer, located at Suite 400, 365 Bay Street, Toronto, Ontario during ordinary business hours until the date of the completion of the Listing and for a period of 30 days thereafter.

22.2 Special Agreements

The Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreement.

23 Interest of Experts

23.1 Interest of Experts

The auditors of the Issuer, Abraham Chan LLP, Chartered Accountants audited the financial statements of the Issuer for the year ended December 31, 2015, and is independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, Abraham Chan LLP, Chartered Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of the Issuer.

24. Other Material Facts

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Issuer and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. Financial Statements

25.1 Financial Statements

Schedule “A” contains the audited financial statements for the Issuer for the period ended December 31, 2015, and the interim financial statements for the periods ended March 31, June 30 and September 30, 2015.

25.2 For Issuers re-qualifying for listing following a fundamental change provide

- (a) the information required in sections 5.1 to 5.3 for the target;
- (b) financial statement for the target prepared in accordance with the requirements of National Instrument 41-101 *General Prospectus Requirements* as if the target were the Issuer;
- (c) pro-forma consolidated financial statements for the New Issuer giving effect to the transaction for:
 - (i) the last full fiscal year of the Issuer, and
 - (ii) any completed interim period of the current fiscal year.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Deveron UAS Corp., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Deveron UAS Corp. 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 Toronto, this 14th day of July, 2016.

“David MacMillan” (Signed)

Chief Executive Officer

“Carmelo Marrelli” (Signed)

Chief Financial Officer

“David MacMillan” (Signed)

Director

“James Borland” (Signed)

Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to 2487473 Ontario Inc. 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 Toronto, this 14th day of July, 2016.

“Shaun Drake” (Signed)

Chief Executive Officer

“Carmelo Marrelli” (Signed)

Chief Financial Officer

“Shaun Drake” (Signed)

Director

SCHEDULE "A"
FINANCIAL STATEMENTS OF ISSUER

**DEVERON RESOURCES LTD.
FINANCIAL STATEMENTS
YEARS ENDED
DECEMBER 31, 2015 AND 2014
(EXPRESSED IN CANADIAN DOLLARS)**

Independent Auditor's Report

To the Shareholders of Deveron Resources Ltd.

We have audited the accompanying financial statements of Deveron Resources Ltd. which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive loss, cash flows and changes in shareholders' equity (deficit) for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Deveron Resources Ltd., as at December 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 financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 1, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Toronto, Canada
February 25, 2016

"Abraham Chan LLP"

Abraham Chan LLP
Chartered Accountants
Licensed Public Accountants

DEVERON RESOURCES LTD.**Statements of Financial Position
(Expressed in Canadian Dollars)**

As at December 31,	2015	2014
ASSETS		
Current assets		
Cash	\$ 36,486	\$ 177,778
Amounts receivable and other assets (note 6)	4,180	19,559
Total current assets	40,666	197,337
Non-current assets		
Long-term investments (note 7)	1	600,000
Total assets	\$ 40,667	\$ 797,337
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Amounts payable and other liabilities (notes 8 and 15)	\$ 24,861	\$ 24,026
Due to related party (note 15)	662,351	633,671
Total liabilities	687,212	657,697
Shareholders' equity (deficit)		
Share capital (note 9)	640,421	640,421
Reserves (notes 10 and 11)	898,486	891,348
Deficit	(2,185,452)	(1,392,129)
Total shareholders' equity (deficit)	(646,545)	139,640
Total liabilities and shareholders' equity (deficit)	\$ 40,667	\$ 797,337

The accompanying notes to the financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Event after the reporting period (note 17)

Approved on behalf of the Board:

(Signed) "James Pirie" _____, Director

(Signed) "David MacMillan" _____, Director

DEVERON RESOURCES LTD.**Statements of Comprehensive Loss****(Expressed in Canadian Dollars)**

	Year Ended December 31,	
	2015	2014
Operating expenses		
Consulting fees (note 15)	\$ 6,000	\$ -
Professional fees (note 15)	62,579	62,245
Share-based payments (note 10(i)(ii))	7,138	1,968
Shareholder relations	52,599	46,275
Exploration and evaluation expenditures (recovery) (note 13)	34,370	(5,451)
Office and general	1,958	7,751
Interest expense (note 15)	28,680	21,726
Travel	-	198
Impairment of long-term investments (note 7)	599,999	-
Loss before taxes	(793,323)	(134,712)
Income tax recovery (note 14)	-	4,294
Total comprehensive loss for the year	\$ (793,323)	\$ (130,418)
Basic and diluted net loss per common share (note 12)	\$ (0.07)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (note 12)	11,794,505	11,794,505

The accompanying notes to the financial statements are an integral part of these statements.

DEVERON RESOURCES LTD.**Statements of Cash Flows****(Expressed in Canadian Dollars)**

	Year Ended December 31,	
	2015	2014
Operating activities		
Net loss for the year	\$ (793,323)	\$ (130,418)
Adjustments for:		
Share-based payments (note 10(i)(ii))	7,138	1,968
Interest expenses (note 15)	28,680	21,726
Impairment of long-term investments (note 7)	599,999	-
Changes in non-cash working capital items:		
Amounts receivable and other assets	15,379	(14,713)
Amounts payable and other liabilities	835	1,932
Net cash used in operating activities	(141,292)	(119,505)
Financing activity		
Due to related party (note 15)	-	200,000
Net cash provided by financing activity	-	200,000
Net change in cash	(141,292)	80,495
Cash, beginning of year	177,778	97,283
Cash, end of year	\$ 36,486	\$ 177,778

The accompanying notes to the financial statements are an integral part of these statements.

DEVERON RESOURCES LTD.**Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian Dollars)**

	Share capital	Reserves		Deficit	Total
		Warrants	Share-based payments		
Balance, December 31, 2013	\$ 640,421	\$ 704,648	\$ 256,932	\$ (1,333,911)	\$ 268,090
Warrants expired	-	(51,600)	-	51,600	-
Share-based payments (note 10(ii))	-	-	1,968	-	1,968
Stock option cancelled	-	-	(20,600)	20,600	-
Net loss for the year	-	-	-	(130,418)	(130,418)
Balance, December 31, 2014	640,421	653,048	238,300	(1,392,129)	139,640
Share-based payments (note 10(i))	-	-	7,138	-	7,138
Net loss for the year	-	-	-	(793,323)	(793,323)
Balance, December 31, 2015	\$ 640,421	\$ 653,048	\$ 245,438	\$ (2,185,452)	\$ (646,545)

The accompanying notes to the financial statements are an integral part of these statements.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Deveron Resources Ltd. ("Deveron" or the "Company") was incorporated under the laws of the Province of Ontario on March 28, 2011. Deveron is a mineral resource company primarily focused on acquisition, exploration and evaluation of mineral properties. On November 27, 2012, Deveron's common shares started trading on the TSX Venture Exchange ("TSXV") under the symbol "DVR". The primary office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

As at December 31, 2015, 65.8% of the Company's issued and outstanding shares are owned by Greencastle Resources Ltd. ("Greencastle"). This gives Greencastle the control over the Company. As such, Deveron is a subsidiary of Greencastle. Further details of Greencastle's share holding interest is disclosed in note 15.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. Certain principal conditions and events are prevalent which indicate that there could be significant doubt about the Company's ability to continue as a going concern for a reasonable period of time. These include: (i) recurring operating losses and (ii) inability to obtain additional financing. Furthermore, additional funding may be required to carry on the exploration and evaluation of the Company's mineral properties. The ability of the Company to fund its potential operations and commitments is dependent upon the ability of the Company to obtain additional financing.

