
**DEVERON UAS CORP.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Deveron UAS Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

DEVERON UAS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at March 31, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,455,175	\$ 2,923,191
Amounts receivable and other assets (note 3)	212,192	436,685
Total current assets	2,667,367	3,359,876
Non-current assets		
Property, plant and equipment (note 4)	91,402	85,278
Right-of-use assets (note 5)	264,290	29,155
Goodwill	1,427,307	1,427,307
Total non-current assets	1,782,999	1,541,740
Total assets	\$ 4,450,366	\$ 4,901,616
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 6 and 13)	\$ 288,710	\$ 386,469
Lease liabilities (note 7)	64,408	6,355
Total current liabilities	353,118	392,824
Non-current liabilities		
Lease liabilities (note 7)	202,036	22,624
Total liabilities	555,154	415,448
Shareholders' equity		
Share capital (note 8(a)(b))	5,216,042	5,216,042
Reserves (notes 9 and 10)	3,650,714	3,457,798
Deficit	(4,971,544)	(4,187,672)
Total shareholders' equity	3,895,212	4,486,168
Total liabilities and shareholders' equity	\$ 4,450,366	\$ 4,901,616

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Events after the reporting period (note 15)

DEVERON UAS CORP.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Revenues		
Data acquisition revenues	\$ 3,332	\$ 31,430
Data analytics revenues	97,232	-
Total revenues	100,564	31,430
Cost of services		
Cost of services (note 12)	(30,731)	(36,755)
Gross margin	69,833	(5,325)
Operating expenses (income)		
Salaries and benefits (note 13)	401,983	111,427
Share-based payments (note 9(i)(ii)(iii)(iv))	291,963	175,302
Business development	13,562	45,111
Depreciation (notes 4 and 5)	58,617	54,703
Shareholder relations	39,967	121,181
Office and general	96,671	29,362
Professional fees (note 13)	30,451	17,839
Travel	26,944	18,622
Equipment maintenance	1,095	-
Interest expense (notes 7 and 13)	4,015	10,729
Interest income	(12,516)	-
	952,752	584,276
Total comprehensive loss for the period	\$ (882,919)	\$ (589,601)
Basic and diluted net loss per common share (note 11)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	37,881,086	28,094,800

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

DEVERON UAS CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Operating activities		
Net loss for the period	\$ (882,919)	\$ (589,601)
Adjustments for:		
Depreciation (notes 4 and 5)	58,617	54,703
Share-based payments (note 9(i)(ii)(iii)(iv))	291,963	175,302
Interest expense (note 7)	4,015	-
Changes in non-cash working capital items:		
Amounts receivable and other assets	224,493	133,813
Amounts payable and other liabilities	(97,759)	51,286
Lease payments	(15,267)	-
Net cash used in operating activities	(416,857)	(174,497)
Investing activities		
Purchase of property, plant and equipment (note 4)	(51,159)	(12,719)
Net cash used in investing activities	(51,159)	(12,719)
Financing activities		
Issue of common shares for private placements (note 8(b)(i)(ii))	-	3,269,659
Share issue costs (note 8(b)(i)(ii))	-	(178,761)
Net cash provided by financing activities	-	3,090,898
Net change in cash	(468,016)	2,903,682
Cash and cash equivalents, beginning of period	2,923,191	1,147,869
Cash and cash equivalents, end of period	\$ 2,455,175	\$ 4,051,551
Cash	\$ 427,169	\$ 4,051,551
Cash equivalents	2,028,006	-
Cash and cash equivalents	\$ 2,455,175	\$ 4,051,551

