

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of the Company**

Deveron UAS Corp. (the “**Company**”)
1208-330 Bay Street
Toronto ON M5H 2S8

2. **Date of Material Change**

June 2, 2017

3. **News Release**

A press release disclosing the material change was released on June 5, 2017 through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company closed a second and final tranche of its previously announced brokered private placement (the “**Offering**”) led by First Republic Capital Corporation (the “**Agent**”) through the issuance of 2,046,356 units (“**Units**”) at a price of \$0.35 per Unit for gross proceeds of \$716,224.60. Each Unit is comprised of one common share (a “**Common Share**”) in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share for a period of eighteen (18) months from the closing of the Offering at a price of \$0.50 per Common Share.

The Company issued an aggregate of 5,785,644 Units for aggregate gross proceeds of \$2,024,975.40, which includes the Units and proceeds raised from the first tranche.

5. **Full Description of Material Change**

The material change is fully described in the Company’s press release which is attached as Schedule “A” and is incorporated herein.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

In connection with the final tranche of the Offering, 500,000 Units were acquired by an insider of the Company.

(b) the purpose and business reasons for the transaction:

The proceeds of the final tranche of the Offering will be used to further the business of the Company and for general working capital purposes.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The completion of the final tranche of the Offering will provide the Company with funds to be used to further the business of the Company and for general working capital purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Greencastle Resources Ltd. (“Greencastle”), an insider of the Company, subscribed for 500,000 Units of the Company.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Following completion of the final tranche of the Offering, Greencastle will own an aggregate of 10,021,005 Common Shares of the Company, representing approximately 42.40% of the Company’s issued and outstanding Common Shares. If Greencastle were to exercise all of its convertible securities it would own an aggregate of 10,708,505 Common Shares, representing approximately 44.02% of the Company’s then outstanding Common Shares, on a partially diluted basis.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed in accordance with the *Business Corporations Act* (Ontario) on March 28, 2017 approving the Offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than a subscription agreement to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The final tranche of the Offering constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("MI 61-101") as an insider of the Company subscribed for 500,000 Units pursuant to the Offering. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the first tranche of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact David MacMillan, President and Chief Executive Officer of the Company at (416) 367-4571 ext. 226.

9. **Date of Report**

This report is dated at Toronto, this 12th day of June, 2017.

SCHEDULE "A"



DEVERON UAS CORP.

1208-330 Bay Street
Toronto ON M5H 2S8

FOR IMMEDIATE RELEASE

June 5, 2017

CSE: DVR

**Deveron Completes Second and Final Tranche of Previously Announced
Private Placement for a Total of \$2.024 Million**

Toronto, Ontario - Deveron UAS Corp. (CSE: DVR) ("**Deveron**" or the "**Company**"), is pleased to announce that, further to its press release dated April 21, 2017, the Company, on June 2, 2017, has completed the second and final tranche of its previously announced brokered private placement (the "**Offering**") through the issuance of 2,046,356 Units (as defined below) of the Company for gross proceeds of \$716,224.60. The Offering was led by First Republic Capital Corporation (the "**Agent**"). Garfinkle Biderman LLP acted as legal advisor to the Agent.

To date, the Company has issued an aggregate of 5,785,644 units (each, a "**Unit**") at a price of \$0.35 per Unit, for aggregate gross proceeds of \$2,024,975.40, which includes the proceeds raised from the first tranche. Each Unit consists of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to purchase one Common Share of the Company (a "**Warrant Share**") at a price of C\$0.50 per Warrant Share for a period of 18 months after the closing of this final tranche.

As consideration for the services provided by the Agent and other agents in connection with the closing of this final tranche, the Agent and certain other agents received cash commissions equal to the aggregate of \$52,210.21 and an aggregate of 149,172 compensation warrants (the "**Compensation Warrants**"). Each Compensation Warrant is exercisable at any time until 18 months from the date of closing of this final tranche into one Common Share at an exercise price of \$0.35.

All securities issued in connection with the Offering are subject to a hold period until four months and a day from the date of closing.

Net proceeds will be used by the Company to further the business of the Company and for general working capital purposes.

About Deveron UAS:

Deveron is an enterprise drone data services company focused on agriculture, offering the opportunity to increase yields and reduce costs using sophisticated Unmanned Aerial Systems (“UAS” or “drones”), sensors, software and analytics. Deveron’s drone data service network allows enterprise level customers to obtain on-demand, actionable data without exposure to technology and capital risks. The Company is focused on building a standardized constellation of drones and sensors to provide data in North America.

For more information and to join our community, please visit www.deveronuas.com or contact:

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This news release includes certain “forward-looking statements” within the meaning of that phrase under Canadian securities laws. Without limitation, statements regarding future plans and objectives of the Company are forward looking statements that involve various degrees of risk. Forward-looking statements reflect management's current views with respect to possible future events and conditions and, by their nature, are based on management's beliefs and assumptions and subject to known and unknown risks and uncertainties, both general and specific to the Company. Although the Company believes the expectations expressed in such forward-looking statements are reasonable, such statements are not guarantees of future performance and actual results or developments may differ materially from those in our forward-looking statements. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of agricultural commodities, general market conditions, risks inherent in agriculture, the uncertainty of future profitability and the uncertainty of access to additional capital. Additional information regarding the material factors and assumptions that were applied in making these forward looking statements as well as the various risks and uncertainties we face are described in greater detail in the "Risk Factors" section of our annual and interim Management's Discussion and Analysis of our financial results and other continuous disclosure documents and financial statements we file with the Canadian securities regulatory authorities which are available at www.sedar.com. The Company undertakes no obligation to update this forward-looking information except as required by applicable law. The Company relies on litigation protection for forward looking statements.