2. Significant accounting policies

(a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2015. The policies set out below are based on IFRS issued and outstanding as of February 25, 2016, the date the Board of Directors approved the statements.

(b) *Basis of presentation*

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(o).

(c) *Functional and presentation currency*

These financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(d) Financial instruments

The Company's financial instruments consist of the following:

Financial assets:

Cash
Amounts receivable
Long-term investments

Classification:

FVTPL
Loans and receivables
Available-for-sale

Financial liabilities:

Amounts payable and other liabilities
Due to related party

Classification:

Other financial liabilities
Other financial liabilities

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned. These financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets 'at FVTPL', 'held-to-maturity investments', 'available-for-sale' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

FVTPL

This category comprises assets acquired or incurred for the purpose of selling or repurchasing it in the near future. The Company measures financial assets at FVTPL at fair value, recognizing any gains or losses arising from this measurement in the statement of comprehensive loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale instruments

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value, plus transaction costs and are subsequently carried at cost, unless fair value can be determined from quoted market price in an active market. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months. Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of comprehensive loss as part of interest income. Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive loss as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the investment is written down to the impaired value and a loss or gain is recognized in the statement of comprehensive loss. The Company's investment in Boreal Agrominerals Inc. ("Boreal") is classified as available-for-sale.

Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Financial liabilities are classified as at FVTPL where the financial liability is either held-for-trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(d) *Financial instruments (continued)*

Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Impairment of financial assets:

Financial assets are assessed for objective evidence of impairment on an incurred loss basis at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

For the financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligation is discharged, cancelled or expired.

Fair value of financial instruments:

Financial instruments that are measured at fair value in periods subsequent to initial recognition use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of December 31, 2015 and 2014, cash is the Company's only financial instruments that are measured at fair value on the statement of financial position. The fair value of cash is measured using level 1.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) *Cash*

Cash includes cash on hand and with a Canadian chartered bank.

(f) *Long-term investments*

Long-term investments are designated as financial assets under the category of available-for-sale. These investments are initially recognized at fair value. Subsequent to initial recognition these investments are measured at cost as described in the available-for-sale policy above.

(g) *Income taxes*

Income tax on the profit or loss for the years 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 year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) *Flow-through shares*

The Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount of investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting income tax recovery when the entity renounces the tax differences.

(i) *Exploration and evaluation expenditures*

The Company expenses exploration and evaluation expenditures as incurred in mineral properties not commercially viable and financially feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible or tangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(j) *Share-based payment transactions*

The fair value of stock options granted to employees and non-employees is recognized as an expense over the vesting period with a corresponding increase in shareholders' 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, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. 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. 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.

(k) *Decommissioning liability*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and 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.

The Company has no restoration, rehabilitation and environment costs as at December 31, 2015 and December 31, 2014.

(l) *Provision*

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

(m) *Loss per share*

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years. Options and warrants are anti-dilutive and, therefore, have not been taken into account in the per share calculation.

(n) *Related party transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(o) Critical accounting estimates and judgments

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

i) Critical accounting estimates

Impairment of long-term investments carried at cost - when there is objective evidence the asset may be impaired as a result of one or more events that occurred after the initial recognition of the asset, management is required to estimate the impairment loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Share-based payments – management is required to make a number of estimates when determining the compensation expense resulting from share-based transactions, including the forfeiture rate and expected life of the instruments.

ii) Critical judgments in applying accounting policies

Income taxes – 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 become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Interests in other entities - as part of its process in determining the classification of the Company's 13.6% interest in Boreal, the Company applies judgments in interpreting these interests such as (i) the determination of the level of control or significant influence held by the Company (ii) the legal structure and contractual terms of the investments, and (iii) when relevant, other facts and circumstances. The Company determined that it has no significant influence or control over Boreal. As such, it is appropriate to account for the investments at cost and not under the equity method.

Going concern – The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 1.

(p) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after the Company's year end. Many are not applicable or do not have a significant impact on the Company and so have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(p) *Recent accounting pronouncements (continued)*

(i) IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. However, an entity may elect to apply the earlier versions of this new standard to annual periods beginning before January 1, 2018 if, and only if, its initial application date is before February 1, 2015. The Company is still in the process of assessing the impact of this pronouncement.

(ii) IFRS 11 - Joint Arrangements (“IFRS 11”) was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

(iii) IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

3. Capital risk management

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2015, totaled a deficit of \$646,545 (December 31, 2014 - equity of \$139,640).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Company may attempt to raise additional funds through the issuance of debt or equity. The Company is not subject to any capital requirements imposed by a lending institution.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015 and 2014.

There were no changes in the Company's process, policies and approach to capital management during the year ended December 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

4. Financial instruments and risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of December 31, 2015. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2015, the Company had cash of \$36,486 (December 31, 2014 - \$177,778) to settle current liabilities of \$687,212 (December 31, 2014 - \$657,697). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms except for the amount due to related party which bears interest at prime plus two percent and is due on demand. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

On May 22, 2013, the Company obtained a \$400,000 loan from Greencastle. On October 29, 2014, the Company obtained an additional \$200,000 loan from Greencastle. The loans bear interest at prime annual rate plus 2%, calculated on a monthly basis. The principal and unpaid interest shall become due and be paid in full on demand.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

4. Financial instruments and risk factors (continued)

(ii) Liquidity risk (continued)

The Company obtained its financing through the equity market. Negative trend in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity.

There can be no assurance that additional financing or shareholder loans from Greencastle, if and when required, will be available or on terms acceptable to the Company.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts. As at December 31, 2015, the Company did not have any surplus cash. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Company is exposed to interest rate risk on the amount due to related party bearing interest at prime rate plus two percent per annum.

