DEVERON CORP.

CONSOLIDATED

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Deveron Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Deveron Corp. (the Company), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of $4,918,660 during the year ended December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 30, 2022

DEVERON CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	**$ 6,867,130**	$ 6,217,046
Accounts receivable (note 7)	**2,517,658**	688,341
Prepaids and other receivables	**292,339**	134,416
Total current assets	**9,677,127**	7,039,803
Non-current assets		
Property, plant and equipment (note 8)	**1,507,688**	255,448
Right-of-use assets (note 10)	**1,782,564**	211,016
Goodwill (note 6)	**6,221,210**	1,867,305
Intangible assets (note 9)	**3,578,788**	-
Total non-current assets	**13,090,250**	2,333,769
Total assets	**$ 22,767,377**	$ 9,373,572
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (notes 11 and 21)	**$ 925,971**	$ 298,215
Accrued and other current liabilities	**968,347**	406,547
Lease liabilities (note 13)	**539,788**	101,342
Deferred and contingent consideration (note 14)	**1,633,620**	-
Total current liabilities	**4,067,726**	806,104
Non-current liabilities		
Lease liabilities (note 13)	**1,193,360**	106,027
Loans payable (note 12)	**216,176**	183,880
Deferred revenue	**18,437**	18,437
Deferred and contingent consideration (note 14)	**960,610**	-
Total non-current liabilities	**2,388,583**	308,344
Total liabilities	**6,456,309**	1,114,448
Shareholders' Equity		
Share capital (note 15(a)(b))	**18,249,101**	9,970,106
Reserves (notes 6, 16 and 17)	**6,094,679**	3,010,915
Deficit	**(9,767,264)**	(4,721,897)
Accumulated other comprehensive income	**101,616**	-
Shareholders' equity attributable to shareholders	**14,678,132**	8,259,124
Non-controlling interest (note 6)	**1,632,936**	-
Total shareholders' equity	**16,311,068**	8,259,124
Total liabilities and shareholders' equity	**$ 22,767,377**	$ 9,373,572

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

Nature of operations and going concern (note 1)
Events after the reporting period (note 23)

Approved on behalf of the Board:

"Bill Linton", Director

"Roger Dent", Director

DEVERON CORP.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenues		
Data collection	**$ 4,731,566**	$ 1,426,255
Data analytics	**3,866,909**	1,443,198
	8,598,475	2,869,453
Cost of services		
Cost of services (note 19)	**(2,769,525)**	(631,006)
Gross margin	**5,828,950**	2,238,447
Operating expenses (income)		
Salaries and benefits (note 21)	**5,741,240**	2,198,560
Office and general	**2,117,799**	1,125,245
Share-based payments (note 16)	**666,331**	106,795
Professional fees (note 21)	**642,120**	153,746
Depreciation (notes 8 and 10)	**640,207**	183,553
Travel	**279,994**	113,119
Amortization of intangible assets (note 9)	**274,004**	-
Bad debts	**168,391**	77,108
Shareholder relations	**116,383**	85,137
Interest expense (note 13 and 14)	**111,453**	20,910
Business development	**102,870**	54,250
Foreign exchange loss (gain)	**3,852**	(104,267)
Interest income	**(15,418)**	(14,155)
	10,849,226	4,000,001
Net loss for the year	**(5,020,276)**	(1,761,554)
Other comprehensive income (loss):		
Foreign operations - foreign currency translation	**101,616**	-
Comprehensive loss for the year	**$ (4,918,660)**	$ (1,761,554)
Net loss for the period attributable to:		
Shareholders of the Company	**$ (5,177,183)**	$ (1,761,554)
Non-controlling interest	**156,907**	-
Net loss for the year	**$ (5,020,276)**	$ (1,761,554)
Basic and diluted net loss per common share (note 18) - basic and diluted	**$ (0.07)**	$ (0.04)
Weighted average number of common shares outstanding - basic and diluted	**76,992,311**	48,329,931

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

DEVERON CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating activities		
Net loss for the year	**$ (5,020,276)**	$ (1,761,554)
Depreciation (notes 8 and 10)	**640,207**	183,553
Amortization of intangibles	**274,004**	-
Share-based payments (note 16)	**666,331**	106,795
Interest expense (note 13)	**12,251**	20,910
Gain on disposition of property, plant and equipment (note 8)	**-**	(1,720)
Foreign exchange	**65,298**	(104,267)
Changes in non-cash working capital items:		
Accounts receivable, prepaids and other receivables	**(951,535)**	(47,785)
Accounts payable, accrued and other current liabilities	**390,984**	42,623
Deferred revenue	**-**	(2,048)
Lease payments (note 13)	**(292,461)**	(117,023)
Net cash used in operating activities	**(4,215,197)**	(1,680,516)
Investing activities		
Cash payment for the acquisition of Farm Dog (note 6)	**(126,841)**	-
Cash payment for the acquisition of Tana Ag (note 6)	**(45,915)**	-
Cash payment for the acquisition of Stealth Ag (note 6)	**(1,096,564)**	-
Cash payment for the acquisition of Woods End (note 6)	**(1,536,276)**	-
Cash payment for the acquisition of Agronomic Solutions (note 6)	**(1,083,325)**	-
Cash payment for the acquisition of Better Harvest	**-**	(229,515)
Purchase of property, plant and equipment (note 8)	**(513,161)**	(169,565)
Proceeds from sale of property, plant and equipment (note 8)	**-**	16,464
Net cash used in investing activities	**(4,402,082)**	(382,616)
Financing activities		
Cash acquired from the acquisition of Better Harvest	**-**	23,582
Proceeds on loans payable	**-**	183,880
Non-current loan repayment	**(13,779)**	-
Issue of common shares for private placements (note 15)	**8,207,583**	7,145,227
Share issue costs	**(589,363)**	(354,265)
Exercise of warrants	**1,565,922**	3,850
Exercise of options	**97,000**	-
Net cash provided by financing activities	**9,267,363**	7,002,274
Net change in cash and cash equivalents	**650,084**	4,939,142
Cash and cash equivalents, beginning of year	**6,217,046**	1,277,904
Cash and cash equivalents, end of year	**$ 6,867,130**	$ 6,217,046
Cash	**$ 6,817,130**	$ 468,755
Cash equivalents	**50,000**	5,748,291
Cash and cash equivalents	**$ 6,867,130**	$ 6,217,046

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

DEVERON CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Reserves			
	Share Capital	Warrants	Share-based Payments	Deficit	Total
Balance, December 31, 2019	**$ 5,288,542**	**$ 2,204,543**	**$ 1,590,889**	**$ (5,964,903)**	**$ 3,119,071**
Common shares issued for private placements (note 15(b)(i)(ii))	7,145,227	-	-	-	7,145,227
Warrants issued for private placements (note 15(b)(i)(ii))	(1,935,330)	1,935,330	-	-	-
Share issue costs (note 15(b)(ii))	(533,850)	179,585	-	-	(354,265)
Exercise of warrants	5,517	(1,667)	-	-	3,850
Expiry of warrants	-	(2,204,543)	-	2,204,543	-
Stock options expired and cancelled	-	-	(800,017)	800,017	-
Share-based payments (note 16(vi))	-	-	106,795	-	106,795
Net loss for the year	-	-	-	(1,761,554)	(1,761,554)
Balance, December 31, 2020	**$ 9,970,106**	**$ 2,113,248**	**$ 897,667**	**$ (4,721,897)**	**$ 8,259,124**