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

DEVERON UAS CORP.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

			<u>Reserves</u>		
	Share capital	Warrants	Share-based payments	Deficit	Total
Balance, December 31, 2017	\$ 3,446,473	\$ 935,904	\$ 929,042	\$ (3,676,678)	\$ 1,634,741
Common shares issued for private placements (note 8(b)(i))	3,269,659	-	-	-	3,269,659
Warrants issued for private placements (note 8(b)(i))	(2,007,609)	2,007,609	-	-	-
Share issue costs (note 8(b)(i)(ii))	(279,981)	101,220	-	-	(178,761)
Share-based payments (note 9(i)(ii)(iv))	-	-	175,302	-	175,302
Net loss for the period	-	-	-	(589,601)	(589,601)
Balance, March 31, 2018	\$ 4,428,542	\$ 3,044,733	\$ 1,104,344	\$ (4,266,279)	\$ 4,311,340
Balance, December 31, 2018	\$ 5,216,042	\$ 2,204,543	\$ 1,253,255	\$ (4,187,672)	\$ 4,486,168
Stock options expired	-	-	(99,047)	99,047	-
Share-based payments (note 9(ii)(iii)(iv))	-	-	291,963	-	291,963
Net loss for the period	-	-	-	(882,919)	(882,919)
Balance, March 31, 2019	\$ 5,216,042	\$ 2,204,543	\$ 1,446,171	\$ (4,971,544)	\$ 3,895,212

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Deveron UAS Corp. ("Deveron" or the "Company") was incorporated under the laws of the Province of Ontario on March 28, 2011. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1. On July 19, 2016, Deveron's common shares started trading on the Canadian Securities Exchange ("CSE") under the symbol "DVR".

Deveron is an agriculture technology company focused on providing data acquisition services and data analytics to the farming sector in North America. Through its network of drone pilots and soil sampling technicians, the Company is providing scalable data acquisition solutions in the imagery and soil space. Additionally, through its wholly-owned subsidiary Veritas Farm Management Inc. ("Veritas") (which was acquired on September 14, 2018), the Company provides growers in North America with independent data insight on the data it collects and is being generated on today's farm.

As at March 31, 2019, 22.8% of the Company's issued and outstanding shares are owned by Greencastle Resources Ltd. ("Greencastle"). During the year ended December 31, 2017, Deveron ceased to be a subsidiary of Greencastle and became an investment in associate.

Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and, therefore be required to realized its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these unaudited condensed interim consolidated financial statements.

As at March 31, 2019, the Company had an accumulated deficit of \$4,971,544 (December 31, 2018 - \$4,187,672). Comprehensive loss for the three months ended March 31, 2019 was \$882,919 (three months ended March 31, 2018 - \$589,601). These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the financing necessary to fund its planned revenue growth and working capital requirements.

The Company has raised funds throughout the current and period fiscal periods and has utilized these funds for non-current asset investments and working capital requirements. The ability of the Company to arrange additional financing in future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company, nor achieve desired sales growth. If additional financing is raised by the issuance of common shares from treasury of the Company, control of the Company may change and existing shareholders may have their ownership diluted. If adequate funding is not available, the Company may be required to relinquish rights to certain of its assets and/or terminate its operations.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 28, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) New accounting standard adopted

(i) On June 7, 2017, the IASB issued IFRS Interpretations Committee 23 - Uncertainty Over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. At January 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

3. Amounts receivable and other assets

	As at March 31, 2019	As at December 31, 2018
Sales tax receivable - (Canada) (i)	\$ 21,768	\$ 10,283
Account receivable - drone income	163,657	380,463
Prepays	26,767	45,939
	\$ 212,192	\$ 436,685

(i) Sales tax receivable is not past due.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
 Three Months Ended March 31, 2019
 (Expressed in Canadian Dollars)
 (Unaudited)

4. Property, plant and equipment

COST	Computer equipment	Drones	Vehicles	Total
Balance, December 31, 2018	\$ 74,054	\$ 433,106	\$ 12,400	\$ 519,560
Additions	38,892	12,267	-	51,159
Balance, March 31, 2019	\$ 112,946	\$ 445,373	\$ 12,400	\$ 570,719

ACCUMULATED DEPRECIATION	Computer equipment	Drones	Vehicles	Total
Balance, December 31, 2018	\$ 33,417	\$ 399,005	\$ 1,860	\$ 434,282
Depreciation	8,471	35,634	930	45,035
Balance, March 31, 2019	\$ 41,888	\$ 434,639	\$ 2,790	\$ 479,317

CARRYING AMOUNT	Computer equipment	Drones	Vehicles	Total
Balance, December 31, 2018	\$ 40,637	\$ 34,101	\$ 10,540	\$ 85,278
Balance, March 31, 2019	\$ 71,058	\$ 10,734	\$ 9,610	\$ 91,402

5. Right-of-use assets

	Vehicles	Office space	Total
Balance, January 1, 2019	\$ 29,155	\$ -	\$ 29,155
Additions	123,941	124,776	248,717
Depreciation	(8,383)	(5,199)	(13,582)
Balance, March 31, 2019	\$ 144,713	\$ 119,577	\$ 264,290

Vehicles are depreciate over 36 months. Office spaces are depreciated over 72 months.