(b) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) The amount due to related party is subject to interest rate risk. The promissory notes of \$400,000 and \$200,000, obtained from Greencastle on May 22, 2013 and October 29, 2014, respectively, bears an annual interest of prime plus 2%. As at December 31, 2015, if interest rates had decreased/increased by 1% with all other variables held constant, it would affect the reported loss and comprehensive loss for the year ended December 31, 2015, by approximately \$6,000.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

DEVERON RESOURCES LTD.**Notes to Financial Statements****Years Ended December 31, 2015 and 2014****(Expressed in Canadian Dollars)**

5. Fair value measurements

Fair value is the price that would be received to dispose of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measured at fair value on a recurring basis:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate fair value
As at December 31, 2015				
Cash	\$ 36,486	\$ -	\$ -	\$ 36,486
As at December 31, 2014				
Cash	\$ 177,778	\$ -	\$ -	\$ 177,778

(b) Categories of financial instruments:

As at December 31,	2015	2014
	Carrying amount	Carrying amount
Financial assets:		
Cash	\$ 36,486	\$ 177,778
Amounts receivable	2,758	7,322
Long-term investments	1	600,000
	\$ 39,245	\$ 785,100
Financial liabilities:		
Amounts payable and other liabilities	\$ 24,861	\$ 24,026
Due to related party	662,351	633,671
	\$ 687,212	\$ 657,697

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's amounts receivable, amounts payable and other liabilities and due to related party is close to fair value due to their short-term maturity.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

6. Amounts receivable and other assets

As at December 31,	2015	2014
Sales tax receivable - (Canada) (i)	\$ 2,758	\$ 7,322
Prepays	1,422	12,237
	\$ 4,180	\$ 19,559

(i) Sales tax receivable is not past due.

7. Long-term investments

On April 4, 2013, and May 27, 2013, Deveron acquired 1,000,000 and 2,000,000 common shares respectively, for a total of 3,000,000 common shares of Boreal for \$600,000. The investment represents a 13.6% interest in Boreal.

Boreal is a private company that owns and operates a carbonatite quarry near Sudbury, Ontario.

This investment has been categorized as a long-term investment under the category of available-for-sale and was originally measured at cost because there is no active market for Boreal's shares.

During the year ended December 31, 2015, management has decided to record an impairment of \$599,999 and as a result the long-term investments carrying value decreased to \$1 due to Boreal's inability to advance the project and liquidity issues.

8. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

As at December 31,	2015	2014
Amounts payable	\$ 6,540	\$ 3,534
Accrued liabilities	18,321	20,492
Total amounts payable and other liabilities	\$ 24,861	\$ 24,026

The following is an aged analysis of the amounts payable and other liabilities:

As at December 31,	2015	2014
Less than 1 month	\$ 24,861	\$ 24,026

9. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2013, 2014 and 2015	11,794,505	\$ 640,421

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

10. Stock options

On August 17, 2011, the directors of the Company adopted the stock option plan (the "Stock Option Plan"). The purpose of the Stock Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company and to encourage and enable such persons to acquire and retain a proprietary interest in the Company through ownership of common shares.

The Stock Option Plan provides that the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan is 10% of the Company's issued and outstanding common shares, from time to time. The Stock Option Plan will provide that the Board may amend the Stock Option Plan without the approval of the shareholders, provided however, that the shareholders of the Company must approve any amendment to the Stock Option Plan which increases the fixed maximum percentage of common shares issuable pursuant to the Stock Option Plan. The Stock Option Plan also provides that disinterested shareholder approval will be required to amend the Stock Option Plan or an option which (i) reduces the exercise price of an option held by an insider; (ii) extends the term of an option held by an insider; (iii) permits common shares being issuable to insiders under the Stock Option Plan to exceed 10% of the outstanding common shares; or (iv) permits common shares being issuable to insiders within any one year period under the Stock Option Plan to exceed 10% of the outstanding common shares. Accordingly, for example, the Board may amend the terms of the Stock Option Plan concerning vesting terms, assignability of options, and the term and exercise price of options held by non-insiders. Unless not permitted by the applicable regulatory authorities, the Stock Option Plan will also provide that if any option may not be exercised due to a black-out period self-imposed by the Company, the term of such option may be extended to a date which expires ten (10) business days following the end of such black-out period, or alternatively, if an option may be exercised during the black-out period but the shares not resold, the period for completion of the exercise of the option may be extended for the same ten (10) business day period after the end of the black-out period.

The Stock Option Plan will be administered by the Board, which shall have full and final authority with respect to the granting of all options thereunder. Options will be granted under the Stock Option Plan to directors, officers, employees or consultants of the Company. The exercise price of any options granted under the Stock Option Plan will be determined by the Board, but in no event will the price be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). The term of any options granted under the Stock Option Plan will be determined by the Board at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options granted under the Stock Option Plan will not exceed five (5) years. Options granted under the Stock Option Plan will not be transferable or assignable except as permitted by the Stock Option Plan. Subject to certain exceptions, in the event that a director or officer ceases to hold office, vested options granted to such director or officer under the Stock Option Plan will expire ninety (90) days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee or consultant ceases to act in that capacity in relation to the Company, vested options granted to such employee or consultant under the Stock Option Plan will expire ninety (90) days after such individual or entity ceases to act in that capacity in relation to the Company. In the event of death of an option holder, vested options granted under the Stock Option Plan will expire on the earlier of one (1) year from the date of the death of the option holder or the date of the expiration of the term otherwise applicable to the option.

The following table reflects the continuity of options for the years ended December 31, 2015 and 2014:

	Number of options	Weighted average exercise price (\$)
Balance, December 31, 2013	1,150,000	0.25
Cancelled	(100,000)	0.25
Balance, December 31, 2014	1,050,000	0.25
Granted (i)	125,000	0.25
Balance, December 31, 2015	1,175,000	0.25

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

10. Stock options (continued)

(i) On January 12, 2015, the Company granted 125,000 stock options to a director with each option exercisable into one common share of the Company at an exercise price of \$0.25 per share until November 29, 2017. A fair value of \$7,138 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.10; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 125.13%; risk-free interest rate - 0.93%; and an expected life - 2.88 years. The options vested immediately. During the year ended December 31, 2015, \$7,138 was expensed to share-based payments.

(ii) The portion of the estimated fair value of options granted in the prior years and vested during the year ended December 31, 2014, amounted to \$1,968.

Details of the stock options outstanding as at December 31, 2015 are as follows:

Fair value (\$)	Weighted average remaining contractual life (years)	Exercisable options	Number of options	Weighted average exercise price (\$)	Expiry date
10,300	0.26	50,000	50,000	0.25	April 3, 2016
235,138	1.92	1,125,000	1,125,000	0.25	November 29, 2017
245,438	1.84	1,175,000	1,175,000	0.25	

11. Warrants

The following table reflects the continuity of warrants for the years ended December 31, 2015 and 2014:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2013	7,556,090	0.30
Expired (i)	(300,000)	0.25
Balance, December 31, 2014 and 2015	7,256,090	0.30

(i) These are broker warrants that expired on November 23, 2014, granted in consideration for the Initial Public Offering of 3,000,000 common shares that closed on November 23, 2012.