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

DEVERON CORP. (Formerly Deveron UAS Corp.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital	Reserves: Warrants	Reserves: Share-based Payments	Reserves: Shares to be Issued	Deficit	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
Balance, December 31, 2020	**$ 9,970,106**	**$ 2,113,248**	**$ 897,667**	**$ -**	**$ (4,721,897)**	**$ -**	$ -	**$ 8,259,124**
Transactions with shareholders:								
Issuance of shares in private placement (note 15(b)(vi))	8,207,583	-	-	-	-	-	-	8,207,583
Warrants issued (note 15(b)(vi))	(1,649,622)	1,649,622	-	-	-	-	-	-
Common shares issued pursuant to acquisitions (note 6)	319,870	-	-	1,120,257	-	-	-	1,440,127
Share issue costs (note 15(b)(vi))	(852,567)	258,702	-	-	-	-	-	(593,865)
Exercise of warrants (note 15(b)(iv))	2,078,785	(512,863)	-	-	-	-	-	1,565,922
Exercise of options (note 15(b)(v))	174,946	-	(77,946)	-	-	-	-	97,000
Stock options cancelled	-	-	(5,170)	-	5,170	-	-	-
Share-based payments (note 16)	-	-	666,331	-	-	-	-	666,331
Expiry of warrants	-	(15,169)	-	-	15,169	-	-	-
Other	-	-	-	-	111,477	-	-	111,477
Transactions with shareholders	**$ 8,278,995**	**$ 1,380,292**	**$ 583,215**	**$ 1,120,257**	**$ 131,816**	**$ -**	**$ -**	**$11,494,575**
Non-controlling interest	-	-	-	-	(156,907)	-	1,632,936	1,476,029
Comprehensive loss for the year	-	-	-	-	(5,020,276)	101,616	-	(4,918,660)
Balance, December 31, 2021	**$18,249,101**	**$ 3,493,540**	**$ 1,480,882**	**$ 1,120,257**	**$ (9,767,264)**	**$ 101,616**	**$ 1,632,936**	**$16,311,068**

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

1. Nature of business and going concern

Deveron Corp. (formerly 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".

On August 31, 2020, the Company changed its corporate name from Deveron UAS Corp. to Deveron Corp. The Company's new stock symbol on the CSE is "FARM" and commenced trading under the new name and ticker symbol on market opening on September 3, 2020.

On September 21, 2020, the Company was accepted for listing on the TSX Venture Exchange (the "TSXV") as a Tier 2 issuer, and its common shares commenced trading on September 21, 2020, on the TSXV under the symbol "FARM".

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 Business Management Inc. ("Veritas"), the Company provides growers in North America with independent insights and recommendations to improve farm outcomes.

On February 19, 2021, the Company completed the acquisition of FD Agro Technologies LLC ("Farm Dog"). Refer to note 6.

On April 6, 2021, the Company completed the acquisition of Woods End Laboratories ("Woods End"). Refer to note 6.

On May 14, 2021, the Company completed the acquisition of Tana Ag Solutions Group, LLC ("Tana Ag"). Refer to note 6.

On May 26, 2021, the Company completed the acquisition of Stealth Ag, Inc. ("Stealth Ag"). Refer to note 6.

On September 8, 2021, the Company completed the acquisition of Agronomic Solutions, Inc ("Agronomic Solutions"). Refer to note 6.

As at December 31, 2021, 11.4% of the Company's issued and outstanding shares are owned by Greencastle Resources Ltd. ("Greencastle").

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Going concern

These 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 realize 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 consolidated financial statements.

1. Nature of business and going concern (continued)

Going concern (continued)

As at December 31, 2021, the Company had an accumulated deficit of $9,767,264 (December 31, 2020 - $4,721,897). Comprehensive loss for the year ended December 31, 2021 was $4,918,660 (year ended December 31, 2020 - $1,761,554). 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 prior and current fiscal years and has utilized these funds for non-current asset investments and working capital requirements. The ability of the Company to arrange additional financing in the 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.

2. Significant accounting policies

(a) Statement of compliance

The consolidated 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, 2021. The policies set out below are based on IFRS issued and outstanding as of March 30, 2022, the date of the Directors approved the statements.

(b) Basis of presentation

These consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated 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 consolidated financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates. Of particular significance are the accounting estimates and judgments used in the recognition and measurement of items included in note 2(r).

(c) Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency. The parent company and its Canadian subsidiaries have a functional currency that is the Canadian dollar, and the Company's US subsidiaries have a functional currency that is the US dollar.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the period end rates of exchange. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses are recognized in the consolidated statements of income.

2. Significant accounting policies (continued)

(c) Functional and presentation currency (continued)

Assets and liabilities of subsidiaries having a currency other than the Canadian dollar are translated at the rate of exchange at the reporting date. Revenues and expenses are translated at average rates for the periods, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. The resulting foreign currency translation adjustments are recognized in other comprehensive loss.

For the purposes of consolidation, assets and liabilities of subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate in effect at the period end. Revenues and expenses of these subsidiaries are translated at the average exchange rate of the month of the transaction. Unrealized gains or losses on translation of these subsidiaries are recognized in other comprehensive income (loss) until the disposal of the foreign operation, when all of the accumulated exchange differences in respect of that operation are reclassified to profit or loss.

(d) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(e) Financial Instruments

Financial assets within the scope of IFRS 9 - Financial Instruments ("IFRS 9") are classified in the following measurement categories: amortized cost, FVTPL, or fair value through other comprehensive income ("FVTOCI"). Financial liabilities are classified in the following measurement categories: FVTPL, or amortized cost.

For amounts receivable, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Amounts receivable are written off when there is no reasonable expectation of recovery.

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company’s cash and cash equivalents is classified as financial assets measured at FVTPL.

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's amounts receivable are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's amounts payable and other liabilities and deferred revenue do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

For amounts receivable, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Amounts receivable are written off when there is no reasonable expectation of recovery.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and with a Canadian chartered bank and short-term investments with an original maturity of 90 days or less.

(g) Property, plant and equipment

Property, plant and 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 consolidated 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 consolidated statement of comprehensive loss.

Depreciation is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation rates applicable to each category of equipment are as follows:

Class of property, plant and equipment	**Depreciation rate**
Equipment	2-3 years
Drone	2-3 years
Vehicles	3-4 years

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the pre-tax time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statements of loss.

2. Significant accounting policies (continued)

(h) Impairment of intangible assets and goodwill

Goodwill and intangible assets with an indefinite life or not yet available for use are tested for impairment annually, and whenever events or circumstances that make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of all or a portion of a reporting unit. Finite life intangible assets are tested whenever there is an indication of impairment. Goodwill and indefinite life intangible assets are tested annually for impairment by comparing the carrying value of each CGU containing the assets to its recoverable amount. Goodwill is allocated to CGUs or groups of CGU's for impairment testing based on the level at which it is monitored by management, and not at a level higher than an operating segment. Goodwill is allocated to those CGUs or groups of CGUs expected to benefit from the business combination from which the goodwill arose, which requires the use of judgment.

An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds it recoverable amount. The recoverable amounts of the CGUs' assets have been determined based on a fair value less costs of disposal. There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying value of assets in the CGU. Any impairment is recorded in profit and loss in the period in which the impairment is identified. A reversal of an asset impairment loss is allocated to the assets of the CGU on a pro rata basis. In allocating a reversal of an impairment loss, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior period. Impairment losses on goodwill are not subsequently reversed.

(i) 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.

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) 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.

(l) Revenue from contracts with Customers

Revenue recognition policy
Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer.

The Company generates revenue by providing data collection and analytics services to the agricultural industry in Canada and the United States. Revenue generated from data analytics are based on digital recommendations and data interpretations and may lead to improved efficiencies in inputs or outcomes. Revenue generated from data collection, such as soil sampling, drone data etc., is based on the collection of on-farm data through the Company's network of soil sampling, drone and data technicians.

Performance obligation
Revenue generated from providing data services is recognized as revenue in the period in which the data is delivered. At this point the company has no further performance obligations to the client. Where payment is received in advance of delivering the data, the amount received is recognized as deferred revenue.

Variable consideration
The nature of the Company's business does not give rise to variable consideration that would otherwise decrease the transaction price which would reduce revenue.