6. 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 March 31, 2019	As at December 31, 2018
Amounts payable	\$ 210,698	\$ 218,156
Accrued liabilities	78,012	168,313
Total amounts payable and other liabilities	\$ 288,710	\$ 386,469

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

6. Amounts payable and other liabilities (continued)

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

	As at March 31, 2019	As at December 31, 2018
Less than 1 month	\$ 248,466	\$ 350,674
1 to 3 months	7,289	697
Greater than 3 months	32,955	35,098
Total amounts payable and other liabilities	\$ 288,710	\$ 386,469

7. Lease liabilities

As at March 31,	2019
Balance, January 1, 2019	\$ 28,979
Additions	248,717
Interest expense	4,015
Lease payments	(15,267)
Balance, March 31, 2019	\$ 266,444
Allocated as:	
Current	\$ 64,408
Long-term	202,036
Balance, March 31, 2019	\$ 266,444

On August 31, 2018, the Company entered into a thirty-six month lease agreement for new office space in Chatham, Ontario, commencing on January 1, 2019. Under the lease, the Company is required to pay a monthly base rent of \$1,385. In addition to the base rent, the Company must pay its proportionate share of operating costs for the leased premises. The lease agreement includes an extension option for an additional thirty-six months. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date (including the extension option of thirty-six months). The lease payments are discounted using an interest rate of 13.95%, which are the Company's incremental borrowing rate in Canada. Effective interest rate is 14.88%.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

8. 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, 2017	24,789,200	\$ 3,446,473
Private placements (i)	9,341,886	3,269,659
Warrant valuation (i)	-	(2,007,609)
Broker warrant valuation (i)(ii)	-	(101,220)
Share issue costs (i)(ii)	-	(178,761)
Balance, March 31, 2018	34,131,086	\$ 4,428,542
Balance, December 31, 2018 and March 31, 2019	37,881,086	\$ 5,216,042

(i) On February 23, 2018, Deveron completed the first tranche of a non-brokered private placement financing of 8,180,172 units at a price of \$0.35 per unit for gross proceeds of \$2,863,060. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.50 per common share for a period of 24 months from the date of closing of the financing. The 8,180,172 warrants were valued at \$1,761,500 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.35; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 137.77%; risk-free interest rate - 1.78%; and an expected life - 2 years.

In connection with the closing of the financing, the Company paid finder's fees of \$146,163 in cash and issued 417,610 non-transferable finder's warrants. Each finder warrant entitles the holder thereof to purchase one share at a price of \$0.35 for a period of 24 months from the date of closing of the financing. The 417,610 finder warrants were valued at \$91,805 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.33; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 137.77%; risk-free interest rate - 1.78%; and an expected life - 2 years.

On March 22, 2018, the Company completed its second and final tranche of the non-brokered private placement of 1,161,714 units for gross proceeds of \$406,599. 1,161,714 warrants were issued and valued at \$246,109 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.35; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 135.21%; risk-free interest rate - 1.82%; and an expected life - 2 years.

(ii) As consideration for the services provided for the second and final tranche, the Company paid finder's fees of \$19,146 in cash and issued 54,702 non-transferable finder's warrants. Each finder warrant entitles the holder thereof to purchase one share at a price of \$0.35 for a period of 24 months from the date of closing of the financing. The 54,702 finder warrants were valued at \$9,415 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.275; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 135.21%; risk-free interest rate - 1.82%; and an expected life - 2 years.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

9. Stock options

The following table reflects the continuity of options for the periods ended March 31, 2019 and 2018:

	Number of options	Weighted average exercise price (\$)
Balance, December 31, 2017	3,960,000	0.35
Granted (i)(ii)	800,000	0.37
Balance, March 31, 2018	4,760,000	0.36
Balance, December 31, 2018	4,460,000	0.36
Granted (iii)	2,575,000	0.30
Cancelled	(500,000)	0.37
Balance, March 31, 2019	6,535,000	0.34

(ii) On January 5, 2018, the Company granted 300,000 stock options to a consultant with each option exercisable into one common share of the Company at an exercise price of \$0.365 per share until November 22, 2022. A fair value of \$65,036 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.255; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 136.50%; risk-free interest rate - 1.91%; and an expected life - 4.88 years. 25% of the options vested immediately with the balance vesting quarterly. During the year ended December 31, 2018, the 300,000 stock options were cancelled. During the three months ended March 31, 2019, \$nil (three months ended March 31, 2018 - \$44,102) was expensed to share-based payments.