The following table reflects the warrants issued and outstanding as of December 31, 2015:

Number of warrants outstanding	Fair value (\$)	Exercise price (\$)	Expiry date
7,256,090	653,048	0.30	July 31, 2016

12. Net loss per common share

The calculation of basic and diluted loss per share for the year ended December 31, 2015 was based on the loss attributable to common shareholders of \$793,323 (year ended December 31, 2014 - \$130,418) and the weighted average number of common shares outstanding of 11,794,505 (year ended December 31, 2014 - 11,794,505). Diluted loss per share for the years presented did not include the effect of 7,256,090 warrants (year ended December 31, 2014 - 7,256,090 warrants) and 1,175,000 stock options (year ended December 31, 2014 - 1,050,000 stock options) as they are anti-dilutive.

DEVERON RESOURCES LTD.**Notes to Financial Statements****Years Ended December 31, 2015 and 2014****(Expressed in Canadian Dollars)**

13. Exploration and evaluation expenditures (recovery)

The following is a detailed list of expenditures incurred on the Company's mineral properties:

	Year Ended December 31,	
	2015	2014
Nechako Property (a)		
Geochemistry costs	\$ -	\$ (5,451)
	\$ -	\$ (5,451)
Rockstone Property (b)		
Acquisition costs	\$ 30,000	\$ -
Claim staking, maintenance fees	4,370	-
	\$ 34,370	\$ -
Total exploration and evaluation expenditures (recovery)	\$ 34,370	\$ (5,451)

(a) Nechako Property

On January 3, 2012, the Company entered into a non-arm's length assignment and novation agreement (the "Assignment Agreement") with Greencastle providing for the assignment of all of Greencastle's right, title and interest in an option agreement dated October 9, 2010 ("Option Agreement"), between Greencastle and Derrick Strickland (the "Optionor") on the Nechako Property, in consideration of the Company issuing to Greencastle 2,431,090 units at a deemed price of \$0.10 per unit and granting to Greencastle a 1% net smelter returns royalty on the Nechako Property.

Under the terms of the Option Agreement assigned to the Company by Greencastle, a 100% interest, subject to a 2% net smelter returns royalty (the "Optionor Royalty") in the Nechako Property can be acquired by completing the following:

- On execution of the Option Agreement dated October 9, 2010, paying \$20,000 in cash and issuing 100,000 Greencastle common shares to the Optionor. Greencastle has paid the \$20,000 and issued the 100,000 Greencastle common shares to the Optionor;
- On or before November 1, 2011, paying an additional \$20,000 in cash and issuing an additional 100,000 Greencastle common shares to the Optionor and incurring \$100,000 of exploration expenses on the Nechako Property on or before November 1, 2011. Greencastle has paid the \$20,000, issued the 100,000 Greencastle common shares and incurred the \$100,000 of exploration expenses; and
- On or before November 1, 2012, paying an additional \$50,000 in cash and issuing an additional 300,000 Greencastle common shares to the Optionor and incurring an additional \$250,000 of exploration expenses on the Nechako Property on or before November 1, 2012. The Company has paid the \$50,000 in October 2012, issued the 300,000 Greencastle common shares (valued at \$27,000) in October 2012 and incurred the \$250,000 of exploration expenses.

All payments and shares required to be issued to the Optionor pursuant to the Option Agreement, before January 3, 2012, the effective date of the Assignment Agreement, were completed by Greencastle.

The Optionor will retain the Optionor Royalty, of which 1% can be purchased by the Company at any time for \$1,000,000.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

13. Exploration and evaluation expenditures (recovery) (continued)

(a) Nechako Property (continued)

Pursuant to a subscription agreement dated March 1, 2012, between Greencastle and the Company, the Company has acquired 300,000 Greencastle common shares in order to make the final share payment required under the Option Agreement. During the year ended December 31, 2012, the Company transferred these shares to the Optionor as part of the required payment to earn the 100% interest in Nechako Property.

On November 29, 2012, Deveron announced that it has completed the terms of its Option Agreement and has now earned a 100% interest in its Nechako Property.

(b) Rockstone Property

On October 28, 2014, the Company entered into a letter agreement ("Letter Agreement") with Greencastle relating to Greencastle's Rockstone Property located near Thunder Bay, in north-west Ontario. The Rockstone Property consists of 11 claims. On January 21, 2015, the Letter Agreement between the Company and Greencastle was amended to include 10 additional claims for a total of 21 claims in the Rockstone Property.

Under the terms of the Letter Agreement, Deveron will pay total cash considerations of \$150,000 and incur \$2,000,000 in exploration expenditures over a three year period to earn a 60% interest in the Rockstone Property. Deveron can elect to earn 100% interest in the Rockstone Property by incurring all expenditures required to produce a bankable feasibility study, subject to Greencastle retaining a 3% net smelter return royalty. The transaction was approved by the TSXV.

In connection with the Letter Agreement, Greencastle has also loaned Deveron \$200,000, which bears interest at prime plus two percent and is due on demand. See note 15.

(c) Rok West Property

The Rok West Property consists of 2 claims located in the province of British Columbia. The Company staked these two claims during the year ended December 31, 2013 by paying total cash cost of \$4,515. During the year ended December 31, 2014, the Company decided to allow the claims at the Rok West Property to expire.

14. Income tax

A reconciliation between tax expense and the product of accounting loss multiplied by the Company's domestic tax rate is as follows:

	2015	2014
Loss before income tax	\$ (793,323)	\$ (134,712)
Statutory tax rate	26.50%	26.50%
Tax benefit of statutory rate	(210,231)	(35,699)
Permanent differences	81,391	569
Tax benefits not recognized	128,840	30,836
Total tax recovery	\$ -	\$ (4,294)

The Company's income tax recovery is allocated as follows:

Current tax recovery	\$ -	\$ (4,294)
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DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

14. Income tax (continued)

The tax benefit of the following unused tax losses and deductible temporary differences have not been recognized in the financial statements as they are not probable to be recovered.

Deductible (taxable) temporary differences	December 31,	
	2015	2014
Tax loss carry-forwards	\$ 252,844	\$ 205,686
Capital loss carry-forwards	398	398
Valuation of investments	79,500	-
Exploration and development	101,218	92,110
Share issue costs	6,927	13,854
Cumulative eligible capital	496	496
Deferred tax assets not recognized and impaired	(441,383)	(312,544)
Net deferred tax assets	\$ -	\$ -

As at December 31, 2015, the Company has the unclaimed non-capital losses that expire as follows:

Expires	2031	\$ 162,000
	2032	180,000
	2033	271,000
	2034	164,000
	2035	178,000
		<u>\$ 955,000</u>

The Company has also \$3,000 of net capital losses which can be carried forward indefinitely.