Disaggregation of revenue from contracts with customers
The following table disaggregates the Company's revenue based on the geographical distribution for the year ended December 31, 2021:

United States	$ 6,307,693
Canada	2,290,782
Total	$ 8,598,475

Various economic factors affect revenue and cash flows. In substantially all revenue transactions, cash collections on earned from successful transactions are realized immediately after the transaction is consummated.

2. Significant accounting policies (continued)

(m) Leases and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

(n) 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.

(o) 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.

(p) Government grants and assistance

Grants and subsidies are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Fair value signifies the amount received in cash. The grants and subsidies are presented in operations.

2. Significant accounting policies (continued)

(q) Critical accounting estimates and judgments

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

i) Determination of functional currency

Foreign currency translation under IFRS requires each entity to determine its own functional currency, which becomes the currency that entity measures its results and financial position in. Judgment is necessary in assessing each entity's functional currency. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour, material and other costs for each consolidated entity.

i) Critical accounting estimates

Recovery of accounts receivable - the Company estimates the collectability and timing of collection of its receivables, classifying them as current assets or long-term assets, and applies provisions for collectability when necessary.

Impairment of property, plant and equipment, right-of-use assets and intangible assets - assessing whether indicators of impairment exist at reporting period ends and, if required, determining recoverable amounts including assumptions and inputs thereto.

Impairment of goodwill - goodwill is reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value to its recoverable amount. The recoverable value of a cash-generating unit ("CGU") is determined from internally developed valuation models that consider various factors and assumptions including forecasted cash earnings, growth rates, discount rates and terminal multiples. Management is required to use judgment in estimating the recoverable value of a CGU or a group of CGUs. The use of different assumptions and estimates could influence the determination of the existence of impairment and the valuation of goodwill. Management believes that the assumptions and estimates used are reasonable.

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.
Warrants – management is required to make a number of estimates when measuring the value of warrants including the forfeiture rate and expected life of the instruments.

Property, plant and equipment and right-of-use assets - management is required to estimate the useful lives and residual value of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of loss.

2. Significant accounting policies (continued)

(q) Critical accounting estimates and judgments (continued)

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 consolidated financial statements.

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.

Business combination - In a business acquisition, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the acquisition date at their respective fair values. The date on which the acquirer obtains control of the acquiree is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree – the closing date. However, the acquirer might obtain control on a date that is either earlier or later than the closing date. Management exercises judgment in considering all pertinent facts and circumstances in identifying the acquisition date.

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition. In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates relate to contingent consideration and intangible assets. Management also exercises judgement in estimating the probability and timing of when earn-outs are expected to be achieved which is used as the basis for estimating fair value. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

(r) New accounting standards adopted

<u>*Non-controlling interest*</u>

Non-controlling interest represents the minority shareholders' interest in the Company's less than wholly-owned subsidiary. On initial recognition, non-controlling interest is measured at its proportionate share of the acquisition-date fair value of identifiable net assets of the related subsidiary acquired by the Company. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interest for the minority shareholders' share of changes to the subsidiary's equity. Changes in the Company's ownership interest that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(r) New accounting standards adopted (continued)

Intangible assets

We record acquired intangible assets on our consolidated balance sheet at fair value on the date of acquisition. We capitalize intangible assets when the economics benefits associated with the assets are probable, and when the cost can be measured reliably. We estimate useful life based on the nature of the asset, historical experience, and the projected period of expected future economic benefits to be provided by the asset. In subsequent reporting periods, we measure such intangible assets at cost less accumulated amortization and accumulated impairment losses, if any. We amortize these assets on a straight-line basis over their estimated useful lives as follows:

Class of intangible asset	Amortization rate
Customer list	5-10 years
Other intangibles	4-8 years

Other intangibles includes brand and non-compete agreements arising from acquisitions, as well as patents and other intellectual property. We review our estimates of residual values, useful lives and the methods of amortization at year end and, if required, adjust for these prospectively.

3. Capital risk management

The Company includes equity, comprising issued share capital, shares to be issued, reserves, accumulated other comprehensive income and deficit, in the definition of capital, which as at December 31, 2021, totaled an equity of $14,678,132 (December 31, 2020 - $8,259,124).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its research and development costs and devote resources to identifying and commercializing new services and fund acquisitions. To secure the additional capital necessary to continue with its activities, the Company may attempt to raise additional funds through the issuance of debt or equity.

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.

There were no changes in the Company's objective, process, policies and approach to capital management during the year ended December 31, 2021 and 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

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).

(a) 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 cash equivalents and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

4. Financial instruments and risk factors (continued)

(a) Credit risk (continued)

Amounts receivable consists of sales tax receivable from government authorities in Canada and trade receivable. Sales tax receivable are in good standing as of December 31, 2021. Management believes that the credit risk with respect to these amounts receivable is minimal. As at December 31, 2021, the provision for amounts receivable is $156,043 (December 31, 2020 - $83,976).

(b) 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, 2021, the Company had cash of $6,867,130 (December 31, 2020 - $6,217,046) to settle current liabilities of $4,067,726 (December 31, 2020 - $806,104). All of the Company's financial liabilities have contractual maturities of less than 90 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.

The Company obtained its financing through the equity market. Negative trends in the general equity market 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 activities, the Company might not be able to continue as a going concern entity.

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

(i) Interest rate risk

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, 2021, the Company did not have any surplus cash in high yield savings accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Company is not exposed to interest rate risk.

(ii) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar. Certain of the Company's revenues and expenses are incurred in USD and are therefore subject to gains and losses due to fluctuations against the functional currency.

(iii) Price risk

The Company is exposed to price risk with respect to equity 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.

4. Financial instruments and risk factors (continued)

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 Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and amounts receivable and amounts payable and other liabilities that are denominated in USD. As at December 31, 2021, had the USD weakened/strengthened by 10% against the CAD with all other variables held constant, the Company's consolidated statements of comprehensive loss for the year ended December 31, 2021 would have been approximately $258,318 higher/lower as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments. Similarly, as at December 31, 2021, shareholders' equity would have been approximately $258,318 higher/lower had the USD weakened/strengthened by 10% against the CAD as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments.

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:

As at December 31, 2021	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Aggregate fair value**
Cash and cash equivalents	$ 6,867,130	$ -	$ -	$ 6,867,130
As at December 31, 2020				
Cash and cash equivalents	$ 6,217,046	$ -	$ -	$ 6,217,046

(Expressed in Canadian Dollars)

5. Fair value measurements (continued)

(b) Categories of financial instruments:

As at December 31,	2021 Carrying amount	2020 Carrying amount
Financial assets:		
Cash and cash equivalents	**$ 6,867,130**	$ 6,217,046
Accounts receivable	**2,517,658**	688,341
	$ 9,384,788	$ 6,905,387
Financial liabilities:		
Accounts payable	**$ 925,971**	$ 298,215
Accrued and other current liabilities	**968,347**	406,547
Lease liabilities - current and non-current	**1,733,148**	207,369
Loans payable	**216,176**	-
Deferred and contingent consideration - current and non-current	**2,594,230**	-
	$ 3,843,642	$ 912,131

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's accounts receivable, amounts payable, accrued and other current liabilities, lease liabilities, loans payable and deferred and contingent consideration is close to fair value due to their short-term maturity.

6. Acquisitions

(a) Acquisition of Farm Dog

On February 19, 2021, the Company acquired FD Agro Technologies LLC (“Farm Dog”), an agriculture data platform company that helps farmers, agronomists and agribusinesses record, organize and leverage on-farm information to make better decisions. As consideration for the transaction, the Company will issue an aggregate of 294,118 common shares at a price of $0.64 per common share over a period of two years (98,039 issued on March 5, 2021), and a cash payment of USD $100,000. All securities issued pursuant to the transaction will be subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with the application securities law.