(ii) On January 19, 2018, the Company granted 500,000 stock options to a consultant with each option exercisable into one common share of the Company at an exercise price of \$0.37 per share until April 19, 2019. A fair value of \$99,047 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.37; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 129.35%; risk-free interest rate - 1.93%; and an expected life - 1.25 years. The options vest quarterly over one year. During the three months ended March 31, 2019, \$1,289 (three months ended March 31, 2018 - \$40,236) was expensed to share-based payments. During the three months ended March 31, 2019, the 500,000 stock options were cancelled.

(iii) On March 25, 2019, the Company granted 2,575,000 stock options to certain officers, employees and advisors to the Company. The stock options, at a price of \$0.30 per share, will expire in three and five years from the issue date. A fair value of \$458,152 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - \$0.37; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 130.52%; risk-free interest rate - 1.46% to 1.48%; and an expected life - 3 years to 3.67 years. The options vest over different periods. During the three months ended March 31, 2019, \$268,903 (three months ended March 31, 2018 - \$nil) was expensed to share-based payments.

(iv) The portion of the estimated fair value of options granted in the prior years and vested during the three months ended March 31, 2019, amounted to \$85,632 (three months ended March 31, 2018 - \$90,964).

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

9. Stock options (continued)

Details of the stock options outstanding as at March 31, 2019 are as follows:

Fair value (\$)	Weighted average remaining contractual life (years)	Exercisable options	Number of options	Weighted average exercise price (\$)	Expiry date
61,120	0.29	400,000	400,000	0.25	July 14, 2019
99,083	2.98	-	575,000	0.30	March 24, 2022
266,660	3.25	1,500,000	1,500,000	0.30	July 1, 2022
1,142,048	3.65	3,060,000	3,560,000	0.37	November 22, 2022
82,410	3.65	-	500,000	0.30	November 22, 2022
1,651,321	3.29	4,960,000	6,535,000	0.34	

10. Warrants

The following table reflects the continuity of warrants for the periods ended March 31, 2019 and 2018:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2017	6,039,025	0.41
Issued for private placements (note 8(b)(i)(ii))	9,814,198	0.49
Balance, March 31, 2018	15,853,223	0.46
Balance, December 31, 2018 and March 31, 2019	10,751,698	0.49

The following table reflects the warrants issued and outstanding as of March 31, 2019:

Number of warrants outstanding	Fair value (\$)	Exercise price (\$)	Expiry date
8,180,172	1,761,500	0.50	February 23, 2020
417,610	91,805	0.35	February 23, 2020
1,161,714	246,109	0.50	March 22, 2020
54,702	9,415	0.35	March 22, 2020
937,500	95,714	0.50	September 14, 2020
10,751,698	2,204,543		

11. Net loss per common share

The calculation of basic and diluted loss per share for the three month ended March 31, 2019 was based on the loss attributable to common shareholders of \$882,919 (three month ended March 31, 2018 - \$589,601) and the weighted average number of common shares outstanding of 37,881,086 (three month ended March 31, 2018 - 28,094,800). Diluted loss per share for the periods presented did not include the effect of 10,751,698 warrants (three months ended March 31, 2018 - 15,853,223 warrants) and 6,535,000 stock options (three month ended March 31, 2018 - 4,760,000 stock options) as they are anti-dilutive.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

12. Cost of services

	Three Months Ended March 31,	
	2019	2018
Agronomic services	\$ 14,030	\$ -
Software	8,166	476
Office and general	5,190	-
Travel	1,941	1,047
Salaries and benefits	959	-
Drone equipment	445	11,366
Drone maintenance	-	22,434
Processing fees	-	908
Consulting fees	-	500
Training	-	24
Cost of services	\$ 30,731	\$ 36,755

13. Major shareholder and related party transactions

Major shareholder

At March 31, 2019, Greencastle owned and/or exercised control over 8,649,505 common shares (December 31, 2018 - 8,524,505 common shares) of Deveron, representing approximately 22.8% (December 31, 2018 - 22.5%) of the issued and outstanding common shares of the Company. The remaining 77.2% (December 31, 2018 - 77.5%) 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, which owns or controls, directly or indirectly, approximately 22.8% (December 31, 2018 - 22.5%) 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.