15. Major shareholder and related party transactions

Major shareholder

The Company is controlled by Greencastle. At December 31, 2015, Greencastle owned and/or exercised control over 7,756,005 common shares of Deveron, representing approximately 65.8% of the issued and outstanding common shares of the Company. The Chief Executive Officer of Deveron is the president, secretary and director of Greencastle and both companies have the same Chief Financial Officer ("CFO"). The remaining 34.2% of the shares are widely held, which includes various small holdings which are owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Company's major shareholder does not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than Greencastle, who owns or controls, directly or indirectly, approximately 65.8% of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

15. Major shareholder and related party transactions (continued)

Related party transactions

During the year ended December 31, 2015, the Company incurred professional fees of \$34,718 (year ended December 31, 2014 - \$33,540) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the CFO of Deveron. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, Marrelli Support is owed \$8,650 (December 31, 2014 - \$2,798) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2015, the Company incurred professional fees of \$8,438 (year ended December 31, 2014 - \$8,827) to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, DSA is owed \$1,999 (December 31, 2014 - \$735) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2015, the Company also incurred legal fees of \$13,199 (year ended December 31, 2014 - \$9,840) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the December 31, 2015 amounts payable and other liabilities is \$6,321 due to Irwin Lowy LLP (December 31, 2014 - \$6,592).

For the year ended December 31, 2015, consulting fees of \$6,000 (year ended December 31, 2014 - \$nil) were charged by a director of the Company, for performing advisory services for Deveron.

On October 28, 2014, the Company entered into a Letter Agreement with its parent company, Greencastle, which was amended on January 21, 2015, as described in note 13(b).

Greencastle loaned Deveron \$400,000 on May 22, 2013 and \$200,000 on October 29, 2014, which bears interest at prime plus two percent and is due on demand. As security for the loan, Deveron granted Greencastle a security interest over all assets of the Company. The carrying value of all the assets are \$40,667, being the value of the investments in Boreal, cash and amounts receivable and other assets. The Company's interest in the Nechako Property and its option to earn 100% interest in the Rockstone Property is carried at \$nil until such time as the project has been established as commercially viable and technically feasible. Included in due to related party as at December 31, 2015 is \$662,351 due to Greencastle (December 31, 2014 - \$633,671). For the year ended December 31, 2015, interest of \$28,680 (year ended December 31, 2014 - \$21,726) has been accrued and is included in interest expense in the statements of comprehensive loss.

16. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for expenses, and loss for the years also represent segmented amounts.

All of the Company's operations, assets and liabilities are in Canada.

DEVERON RESOURCES LTD.

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian Dollars)

17. Event after the reporting period

On February 19, 2016, Deveron entered into a definitive arm's length share exchange agreement (the "SEA") to acquire all of the issued and outstanding shares of 2487473 Ontario Inc. (operating as Eagle Scout Imaging) ("248" or "Eagle Scout"), a private company existing under the laws of the Province of Ontario. Eagle Scout uses the advanced unmanned aerial systems ("UAS", "UAV" or, more commonly, "drones") along with hardware, camera, sensor and software technologies to collect crop data and provide solutions to farmers.

Pursuant to the SEA, Deveron will acquire all of the issued and outstanding common shares of 248 by the issuance to the shareholders of 248 of: (i) 1,700,001 common shares in the capital of Deveron (the "Common Shares") at a deemed price of \$0.20 per Common Share; and (ii) 850,000 Common Share purchase warrants (the "Payment Warrants") at a deemed price of \$0.001 per Payment Warrant. Each Warrant entitles the holder thereof to purchase one Common Share (a "Warrant Share") at an exercise price of \$0.40 per Warrant Share at any time on or before 5:00 p.m. (Toronto time) on the date that is 24 months following the closing date of the transaction. As additional consideration, Deveron is required to issue one (1) Common Share as fully paid and non-assessable, at a deemed price of \$0.20 per Common Share, for each \$1.00 of gross revenue earned during each of the four fiscal years ending after the closing date of the transaction, to a maximum of 1,000,000 Common Shares in the aggregate. In due course, the Company will issue further information when available.

At present, Deveron is involved in the exploration and development of mineral exploration assets in Canada and it will terminate these activities if the transaction of acquiring 248 is successfully completed. The transaction may constitute a "Change of Business" under the policies of the TSXV and is subject to TSXV approval. The Company plans to apply to delist its common shares from the TSXV and apply for listing on the Canadian Securities Exchange ("CSE"). Delisting is subject to TSXV approval and listing on the CSE is subject to CSE approval. The Company is in the process of preparing to submit the requisite documents to the CSE. There is no assurance the CSE will provide conditional or final approval of the Company's application to list its common shares on the CSE.

SCHEDULE "B"
FINANCIAL STATEMENTS OF ONTCO

2487473 ONTARIO INC.
FINANCIAL STATEMENTS
PERIOD FROM OCTOBER 19, 2015 TO DECEMBER 31, 2015
(EXPRESSED IN CANADIAN DOLLARS)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 2487473 Ontario Inc.,

We have audited the accompanying financial statements of 2487473 Ontario Inc., which comprise the statement of financial position as at December 31, 2015, and the statements of comprehensive loss, cash flows, and changes in equity for the period from October 19, 2015 (Incorporation) to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 2487473 Ontario Inc. as at December 31, 2015, and its financial performance and its cash flows for the period from October 19, 2015 (Incorporation) to December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt on 2487473 Ontario Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 22, 2016

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

2487473 Ontario Inc.
Statement of Financial Position
(Expressed in Canadian Dollars)

As at
December 31,
2015

ASSETS

Current assets

Cash	\$	144,524
HST receivable		2,606
Total current assets		147,130

Non-current assets

Equipment (note 6)		8,450
Total non-current assets		8,450

Total assets	\$	155,580
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SHAREHOLDERS' EQUITY AND LIABILITIES

Current liabilities

Accrued liabilities	\$	6,000
Due to related party (note 10)		3,000
Total liabilities		9,000

Shareholders' equity

Share capital (note 7)		150,501
Warrants (note 8)		17,000
Deficit		(20,921)
Total shareholders' equity		146,580

Total shareholders' equity and liabilities	\$	155,580
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Subsequent event (note 12)

The notes to the financial statements are an integral part of these statements.

2487473 Ontario Inc.
Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

Period from October 19, 2015 to December 31, 2015

Operating expenses	
Professional fees	\$ 20,897
General and administrative	24
Net loss and comprehensive loss for the period	\$ (20,921)
Loss per share - basic and diluted (note 9)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted (note 9)	673,974

The notes to the financial statements are an integral part of these statements.

2487473 Ontario Inc.
Statement of Cash Flows
(Expressed in Canadian Dollars)

Period from October 19, 2015 to December 31, 2015

Operating activities

Net loss for the period	\$	(20,921)
Non-cash working capital items:		
HST receivable		(2,606)
Accrued liabilities		6,000
Due to related party		3,000
Net cash used in operating activities		(14,527)

Investing activity

Acquisition of equipment		(8,450)
Net cash used in investing activity		(8,450)

Financing activity

Issue of securities		167,501
Net cash provided by financing activity		167,501

Net change in cash		144,524
Cash, beginning of period		-
Cash, end of period	\$	144,524

The notes to the financial statements are an integral part of these statements.