In connection with the transaction, the Company's wholly-owned subsidiary Deveron USA, LLC ("Deveron US") entered into an employment agreement with Liron Brish ("Brish"), whereby Brish would be retained as an employee of Deveron US. Based on the achievement of certain milestones, and pursuant to the Employment Agreement, the Company has agreed to pay USD $600,000 as follows:

1. USD $100,000 issuable in common shares in the event that Farm Dog adds 3,000,000 unique active acres within 3 years of the closing date ("Growth Earnout"); and
2. USD $250,000 issuable in common shares and USD $250,000 in cash in the event that Farm Dog generates an additional $5,000,000 in revenue by the end of 2022 ("Revenue Earnout").

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(a) Acquisition of Farm Dog (continued)

The allocation of the purchase price is as follows:

Purchase price allocation		
Issuance of 98,039 common shares (i)	$	62,745
Cash payment		126,841
Additional 196,079 common shares to be issued (ii)		125,490
Contingent consideration (earnout) (iii)		556,954
Total consideration	$	872,030

Allocation of purchase price		
Goodwill	$	872,030
Farm Dog net assets acquired	$	872,030

(i) For the purpose of determining the value of the purchase price consideration, the 98,039 common shares were valued at $0.64 per share based on Deveron's closing price as of February 19, 2021.

(ii) For the purpose of determining the value of the purchase price consideration, the 196,079 common shares to be issued were valued at $0.64 per share based on Deveron's closing price as of February 19, 2021 and was recorded as an addition to shares to be issued.

(iii) The fair value of the contingent consideration was determined by discounting the probability-weighted expected payment with a risk-adjusted annual discount rate of 15% to determine the present value of expected payments. The expected payment is determined by considering the possible scenarios of forecast revenue, the amount to be paid under each scenario and the probability of each scenario. The Growth Earnout has a fair value of $82,512 as of the date of acquisition and was recorded as "shares to be issued". The Revenue Earnout (equity-settled) has a fair value of $237,221 as of the date of acquisition and was recorded as "shares to be issued". The Revenue Earnout (cash-settled) has a fair value of $237,221 as of the date of acquisition and was recorded as "deferred and contingent consideration". Refer to note 14 for accretion on cash-settled earnouts.

(b) Acquisition of Tana Ag

On May 14, 2021, the Company entered into an agreement (the “Agreement”) to acquire the assets of Tana Ag, an Oklahoma based digital agronomy company focused on soil health and yield improvement. Tana Ag currently services 120,000 acres and has unaudited 2020 revenue of USD $271,704 and EBITDA of USD $98,171.
As consideration for the acquisition, Deveron has agreed to:

1. pay Tana Ag an initial cash payment of USD $37,500 on each of the first two anniversaries of the signing of the Agreement; and
2. issue such number of common shares in the capital of the Company equal to USD $37,500 at a price of $0.82 per common share upon receipt of the approval of the TSXV and an additional number of common shares equal to USD $27,400 at a price of $0.82 per common share on each of the first two anniversaries of the signing of the Agreement.

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(b) Acquisition of Tana Ag (continued)

Under the terms of the acquisition if all milestones are met, Deveron has agreed to pay an additional USD $909,440. Based on the achievement of certain milestones, the remaining USD $909,440 would be payable as follows:

1. USD $125,000 in cash and issue such number of common shares equal to USD $132,880 in the event that during the 12 month period (the "first earn-out period"), following the execution of the agreement, Tana Ag exceeds gross revenue for the prior twelve month period by at least USD $1,000,000.
2. USD $150,000 in cash and issue such number of common shares equal to USD $156,800 in the event that during the 12 month period following the first earn-out period (the "second earn-out period"), Tana Ag exceeds gross revenue for the prior twelve month period by at least USD $1,000,000.
3. USD $150,000 in cash and issue such number of common shares equal to USD $194,760 in the event that during the 12 month period following the second earn-out period, Tana Ag exceeds gross revenue for the prior twelve month period by at least USD $1,000,000.

The allocation of the purchase price is as follows:

Purchase price allocation		
Issuance of 55,335 common shares (i)	$	45,375
Cash payment		45,915
Additional cash payment to be issued over the next two years		91,830
Additional 110,670 common shares to be issued (ii)		90,749
Contingent consideration (earnouts) (iii)		-
Total consideration	$	273,869

Allocation of purchase price		
Accounts receivable and other assets	$	26,504
Property, plant and equipment		58,742
Amounts payable and other liabilities		(19,931)
Goodwill		208,554
Tana Ag net assets acquired net of liabilities assumed	$	273,869

(i) For the purpose of determining the value of the purchase price consideration, the 55,335 common shares were valued at $0.82 per share based on Deveron's closing price as of May 14, 2021.

(ii) For the purpose of determining the value of the purchase price consideration, the 110,670 common shares to be issued over the next two years (55,335 per year) were valued at $0.82 per share based on Deveron's closing price as of May 14, 2021 and was recorded as an addition to shares to be issued.

(iii) The fair value of the USD $909,409 contingent consideration was determined by considering the possible scenarios of forecast revenue, the amount to be paid under each scenario and the probability of each scenario. The most likely scenarios result in gross revenue below the USD $1,000,000 target in the first and second earnout period, and as such, the additional USD $909,409 contingent consideration was assigned a fair value of $nil in the determination of the purchase price allocation.

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(c) Acquisition of Stealth Ag

On May 26, 2021, the Company entered into an agreement to acquire the assets of Stealth Ag, a leading agriculture digital services and insights provider with offices in Minnesota and Iowa. As consideration for the acquisition, Deveron has agreed to:

1. pay Stealth Ag an initial cash payment of USD $800,000, and repaid Stealth Ag's lender (Southeast Bank) USD $106,526; an additional USD $150,000 in cash payments annually over the next two years on the anniversary date ("Anniversary Earnout"); and
2. issue such number of common shares in the capital of the Company equal to USD $175,000 at a price of $0.86 per common share and an additional 263,808 common shares equal to USD $187,500 at a price of $0.86 per common share on each of the first two anniversaries of the signing of the agreement.

Under the terms of the acquisition if all milestones are met, Deveron has agreed to pay an additional USD $270,000. Based on the achievement of certain milestones, the remaining USD $270,000 would be payable as follows:

1. USD $40,000 in cash and issue such number of common shares equal to USD $40,000 in the event that during the 12 month period following the execution of the agreement, Stealth Ag gross revenue equals or exceeds USD $1,000,000 ("2022 Revenue Earnout").
2. USD $50,000 in cash and issue such number of common shares equal to USD $50,000 in the event that during the 12 month period following the first earn-out period (the "second earn-out period"), Stealth Ag gross revenue equal or exceeds USD $1,250,000 ("2023 Revenue Earnout").
3. Issue such number of common shares equal to USD $90,000 in the event that during the two year period following the second earn-out period, Stealth Ag onboards 400,000 acres from the seller's customer base ("2023 Onboarding Earnout").

The allocation of the purchase price is as follows:

Purchase price allocation		
Base purchase price paid in cash on closing	$	967,707
Repayment of Stealth Ag lender		128,857
Additional cash payment to be issued over the next two years (iii)		294,977
246,221 common shares issued upon closing (i)		211,750
Additional 527,616 common shares to be issued over the next two years (ii)		368,833
Contingent consideration (earnouts) (iii)		258,011
Total consideration	$	2,230,135

Allocation of purchase price		
Accounts receivable and other assets	$	22,452
Property, plant and equipment		505,009
Amounts payable and other liabilities		(22,060)
Goodwill		740,875
Intangible assets (note 9)		983,859
Stealth Ag net assets acquired net of liabilities assumed	$	2,230,135

(i) For the purpose of determining the value of the purchase price consideration, the 246,221 common shares were valued at $0.86 per share based on Deveron's closing price as of May 26, 2021. These shares were issued on August 30, 2021.