Related party transactions

During the three months ended March 31, 2019, the Company incurred professional fees of \$8,325 (three months ended March 31, 2018 - \$7,585) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the Chief Financial Officer 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 March 31, 2019, Marrelli Support is owed \$8,758 (December 31, 2018 - \$8,970) and this amount is included in amounts payable and other liabilities.

During the three months ended March 31, 2019, the Company incurred professional fees of \$3,047 (three months ended March 31, 2018 - \$3,417) 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 March 31, 2019, DSA is owed \$1,987 (December 31, 2018 - \$824) and this amount is included in amounts payable and other liabilities.

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
(Unaudited)

13. Major shareholder and related party transactions (continued)

Related party transactions (continued)

During the three months ended March 31, 2019, the Company also incurred legal fees of \$14,739 (three months ended March 31, 2018 - \$17,208) 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 March 31, 2019 amounts payable and other liabilities is \$7,517 due to Irwin Lowy LLP (December 31, 2018 - \$3,502).

During the three months ended March 31, 2019, salaries and benefits of \$65,000 (three months ended March 31, 2018 - \$27,500) were paid to the Chief Executive Officer ("CEO") and director of the Company. Included in the March 31, 2019 amounts payable and other liabilities is \$nil due to the CEO and director of the Company (December 31, 2018 - \$12,811).

During the three months ended March 31, 2019, salaries and benefits of \$19,375 (three months ended March 31, 2018 - \$9,375) were paid to a director of its parent company, Greencastle.

During the three months ended March 31, 2019, salaries and benefits of \$5,625 (three months ended March 31, 2018 - \$5,625) were paid to directors of the Company.

For the three months ended March 31, 2019, interest of \$nil (three months ended March 31, 2018 - \$10,729) was recorded and included in interest expense in the unaudited condensed interim consolidated statements of comprehensive loss.

During the three months ended March 31, 2019, the Company incurred rent expense of \$7,500 (three months ended March 31, 2018 - \$7,500) to Greencastle which is included in office and general in the unaudited condensed interim consolidated statements of comprehensive loss. Included in March 31, 2019 amounts payable and other liabilities is \$7,500 due to Greencastle (December 31, 2018 - \$7,500) for rent payable.

During the three months ended March 31, 2019, the Company incurred corporate advisory service expense of \$9,000 (three months ended March 31, 2018 - \$nil) to Greencastle which is included in office and general in the unaudited condensed interim consolidated statements of comprehensive loss. Included in March 31, 2019 amounts payable and other liabilities is \$10,170 due to Greencastle (December 31, 2018 - \$nil) for corporate advisory services payable.

14. Segmented information

As at March 31, 2019, the Company's operations comprise one reporting operating segment: drone data services in Canada and in the USA. Segmented information on a geographic basis is as follows:

Operating segment	USA	Canada	Total
As at March 31, 2019			
Current assets	\$ 11,534	\$ 2,655,833	\$ 2,667,367
Non-current assets	-	1,782,999	1,782,999
As at December 31, 2018			
Current assets	\$ 36,474	\$ 3,323,402	\$ 3,359,876
Non-current assets	-	1,541,740	1,541,740

DEVERON UAS CORP.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

15. Events after the reporting period

(i) On May 7, 2019, the Company announced that it entered into a partnership and distribution agreement with AIRINOV to provide North American growers with a solution for managing in-season crop nutrient applications. The offering will use high-resolution in-season imagery collected by UAV to drive nitrogen placement decisions in crops such as wheat, barley, oats and canola. AIRINOV, based in France, is a pioneer in drone-based digital agriculture solutions and has demonstrated the success of its algorithms to drive increased profits ranging from \$42 to \$61 per acre across multiple crops.

(ii) On May 16, 2019, the Company announced that it partnered with World Class Extractions to provide its network of hemp growers and affiliates with best in class data insights through a custom data program in the United States and Canada.