2487473 Ontario Inc.**Statement of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)**

	Number of common shares	Share capital	Warrants	Deficit	Total
Balance, October 19, 2015	-	\$ -	\$ -	\$ -	\$ -
Shares issued (note 7)	1,700,001	150,501	17,000	-	167,501
Net loss and comprehensive loss for the period	-	-	-	(20,921)	(20,921)
Balance, December 31, 2015	1,700,001	\$ 150,501	\$ 17,000	\$ (20,921)	\$ 146,580

The notes to the financial statements are an integral part of these statements.

2487473 Ontario Inc.

Notes to Financial Statements

Period from October 19, 2015 to December 31, 2015

(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

2487473 Ontario Inc. (the "Company") was incorporated as a private company pursuant to the provision of the Business Corporation Act (Ontario) on October 19, 2015. The Company's primary office is 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5. The Company's financial year ends on December 31. The Company is currently seeking for opportunities to acquire Unmanned Aerial Systems (Drone) companies.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies set out below are based on IFRS issued and outstanding as of February 22, 2016, the date the Board of Directors approved the statements.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(j).

(c) Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

2487473 Ontario Inc.**Notes to Financial Statements****Period from October 19, 2015 to December 31, 2015****(Expressed in Canadian Dollars)**

2. Significant accounting policies (continued)**(d) Equipment**

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Class of equipment	Amortization rate
Drone	20%

In the year of acquisition or disposal, 50% of amortization is taken.

No amortization is taken until the equipment is put into use.

(e) Financial instruments

The Company's financial instruments consist of the following:

Financial assets:

Cash

Classification:

FVTPL

Financial liabilities:

Due to related party

Classification:

Other financial liabilities

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit and loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2487473 Ontario Inc.

Notes to Financial Statements

Period from October 19, 2015 to December 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Financial instruments that are measured at fair value in periods subsequent to initial recognition use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of December 31, 2015, cash is the Company's only financial instruments that are measured at fair value on the statement of financial position. The fair value of cash is measured using level 1 inputs.

2487473 Ontario Inc.

Notes to Financial Statements

Period from October 19, 2015 to December 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Income taxes

Income tax on the profit or loss for the period 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 period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(g) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

(h) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the 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 computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the period. Warrants are anti-dilutive and, therefore, have not been taken into account in the per share calculation.

2487473 Ontario Inc.

Notes to Financial Statements

Period from October 19, 2015 to December 31, 2015

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(i) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(j) Critical accounting estimates and judgments

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

i) Critical accounting estimates

Warrants - management is required to make a number of estimates when determining the fair value of the warrants, including the volatility, forfeiture rate and expected life of the instruments. Refer to note 7 for these assumptions.

ii) Critical judgments in applying accounting policies

Income taxes – 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 become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

(k) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after the Company's period end. Many are not applicable or do not have a significant impact on the Company and so have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is to be effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

2487473 Ontario Inc.

Notes to Financial Statements

Period from October 19, 2015 to December 31, 2015

(Expressed in Canadian Dollars)

3. Capital risk management

The Company includes equity, comprising issued share capital, warrants and deficit, in the definition of capital, which as at December 31, 2015, totaled \$146,580.

The Company is not subject to any capital requirements imposed by a lending institution. The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

4. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest and foreign exchange risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and HST receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

HST receivable consists of sales tax receivable from government authorities in Canada. HST receivable is in good standing as of December 31, 2015. Management believes that the credit risk with respect to the HST receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2015, the Company had cash of \$144,524 to settle current liabilities of \$9,000. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest bearing debt.

(b) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign currency risk.

2487473 Ontario Inc.**Notes to Financial Statements****Period from October 19, 2015 to December 31, 2015****(Expressed in Canadian Dollars)**

5. Categories of financial instruments

	As at December 31, 2015
Financial assets:	
FVTPL	
Cash	\$ 144,524
Financial liabilities:	
Other financial liabilities	
Due to related party	\$ 3,000

6. Equipment**Cost**

	Drones
Balance, October 19, 2015	\$ -
Additions	8,450
Balance, December 31, 2015	\$ 8,450

As at December 31, 2015, the drone was not in use, hence no amortization has been recorded for the period ended December 31, 2015.

7. Share capital**a) Authorized share capital**

At December 31, 2015, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At December 31, 2015, the issued share capital amounted to \$150,501. The change in issued share capital for the period was as follows:

(i) On October 19, 2015 (incorporation date), the Company issued one common share for \$1.

(ii) On November 1, 2015, the Company issued 50,000 units at \$0.05 per unit for total proceed of \$2,500. Each unit consisted of one common shares and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.40 for a period of 24 months.

A value of \$nil was estimated for the 25,000 warrants on the date of issuance using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 0.57%; and expected average life of 2 years.

(iii) On December 3, 2015, the Company issued 1,650,000 units at \$0.10 per unit for total proceed of \$165,000. Each unit consisted of one common shares and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.40 for a period of 24 months.

A value of \$17,000 was estimated for the 825,000 warrants on the date of issuance using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 0.65%; and expected average life of 2 years.

2487473 Ontario Inc.**Notes to Financial Statements****Period from October 19, 2015 to December 31, 2015****(Expressed in Canadian Dollars)**

8. Warrants

	Number of warrants	Weighted average exercise price (\$)
Balance, October 19, 2015	-	-
Issued (note 7(b)(ii)(iii))	850,000	0.40
Balance, December 31, 2015	850,000	0.40

The following table reflects the actual warrants issued and outstanding as of December 31, 2015:

Expiry date	Exercise price (\$)	Fair value (\$)	Warrants outstanding	Remaining life (years)
November 1, 2017	0.40	-	25,000	1.84
December 3, 2017	0.40	17,000	825,000	1.93
		17,000	850,000	

9. Net loss per common share

The calculation of basic and diluted loss per share for the period from October 19, 2015 to December 31, 2015 was based on the loss attributable to common shareholders of \$20,921 and the weighted average number of common shares outstanding of 673,974. Diluted loss per share for the period presented did not include the effect of 850,000 warrants as they are anti-dilutive.

10. Related party transactions

During the period from October 19, 2015 to December 31, 2015, the Company paid professional fees of \$3,000 to Shaun Drake, a director and shareholder of the Company. These services were incurred in the normal course of operations for consulting fees. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, Shaun Drake is owed \$3,000 and this amount is included in accounts payable and accrued liabilities.