(ii) For the purpose of determining the value of the purchase price consideration, the 527,616 common shares to be issued over the next two years (263,808 per year) were valued at $0.86 per share based on Deveron's closing price as of May 26, 2021 and was recorded as an addition to shares to be issued.

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(c) Acquisition of Stealth Ag (continued)

(iii) The fair value of the contingent consideration was determined by discounting the probability-weighted expected payment with a risk-adjusted annual discount rate of 15% to determine the present value of expected payments. The expected payment is determined by considering the possible scenarios of forecast revenue, the amount to be paid under each scenario and the probability of each scenario. The fair value of the 2022 and 2023 Revenue Earnouts (cash-settled) and Anniversary Earnout is $382,810 and was recorded as "other financial liabilities - contingent consideration." The fair value of the 2022 and 2023 Revenue and On-Boarding Earnouts (equity-settled) has a fair value of $170,178. Refer to note 14 for accretion on cash-settled earnouts.

(d) Acquisition of Woods End

On April 6, 2021, the Company formed a Joint Venture ("JV") with A&L Canada Laboratories Inc. ("A&L"), and together have acquired the assets of Woods End Laboratories ("Woods End"), a US based leader in agricultural soil health testing. Woods End had 2020 unaudited revenue of USD $1.8M with EBITDA of USD $900,000. The Company and A&L have created a JV under the name Woods End which will own 100% of the assets of Woods End and was funded on a pro-rata basis with Deveron owning 51% and A&L owning 49%. The Company and A&L have agreed to purchase the assets of Woods End for USD $2,250,000 payable on closing, excluding customary holdback provisions, and working capital adjustments.

The allocation of the purchase price is as follows:

Purchase price allocation		
Cash paid to Woods End on closing - base purchase price	$	2,829,266
Working capital adjustment paid on closing		183,039
Total consideration (i)	$	3,012,305
Deveron 51% interest in Woods End (i)	$	1,536,275
A&L 49% interest in Woods End (i)		1,476,030
Total consideration	$	3,012,305
Allocation of purchase price		
Accounts receivable and other assets	$	245,615
Property, plant and equipment		62,873
Amounts payable and other liabilities		(23,746)
Goodwill		1,253,695
Intangible assets (note 9)		1,473,869
Non-controlling interest (i)		(1,476,030)
Woods End net assets acquired net of liabilities assumed (i)	$	1,536,276

(i) Deveron accounted for its 51% controlling interest in this JV as a business combination, consolidating all of the net assets and income. The Company recorded non-controlling interest, representing A&L's 49% interest in the net assets at the date of acquisition.

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(e) Acquisition of Agronomic Solutions

On September 8, 2021, the Company entered into an agreement to acquire the assets of Agronomic Solutions, Inc. ("Agronomic Solutions") a leading digital agronomy company that services Iowa, Nebraska, Missouri, Minnesota, Illinois and Kansas. As consideration for the acquisition, Deveron has agreed to:

1. On closing, pay Agronomic Solutions an initial cash payment of USD $425,000, and an additional USD $425,000 in cash to be held in escrow ("Escrowed Funds").
2. On closing, the Company issued a promissory note (the "Note") to Agronomic Solutions with a principal amount of USD $425,000, bearing interest of 4% per year. The principal and interest are due in full on September 8, 2022. The Note is guaranteed by Deveron.
3. On closing, issue 262,345 common shares in the capital of the Company equal to USD $141,667 at a price of $0.68 per common share upon receipt of the approval of the TSXV. The Company has also agreed to issue an additional 524,692 common shares (262,346 per year) equal to USD $283,334 ($141,667 per year) at a price of $0.68 per common share on each of the first two anniversaries of the signing of the Agreement.

Under the terms of the acquisition if all milestones are met, Deveron has agreed to pay an earnout ("EBITDA earnout"), as additional consideration. Based on the achievement of certain milestones, the remaining earnout would be payable as follows:

1. Agronomic Solutions will receive an amount equal to 100% of the earnings before interest, taxes, depreciation and amortization ("EBITDA") generated by the acquired business from September 8, 2021 to December 31, 2021 ("Earnout period"). The deadline to determine the EBITDA earnout is February 11, 2022. The earnout shall not be paid in the event EBITDA is less than or equal to Zero during the earnout period.
2. The EBITDA was estimated to be USD $600,000 for the Earnout period. The Company has recorded contingent consideration of $755,556 (USD $600,000).

The allocation of the purchase price is as follows:

Purchase price allocation		
Base purchase price paid in cash on closing to seller	$	541,663
Base purchase price paid in cash on closing and placed in escrow ("Escrowed Funds") (iv)		541,662
262,345 common shares issued on closing (i)		178,395
Promissory note		541,663
Additional 524,692 common shares to be issued over the next two years(ii)		356,791
Contingent consideration (earnouts) (iii)		755,556
Total consideration	$	2,915,730
Allocation of purchase price		
Property, plant and equipment		319,462
Goodwill		1,168,458
Intangible assets (note 9)		1,427,810
Agronomic Solutions net assets acquired net of liabilities assumed	$	2,915,730

(i) For the purpose of determining the value of the purchase price consideration, the 262,345 common shares were valued at $0.68 per share based on Deveron's closing price as of September 8, 2021. These shares were not yet issued as of September 30, 2021, and as such was recorded as an addition to shares to be issued.

(ii) For the purpose of determining the value of the purchase price consideration, the 524,692 common shares to be issued over the next two years (262,346 per year) were valued at $0.68 per share based on Deveron's closing price as of September 8, 2021 and was recorded as an addition to shares to be issued.

(iii) The EBITDA was estimated to be USD $600,000 for the period September 8, 2021 to December 31, 2021. The Company has recorded contingent consideration of $755,556 (USD $600,000).

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(e) Acquisition of Agronomic Solutions (continued)

(iv) The Escrowed funds, together with any accrued but unpaid interest, will be delivered to the seller on September 8, 2023, on the second anniversary of the closing date.

(f) Goodwill

The allocation of the purchase price was recorded as goodwill.

Balance, December 31, 2019	**$**	**1,427,307**
Addition Better Harvest		439,998
Balance, December 31, 2020	**$**	**1,867,305**

Balance, December 31, 2020	**$**	**1,867,305**
Addition Farm Dog		872,030
Addition Tana Ag		208,554
Addition Stealth Ag		740,875
Addition Woods End		1,253,695
Addition Agronomic Solutions		1,168,458
Foreign exchange		110,293
Balance, December 31, 2021	**$**	**6,221,210**

As of December 31, 2021, the Company performed its annual impairment tests for goodwill and intangible assets. The recoverable amount of all cash generating units was determined based on their value-in-use using Level 3 inputs in a discounted cash flow model. The key assumptions used in the estimates of the recoverable amounts are described as follows:

- Cash flows: Estimated cash flows were projected based on the Company's business plans, which are based on actual operating results from internal sources as well as industry and market trends. The forecasts were extended to a total of 5 years (with a terminal year thereafter);
- Discount rate: The post tax discount rate used was 18%.

As at December 31, 2021, management determined that the goodwill and intangible assets were not impaired.

(g) Shares to be issued

The allocation of the shares to be issued is as follows

Balance, December 31, 2020	**$**	**-**
Addition Farm Dog		125,490
Addition Tana Ag		90,749
Addition Stealth Ag		368,833
Addition Agronomic Solutions		535,185
Balance, December 31, 2021	**$**	**1,120,257**

(Expressed in Canadian Dollars)

6. Acquisitions (continued)

(h) Acquisition of Better Harvest

On May 11, 2020, the Company acquired all the operating assets of Better Harvest, a Texas, United States based agronomy solutions business.

The allocation of the purchase price is as follows:

Purchase price allocation		
Cash payment	$	229,515
Additional cash payment accrued (i)		139,100
Total consideration	$	368,615

Allocation of purchase price		
Cash	$	23,582
Accounts receivable and other assets		46,968
Inventory		14,088
Property, plant and equipment		74,864
Amounts payable and other liabilities		(230,885)
Goodwill		439,998
Better Harvest net assets received	$	368,615

(i) A promissory note of $139,100 (US$100,000) payable in equal annual payments of principal and 0.25% interest over the following two years. This amount is included in other liabilities.

7. Accounts receivable

		As at December 31, 2021		**As at December 31, 2020**
Accounts receivable	**$**	**2,673,701**	$	772,317
Allowance for doubtful accounts		**(156,043)**		(83,976)
	$	**2,517,658**	$	688,341

The following is an aged analysis of the accounts receivable:

		As at December 31, 2021		**As at December 31, 2020**
1 to 60 days	**$**	**2,253,434**	$	395,425
60 to 90 days		**57,080**		130,009
Greater than 90 days		**207,144**		162,907
Total accounts receivable	**$**	**2,517,658**	$	688,341

(Expressed in Canadian Dollars)

8. Property, plant and equipment

COST	Equipment	Drones	Vehicles	Total
Balance, December 31, 2019	**$ 129,655**	**$ 482,223**	**$ 34,281**	**$ 646,159**
Additions	157,862	-	86,329	244,191
Dispositions	-	-	(15,939)	(15,939)
Balance, December 31, 2020	**287,517**	**482,223**	**104,671**	**874,411**
Additions	473,691	-	39,470	513,161
Additions pursuant to the acquisitions (note 6)	773,181	-	172,905	946,086
Foreign exchange	173,755	-	4,506	178,261
Balance, December 31, 2021	**$ 1,708,144**	**$ 482,223**	**$ 321,552**	**$ 2,511,919**

ACCUMULATED DEPRECIATION	Equipment	Drones	Vehicles	Total
Balance, December 31, 2019	**$ 71,754**	**$ 453,397**	**$ 7,361**	**$ 532,512**
Disposition	-	-	(1,195)	(1,195)
Depreciation	48,536	28,826	10,284	87,646
Balance, December 31, 2020	**120,290**	**482,223**	**16,450**	**618,963**
Depreciation	275,081	-	55,788	330,869
Foreign exchange	49,078	-	5,321	54,399
Balance, December 31, 2021	**$ 444,449**	**$ 482,223**	**$ 77,559**	**$ 1,004,231**

CARRYING AMOUNT	Equipment	Drones	Vehicles	Total
Balance, December 31, 2020	**$ 167,227**	**$ -**	**$ 88,221**	**$ 255,448**
Balance, December 31, 2021	**$ 1,263,695**	**$ -**	**$ 243,993**	**$ 1,507,688**

During the year ended December 31, 2020, the Company sold vehicles for cash proceeds of $16,464 which resulted in a gain on disposition of property, plant and equipment of $1,720.

9. Intangible assets

COST	Customer list	Other intangibles	Total
Balance, December 31, 2020	**$ -**	**$ -**	**$ -**
Additions (note 6)	2,814,680	1,070,858	3,885,538
Foreign exchange	(25,520)	(9,710)	(35,230)
Balance, December 31, 2021	**$ 2,789,160**	**$ 1,061,148**	**$ 3,850,308**

ACCUMULATED AMORTIZATION	Customer list	Other intangibles	Total
Balance, December 31, 2020	**$ -**	**$ -**	**$ -**
Amortization	165,287	108,717	274,004
Foreign exchange	(1,498)	(986)	(2,484)
Balance, December 31, 2021	**$ 163,789**	**$ 107,731**	**$ 271,520**

(Expressed in Canadian Dollars)

9. Intangible assets (continued)

CARRYING AMOUNT	Customer list	Other intangibles	Total
Balance, December 31, 2020	**$ -**	**$ -**	**$ -**
Balance, December 31, 2021	**$ 2,625,371**	**$ 953,417**	**$ 3,578,788**

10. Right-of-use assets

	Vehicles	Leasehold improvements	Total
Balance, January 1, 2020	**$ 181,811**	**$ 109,179**	**$ 290,990**
Additions	15,933	-	15,933
Depreciation	(80,310)	(15,597)	(95,907)
Balance, December 31, 2020	**$ 117,434**	**$ 93,582**	**$ 211,016**

	Vehicles	Leasehold improvements	Total
Balance, December 31, 2020	**$ 117,434**	**$ 93,582**	**$ 211,016**
Additions	2,001,751	-	2,001,751
Disposals	(40,796)	-	(40,796)
Depreciation	(309,338)	-	(309,338)
Foreign exchange	(54,074)	(25,995)	(80,069)
Balance, December 31, 2021	**$ 1,714,977**	**$ 67,587**	**$ 1,782,564**

Vehicles are depreciated over 36 months. Leasehold improvements are depreciated over 72 months.

11. Accounts payable

Accounts payable of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	As at December 31, 2021	As at December 31, 2020
Accounts payable	**$ 925,971**	$ 298,215

The following is an aged analysis of the accounts payable:

	As at December 31, 2021	As at December 31, 2020
1 to 60 days	**$ 733,756**	$ 184,929
61 to 90 days	**53,466**	-
Greater than 90 days	**138,749**	113,286
Total accounts payable	**$ 925,971**	$ 298,215

(Expressed in Canadian Dollars)

12. Loans payable

(i) During the year ended December 31, 2020, the Company applied for and received loan proceeds in the amount of $61,869 (US$49,200) ("PPP Funds") pursuant to the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act in order to enable small businesses to pay employees during the economic slowdown caused by COVID-19 by providing forgivable loans to qualifying businesses for up to 2.5 times their average monthly payroll costs. The amount borrowed by the Company under the PPP is eligible to be forgiven provided that (a) the Company uses the PPP Funds during the 24-week period after receipt thereof, and (b) the PPP Funds are only used to cover payroll costs (including benefits), rent, mortgage interest, and utility costs. The amount of loan forgiveness will be reduced if, among other reasons, the Company does not maintain staffing or payroll levels. Principal and interest payments on any unforgiven portion of the PPP Funds (the "PPP Loan") will be deferred for six months and will accrue interest at a fixed annual rate of 1%. Additionally, the PPP Loan balance will carry a two-year maturity date. There is no prepayment penalty on the PPP Loan. The PPP Loan was forgiven in full in June 2021.

During the year ended December 31, 2021, the Company received aggregate wage subsidies of $263,720 (December 31, 2020 - $207,000). in connection with Covid-19 Government-sponsored Canada Emergency Response Benefit (CERB) and PPP. In accordance with its accounting policy, the subsidies were recorded in operations.

(ii) During the year ended December 31, 2020, the Company applied for and received loan proceeds in the amount of $92,790 from CLE Capital, a lease financing specialist. During the year ended December 31, 2021, the Company has repaid $13,779 (December 31, 2020 - $11,551). The balance outstanding as of December 31, 2021 is $72,224.

13. Lease liabilities

Balance, January 1, 2020	**$**	**287,790**
Additions		15,933
Interest expense		20,669
Lease payments		(117,023)
Balance, December 31, 2020	**$**	**207,369**

Balance, December 31, 2020	**$**	**207,369**
Additions		2,001,751
Interest expense		12,251
Lease payments		(292,461)
Foreign exchange		(195,762)
Balance, December 31, 2021	**$**	**1,733,148**
Allocated as:		
Current	$	539,788
Non-current		1,193,360
Balance, December 31, 2021	**$**	**1,733,148**

(Expressed in Canadian Dollars)

14. Deferred and contingent consideration

COST	Contingent Consideration	Deferred Consideration	Total
Balance, December 31, 2020	**$ -**	**$ -**	**$ -**
Additions pursuant to the acquisitions (note 6)	1,570,522	928,470	2,498,992
Accretion interest expense	36,969	31,355	68,324
Foreign exchange	14,526	12,388	26,914
Balance, December 31, 2021	**$ 1,622,017**	**$ 972,213**	**$ 2,594,230**
Allocated as:			
Current	855,433	778,187	$ 1,633,620
Non-current	766,584	194,026	960,610
Balance, December 31, 2021	**$ 1,622,017**	**$ 972,213**	**$ 2,594,230**

(i) On February 19, 2021, the Company acquired Farm Dog. In connection with the transaction, the Company has agreed to pay an additional USD $600,000 based on the achievement of certain milestones. Refer to note 6.