11. Income taxes

(a) Provision for income taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.50% to the amounts recognized in the statements of loss:

	2015
Loss before income taxes	\$ (20,921)
Statutory tax rate	26.50%
Tax benefit of statutory rate	(5,544)
Change in unrecognized deductible temporary differences	5,544
	\$ -

2487473 Ontario Inc.**Notes to Financial Statements****Period from October 19, 2015 to December 31, 2015****(Expressed in Canadian Dollars)**

11. Income taxes (continued)

(b) Deferred tax balances

The following assets have not been recognized for accounting purposes as it is not probable that taxable profits will be available against which the deferred tax assets can be utilized:

	2015
Deferred income tax assets	
Non-capital losses	\$ 5,544
	5,544
Tax benefits not recognized	(5,544)
Total tax recovery	\$ -

(c) Tax loss carry-forwards

As at December 31, 2015, the Company had approximately \$20,000 of non-capital losses for Canadian income tax purposes which expire in various years as follow:

	Year	Tax loss
	2035	\$ 20,000

12. Subsequent event

Pursuant to a definitive arm's length share exchange agreement dated February 19, 2016, Deveron Resources Ltd. ("Deveron") will acquire all of the issued and outstanding common shares of the Company for consideration of \$340,850 payable by the issuance to the shareholders of the Company of: (i) 1,700,001 common shares in the capital of Deveron (the "Deveron Common Shares") at a price of \$0.20 per Deveron Common Share; and (ii) 850,000 Deveron Common Share purchase warrants (the "Payment Warrants") at a price of \$0.001 per Payment Warrant. Each Warrant is exercisable into one Deveron Common Share at an exercise price of \$0.40 expiring 24 months following the closing date of the transaction. As additional consideration, Deveron is required to issue one Deveron Common Share, at a price of \$0.20 per Deveron Common Share, for each \$1.00 of gross revenue earned during each of the four fiscal years ending after the closing date of the transaction, to a maximum of 1,000,000 Deveron Common Shares in the aggregate. This transaction is subject to regulatory and shareholder approval.

SCHEDULE “C”
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT
MARCH 31, 2016

Deveron Resources Ltd.

Pro Forma Consolidated Financial Statements

As at March 31, 2016

(Expressed in Canadian Dollars)

(Unaudited)

Deveron Resources Ltd.

Pro Forma Consolidated Statement of Financial Position

As at March 31, 2016

(Unaudited - Expressed in Canadian Dollars)

	Deveron Resources Ltd. At March 31, 2016 \$	2487473 Ontario Inc. At March 31, 2016 \$	Note Ref.	Pro Forma Adjustments \$	Pro Forma Consolidated \$
Assets					
Current assets					
Cash	79,907	26,489	3(a) 3(c) 3(d) 3(i)	800,000 (34,000) (5,000) (20,000)	847,396
Amounts receivable and other assets	6,944	4,965		-	11,909
Promissory note receivable	-	80,219	3(g)	(80,219)	-
Total current assets	86,851	111,673		660,781	859,305
Equipment	-	8,450		-	8,450
Long-term investments	1	-		-	1
Total assets	86,852	120,123		660,781	867,756
Liabilities					
Current liabilities					
Amounts payable and other liabilities	40,626	-		-	40,626
Promissory note	80,219	-	3(g)	(80,219)	-
Due to related party	669,382	-	3(e) 3(e)	(169,382) (500,000)	-
Total current liabilities	790,227	-		(749,601)	40,626
Due to related party	-	-	3(e)	500,000	500,000
Total liabilities	790,227	-		(249,601)	540,626
Equity					
Share capital	640,421	137,045	3(a) 3(a) 3(b) 3(c) 3(d) 3(e) 3(e) 3(f) 3(h)	800,000 (193,674) (16,598) (34,000) (5,000) 169,382 (41,006) 408,000 (137,045)	1,727,525
Warrants reserve	653,048	17,000	3(a) 3(b) 3(e) 3(f) 3(h)	193,674 16,598 41,006 94,015 (17,000)	998,341
Share-based payments reserve	245,438	-		-	245,438
Deficit	(2,242,282)	(33,922)	3(f) 3(h) 3(i)	(381,892) 33,922 (20,000)	(2,644,174)
Total equity	(703,375)	120,123		910,382	327,130
Total liabilities and equity	86,852	120,123		660,781	867,756

See accompanying notes to the unaudited pro form consolidated financial statements.

Deveron Resources Ltd.

Pro Forma Consolidated Statement of Comprehensive Loss

For the Three Months Ended March 31, 2016

(Unaudited - Expressed in Canadian Dollars)

	Deveron Resources Ltd.	2487473 Ontario Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	Three months ended March 31, 2016	Three months ended March 31, 2016			
	\$	\$		\$	\$
Operating expenses					
Professional fees	27,204	8,317	3(i)	20,000	55,521
Shareholder relations	17,571	85		-	17,656
Office and general	1,972	4,817		-	6,789
Interest expense	7,250	-	3(g)	(219)	7,031
Travel	2,833	-		-	2,833
Interest income	-	(219)	3(g)	219	-
Transaction costs	-	-	3(f)	381,892	381,892
Net comprehensive loss for the period	(56,830)	(13,000)		(401,892)	(471,722)
Basic and diluted loss per share					(0.03)
Weighted average number of common shares outstanding - basic and diluted					18,341,416

See accompanying notes to the unaudited pro form consolidated financial statements.

Deveron Resources Ltd.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

1. Basis of presentation

On February 19, 2016, Deveron Resources Ltd. ("Deveron") entered into a definitive arm's length share exchange agreement (the "SEA") to acquire all of the issued and outstanding shares of 2487473 Ontario Inc. (operating as Eagle Scout Imaging) ("Eagle Scout"), a private company existing under the laws of the Province of Ontario. Eagle Scout uses the advanced unmanned aerial systems ("UAV") along with hardware, camera, sensor and software technologies to collect crop data and provide solutions to farmers.

Pursuant to the SEA, Deveron will acquire all of the issued and outstanding common shares of Eagle Scout by the issuance to the shareholders of Eagle Scout of: (i) 1,700,001 common shares in the capital of Deveron at a deemed price of \$0.20 per common share; and (ii) 850,000 common share purchase warrants (the "Payment Warrants") at a deemed price of \$0.001 per Payment Warrant. Each warrant entitles the holder thereof to purchase one common share (a "Warrant Share") at an exercise price of \$0.40 per Warrant Share at any time on or before 5:00 p.m. (Toronto time) on the date that is 24 months following the closing date of the business combination. As additional consideration, Deveron is required to issue one common share as fully paid and non-assessable, at a deemed price of \$0.20 per common share, for each \$1.00 of gross revenue earned during each of the four fiscal years ending after the closing date of the business combination, to a maximum of 1,000,000 common shares in the aggregate.

At present, Deveron is involved in the exploration and development of mineral exploration assets in Canada and it will terminate these activities if the transaction of acquiring Eagle Scout is successfully completed. The transaction may constitute a "Change of Business" under the policies of the TSX Venture Exchange ("TSXV") and is subject to TSXV approval. The Company plans to apply to delist its common shares from the TSXV and apply for listing on the Canadian Securities Exchange ("CSE"). Delisting is subject to TSXV approval and listing on the CSE is subject to CSE approval. The Company is in the process of preparing to submit the requisite documents to the CSE. There is no assurance the CSE will provide conditional or final approval of the Company's application to list its common shares on the CSE.

The unaudited pro forma consolidated statement of financial position and statement of comprehensive loss have been prepared by management using accounting policies and practices consistent with those used in the preparation of Deveron's recent financial statements. In the opinion of management, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation. Certain significant estimates have been made by management in the preparation of these unaudited pro forma consolidated financial statements, in particular, the determination of the fair value of Eagle Scout's assets acquired and the fair value of the shares and warrants of Deveron as consideration.