(ii) On May 14, 2021, the Company acquired Tana Ag. In connection with the transaction, the Company has agreed to pay an additional $91,830 USD based on the achievement of certain milestones. Refer to note 6.

(iii) On May 26, 2021, the Company acquired Stealth Ag. In connection with the transaction, the Company has agreed to pay an additional USD $270,000 based on the achievement of certain milestones. Refer to note 6.

(iv) On September 8, 2021, the Company acquired Agronomic Solutions. In connection with the transaction, the Company has agreed to pay an additional USD $600,000 based on the achievement of certain milestones. Refer to note 6.

15. 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, 2019	**38,131,086**	**$ 5,288,542**
Private placements (i)(ii)(iv)	30,129,222	7,145,227
Warrant valuation (i)(ii)(iv)	-	(1,935,330)
Broker warrant valuation (ii)(iv)	-	(179,585)
Share issue costs	-	(354,265)
Exercise of warrants (iii)	19,250	5,517
Balance, December 31, 2020	**68,279,558**	**$ 9,970,106**

(Expressed in Canadian Dollars)

15. Share capital (continued)

b) Common shares issued (continued)

	Number of common shares	Amount
Balance, December 31, 2020	**68,279,558**	**$ 9,970,106**
Private placements (vii)(viii)	12,627,050	8,207,583
Warrant valuation (vii)(viii)	-	(1,649,622)
Broker warrant valuation (vii)(viii)	-	(258,702)
Share issue costs	-	(593,865)
Shares issued pursuant to the acquisition of Farm Dog, Tana Ag & Stealth Ag (note 6)	399,595	319,870
Exercise of warrants (v)	7,420,399	2,078,785
Exercise of options (vi)	280,000	174,946
Balance, December 31, 2021	**89,006,602**	**$ 18,249,101**

(i) On April 6, 2020, the Company closed a non-brokered private placement of units ("Units"). The offering was completed at a price of $0.10 per Unit for gross proceeds of $655,000 and a total of 6,550,000 Units issued. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.20 per warrant for a period of 18 months after the closing of this first tranche. The 3,275,000 warrants were valued at $128,031 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.12; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 99.83%; risk-free interest rate - 0.44%; and an expected life - 1.5 years.

(ii) On April 16, 2020, the Company closed a second and final tranche of a non-brokered private placement of Units. The final tranche was completed at a price of $0.10 per Unit for gross proceeds of $705,000 and a total of 7,050,000 Units issued. Deveron issued a total of 13,600,000 Units for aggregate gross proceeds of $1,360,000 in connection with the offering. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.20 per warrant for a period of 18 months after the closing of this second tranche. The 3,525,000 warrants were valued at $305,287 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.19; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 102.043%; risk-free interest rate - 0.33%; and an expected life - 1.5 years.

As consideration for the services provided for the private placements, the agents received a cash commission equal to in the aggregate $42,000 and an aggregate of 420,000 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one common share at an exercise price of $0.20 for a period of 18 months after the private placement. The 420,000 compensation warrants were valued at $36,375 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.19; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 102.04%; risk-free interest rate - 0.33%; and an expected life - 1.5 years.

(iii) On August 26, 2020, 19,250 warrants were exercised at a price of $0.20 per unit for gross proceeds of $3,850, and $1,667 was reclassified from share based payment reserve for a fair value amount of $5,517.

(iv) On December 23, 2020, the Company closed a non-brokered private placement of Units at a price of $0.35 per Unit for gross proceeds of $5,785,228 and a total of 16,529,222 Units issued. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.45 per warrant for a period of 2 years after closing. The 8,264,611 warrants were valued at $1,502,012 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) - 102%; risk-free interest rate - 0.20%; and an expected life - 2 years.

15. Share capital (continued)

b) Common shares issued (continued)

(iv) continued)

As consideration for the services provided for the private placements, the agents received a cash commission equal to in the aggregate $276,062 and an aggregate of 701,664 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one common share at an exercise price of $0.45 for a period of 2 years after the private placement. The 701,664 compensation warrants were valued at $143,210 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) - 102%; risk-free interest rate - 0.20%; and an expected life - 2 years.

(v) During the year ended December 31, 2021, 2,928,999 warrants were exercised at a price of $0.20 per unit for gross proceeds of $585,800, 310,750 warrants were exercised at a price of $0.45 for gross proceeds of $139,836, 7,000 warrants at a price of $0.35 per unit were exercised for gross proceeds of $2,450, 4,166,751 warrants were exercised at a price of $0.20 for gross proceeds of $833,350 and 6,899 warrants were exercised at a price of $0.65 for gross proceeds of $4,484. $321,193 was reclassified from warrant reserve for a fair value amount of $1,441,830.

(vi) During the year ended December 31, 2021, 80,000 options were exercised at a price of $0.30 per unit for gross proceeds of $24,000 and 200,000 options were exercised at a price of $0.365 per unit for gross proceeds of $73,000.

(vii) On August 16, 2021, the Company closed the first tranche of a non-brokered private placement of units at a price of $0.65 per unit for gross proceeds of $7,408,330 and a total of 11,397,430 units issued. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.85 per warrant for a period of 2 years after closing. The 5,698,715 warrants were valued at $1,481,533 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.64; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 91%; risk-free interest rate - 0.43%; and an expected life - 2 years.

As consideration for the services provided for the private placements, the agents received a cash commission equal to in the aggregate $516,664 and an aggregate of 794,813 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one common share at an exercise price of $0.65 for a period of 2 years after the private placement. The 794,813 compensation warrants were valued at $242,180 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.64; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 91%; risk-free interest rate - 0.43%; and an expected life - 2 years.

(viii) On August 24, 2021, the Company closed the second and final tranche of a non-brokered private placement of Units at a price of $0.65 per Unit for gross proceeds of $799,253 and a total of 1,229,620 units issued. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.85 per warrant for a period of 2 years after closing. The 614,810 warrants were valued at $168,089 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.66; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 91%; risk-free interest rate - 0.43%; and an expected life - 2 years.

As consideration for the services provided for the private placements, the agents received a cash commission equal to in the aggregate $33,606 and an aggregate of 51,701 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one common share at an exercise price of $0.65 for a period of 2 years after the private placement. The 51,701 compensation warrants were valued at $16,522 using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.66; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 91%; risk-free interest rate - 0.45%; and an expected life - 2 years.

(Expressed in Canadian Dollars)

16. Stock options

The following table reflects the continuity of options for the periods ended December 31, 2021 and 2020:

	Number of options	Weighted average exercise price ($)
Balance, December 31, 2019	**6,795,000**	**0.34**
Cancelled	(2,860,000)	0.34
Expired	(160,000)	0.38
Balance, December 31, 2020	**3,775,000**	**0.33**
Balance, December 31, 2020	**3,775,000**	**0.33**
Granted (i)(ii)(iii)(iv)(v)	2,225,000	0.49
Cancelled	(15,000)	0.30
Exercised (note 15(b)(vi))	(280,000)	0.36
Balance, December 31, 2021	**5,705,000**	**0.42**

(i) On January 15, 2021, the Company granted 1,225,000 stock options to certain officers, employees and advisors to the Company. The stock options, at a price of $0.43 per share, will expire in three years from the issue date. A fair value of $336,386 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.43; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 105%; risk-free interest rate - 0.20%; and an expected life - 3 years. The options vested 25% immediately, with the remaining options vesting a quarter every quarter. During the year ended December 31, 2021, $331,241 (year ended December 31, 2020 - $nil) was expensed to share-based payments.