The unaudited pro forma consolidated statement of financial position and statement of comprehensive loss have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the acquisition of Eagle Scout been in effect at the date indicated.

In accordance with IFRS 3, Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs, and processes. The acquisition of Eagle Scout does meet the definition of a business combination as the primary assets are UAV.

Deveron Resources Ltd.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

1. Basis of presentation (continued)

Unaudited Pro Forma Consolidated Statement of Financial Position

The unaudited pro forma consolidated statement of financial position has been prepared from information derived from Deveron's unaudited condensed interim statement of financial position as at March 31, 2016 and Eagle Scout's unaudited condensed interim statement of financial position as at March 31, 2016.

The unaudited pro forma consolidated statement of financial position of Deveron and Eagle Scout as at March 31, 2016 has been presented assuming the business combination had been completed on March 31, 2016.

Unaudited Pro Forma Consolidated Statement of Comprehensive Loss

The unaudited pro forma consolidated statement of comprehensive loss for the three month period ended March 31, 2016 has been prepared from information derived from the unaudited condensed interim financial statements of Deveron for the three month period ended March 31, 2016 and the unaudited condensed interim financial statements of Eagle Scout for the three month period ended March 31, 2016.

The unaudited pro forma consolidated statement of comprehensive loss of Deveron and Eagle Scout have been presented assuming the business combination had been completed on January 1, 2016.

2. Significant accounting policies

The accounting policies used in the preparation of these unaudited pro forma condensed consolidated financial statements are as set out on Deveron financial statements as at and for the period ended March 31, 2016. Deveron and Eagle Scout financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

3. Pro forma assumptions

The unaudited pro forma consolidated financial statements give effect to the following assumptions and transactions:

- a) Completion of a non-brokered private placement financing of 4,000,000 units (each, a "Unit") at a price of \$0.20 per Unit for gross proceeds of \$800,000 (the "Offering"). Each Unit is comprised of one common share and one-half of a common share purchase warrant (each whole warrant a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one common share at an exercise price of \$0.30 per common share for a period of 24 months from date of issuance. The value of the 2,000,000 Deveron warrants of \$193,674 was calculated based on the Black-Scholes option pricing model.

Deveron Resources Ltd.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

3. Pro forma assumptions (continued)

- b) Management has estimated that 170,000 broker warrants will be issued in connection with the Offering. Each broker warrant shall entitle the holder to purchase one common share at an exercise price of \$0.20 per common share for a period of 18 months from date of issuance. The value of the 170,000 broker warrants of \$16,598 was calculated based on the Black-Scholes option pricing model.
- c) Management has estimated that commission of \$34,000 will be paid in connection with the Offering.
- d) Management has estimated that Deveron will incur approximately \$5,000 of professional fees in connection with the Offering.
- e) At the date of the business combination, \$169,382 of the balance due to related party will be converted into Units of Deveron at a conversion rate of \$0.20 per Unit for a total of 846,910 Deveron common shares and 423,455 Deveron warrants. The value of the 423,455 Deveron warrants of \$41,006 was calculated based on the Black-Scholes option pricing model. The \$500,000 due to related party balance will be extended to December 31, 2018, and the other terms will remain unchanged.
- f) For the purpose of determining the value of the purchase price consideration, 1,700,001 common shares of Deveron will be issued and were valued at \$0.24 (Deveron close price at May 11, 2016) per share, as consideration of \$408,000. The purchase price consideration for the transaction will also include 850,000 Deveron warrants valued at \$94,015, based on the Black-Scholes option pricing model.

As additional consideration, Deveron is required to issue one common share as fully paid and non-assessable, at a deemed price of \$0.20 per common share, for each \$1.00 of gross revenue earned during each of the four fiscal years ending after the closing date of the business combination, to a maximum of 1,000,000 common shares in the aggregate. Since it is not possible for management to estimate the future gross revenue for the next four fiscal years, it was not included in the purchase price consideration.

The value of the purchase consideration for accounting purposes will differ from the amount assumed in the unaudited pro forma consolidated financial statement information for changes in the fair value of common shares and warrants as of the business combination closing date.

Deveron Resources Ltd.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

3. Pro forma assumptions (continued)

f) (continued)

The allocation of the purchase price is as follows:

Purchase price consideration

Issuance of common shares	\$	408,000
Issuance of warrants		94,015
Total consideration	\$	<u>502,015</u>

Allocation of purchase price:

Cash	\$	26,489
Amounts receivable and other assets		4,965
Promissory note		80,219
Equipment		8,450
Eagle Scout net assets received	\$	<u>120,123</u>

Transaction costs

	\$	<u>381,892</u>
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- (g) Any intercompany amounts between Deveron and Eagle Scout have been eliminated on business combination.
- (h) On closing of the business combination, the share capital, warrants reserve and deficit of Eagle Scout are eliminated.
- (i) Management has estimated that Deveron will incur approximately \$20,000 of professional fees in connection with the business combination.

Deveron Resources Ltd.

Notes to the Pro Forma Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

4. Share capital continuity

The continuity of pro forma consolidated share capital is as follows:

	Common Shares #	Share Capital \$
Deveron common shares outstanding at March 31, 2016	11,794,505	640,421
Issuance of common shares pursuant to the Offering	4,000,000	800,000
Issuance of warrants pursuant to the Offering	-	(193,674)
Issuance of broker warrants pursuant to the Offering	-	(16,598)
Share issue costs	-	(39,000)
Issuance of common shares pursuant to the conversion of promissory note	846,910	169,382
Issuance of warrants pursuant to the conversion of promissory note	-	(41,006)
Issuance of common shares pursuant to the business combination	1,700,001	408,000
Pro forma consolidated share capital	18,341,416	1,727,525

5. Warrants reserve continuity

Pro forma warrants continuity

	Number of Warrants #	Value \$
Deveron warrants outstanding at March 31, 2016	7,256,090	653,048
Issuance of warrants pursuant to the Offering	2,000,000	193,674
Issuance of broker warrants pursuant to the Offering	170,000	16,598
Issuance of warrants pursuant to the conversion of promissory note	423,455	41,006
Issuance of warrants pursuant to the business combination	850,000	94,015
Pro forma consolidated warrants	10,699,545	998,341

Deveron Resources Ltd.**Notes to the Pro Forma Consolidated Financial Statements****March 31, 2016****(Expressed in Canadian dollars)****(Unaudited)**

5. Warrants reserve continuity (continued)Pro forma warrants

Expiry date	Exercise price \$	Number of warrants	Value \$
July 31, 2016	0.30	7,256,090	653,048
November 11, 2017	0.20	170,000	16,598
May 11, 2018	0.30	2,000,000	193,674
May 11, 2018	0.30	423,455	41,006
May 11, 2018	0.40	850,000	94,015
		10,699,545	998,341