(ii) On February 22, 2021, the Company granted 325,000 stock options to an employee to the Company. The stock options, at a price of $0.64 per share, will expire in five years from the issue date. A fair value of $210,940 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.64; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 117%; risk-free interest rate - 0.67%; and an expected life - 5 years. The options vested one third immediately, one third on the second and third anniversary. During the year ended December 31, 2021, $84,808 (year ended December 31, 2020 - $nil) was expensed to share-based payments.

(iii) On March 12, 2021, the Company granted 175,000 stock options to an officer of the Company. The stock options, at a price of $0.75 per share, will expire in five years from the issue date. A fair value of $98,429 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.75; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 119%; risk-free interest rate - 1.03%; and an expected life - 5 year. The options vested one third immediately, one third on the second and third anniversary. During the year ended December 31, 2021, $52,439 (year ended December 31, 2020 - $nil) was expensed to share-based payments.

(iv) On April 27, 2021, the Company granted 200,000 stock options to an officer of the Company. The stock options, at a price of $0.74 per share, will expire in five years from the issue date. A fair value of $123,340 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.74; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 119%; risk-free interest rate - 0.96%; and an expected life - 5 year. The options vested one third immediately, one third on the second and third anniversary. During the year ended December 31, 2021, $54,932 (year ended December 31, 2020 - $nil) was expensed to share-based payments.

(Expressed in Canadian Dollars)

16. Stock options (continued)

(v) On June 24, 2021, the Company granted 300,000 stock options to an officer of the Company. The stock options, at a price of $0.80 per share, will expire in five years from the issue date. A fair value of $183,763 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.80; dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 119%; risk-free interest rate - 1.00%; and an expected life - 5 year. The options vested one third immediately, one third on the second and third anniversary. During the year ended December 31, 2021, $80,386 (year ended December 31, 2020 - $nil) was expensed to share-based payments.

(vi) The portion of the estimated fair value of options granted in the prior years and vested during the year ended December 31, 2021, amounted to $14,204 (year ended December 31, 2020 - $106,795).

Details of the stock options outstanding as at December 31, 2021 are as follows:

Fair value ($)	Weighted average remaining contractual life (years)	Exercisable options	Number of options	Weighted average exercise price ($)	Expiry date
78,819	0.23	167,500	480,000	0.30	March 24, 2022
177,773	0.50	1,000,000	1,000,000	0.30	July 1, 2022
481,200	0.89	918,750	1,500,000	0.37	November 22, 2022
92,408	0.89	500,000	500,000	0.30	November 22, 2022
336,387	2.04	306,250	1,225,000	0.43	January 15, 2024
96,666	4.15	108,333	325,000	0.64	February 22, 2026
59,977	4.20	58,333	175,000	0.75	March 12, 2026
63,440	4.32	66,667	200,000	0.74	April 27, 2026
94,209	4.40	100,000	300,000	0.80	June 24, 2026
1,480,879	1.61	3,225,833	5,705,000	0.42	

17. Warrants

The following table reflects the continuity of warrants for the year ended December 31, 2021 and 2020:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2019	**10,751,698**	**0.49**
Issued for private placements (note 15(b)(i)(ii)(iv))	16,186,275	0.33
Exercised (note 15(b)(iii))	(19,250)	0.20
Expired	(10,751,698)	0.49
Balance, December 31, 2020	**16,167,025**	**0.33**

Balance, December 31, 2020	**16,167,025**	**0.33**
Issued for private placements (note 15(b)(vi)(vii)(viii))	7,160,039	0.83
Exercised (note 15(b)(v))	(7,420,399)	0.21
Expired	(175,000)	0.49
Balance, December 31, 2021	**15,731,665**	**0.57**

(Expressed in Canadian Dollars)

17. Warrants (continued)

The following table reflects the warrants issued and outstanding as of December 31, 2021:

Number of warrants outstanding	Fair value ($)	Exercise price ($)	Expiry date
7,953,861	1,445,537	0.45	December 23, 2022
694,664	141,781	0.35	December 23, 2022
5,698,715	1,481,533	0.85	August 16, 2023
787,914	240,078	0.65	August 16, 2023
614,810	168,089	0.85	August 24, 2023
51,701	16,522	0.65	August 24, 2023
15,801,665	3,493,540		

18. Net loss per common share

The calculation of basic and diluted loss per share for the year ended December 31, 2021 was based on the loss attributable to common shareholders of $5,177,183 (year ended December 31, 2020 - net (income) loss of $1,761,554) and the weighted average number of common shares outstanding of 76,992,311 (year ended December 31, 2020 - 48,329,931). Diluted loss per share for the year ended December 31, 2021, presented did not include the effect of 15,731,665 warrants (year ended December 31, 2020 - 16,167,025 warrants) and 5,705,000 stock options (year ended December 31, 2020 - 3,775,000 stock options) as they are anti-dilutive.

19. Cost of services

	Year ended December 31, 2021	2020
Agronomic services and laboratory fees	**$ 2,128,038**	$ 280,768
Software and processing fees	**316,620**	232,844
Drone maintenance and equipment	**165,001**	88,190
Travel and training	**87,192**	15,039
Other costs	**72,674**	14,165
Cost of services	**$ 2,769,525**	$ 631,006

20. Income tax

Current Income Tax Expense

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	2021	2020
Loss before income tax	**$ (5,020,276)**	$ (1,761,554)
Combined statutory tax rate	**26.50%**	26.50%
Expected income tax recovery	**(1,330,373)**	(466,812)
Differences in depreciation and capital cost allowance	**-**	-
Share issue costs recorded in equity	**(550,270)**	(93,881)
Non-deductible share based payment expense	**176,578**	28,301
Permanent differences and other	**414,145**	(7,158)
Change in deferred income tax asset not recognized	**1,289,920**	539,550
Income tax expense (recovery)	**$ -**	$ -

(Expressed in Canadian Dollars)

20. Income tax (continued)

Deferred Income Taxes

The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

Deductible (taxable) temporary differences	December 31, 2021	December 31, 2020
Tax loss carry-forwards	**$ 3,682,251**	$ 2,193,169
Non-current assets	**(181,658)**	144,667
Share issue costs and other	**225,143**	108,609
Deferred tax assets	**$ 3,725,736**	$ 2,446,445
Tax benefit not recognized	**(3,725,736)**	(2,446,445)
Deferred Tax Asset (Liability)	**$ -**	$ -

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As at December 31, 2021, the Company has the unclaimed non-capital losses that expire as follows:

Expires	2031	$ 162,141
	2032	179,063
	2033	323,351
	2034	458,013
	2035	424,429
	2036	677,012
	2037	934,636
	2038	1,556,389
	2039	1,708,025
	2040	1,853,052
	2040	4,359,078
		$ 12,635,189

As at December 31, 2021, the Company has unclaimed foreign losses of $1,590,122.

21. Major shareholder and related party transactions

Major shareholder

At December 31, 2021, Greencastle owned and/or exercised control over 10,145,500 common shares (December 31, 2020 - 10,804,500 common shares) of Deveron, representing approximately 11.4% (December 31, 2020 - 15.8%) of the issued and outstanding common shares of the Company. The remaining 88.6% (December 31, 2020 - 84.2%) of the shares are widely held, which includes various small holdings 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 11.4% (December 31, 2020 - 15.8%) 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.

(Expressed in Canadian Dollars)

21. Major shareholder and related party transactions (continued)

Marrelli Group of Companies

During the year ended December 31, 2021, the Company incurred professional fees of $70,752 (year ended December 31, 2020 - $60,037) to a group of companies of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the Chief Financial Officer of Deveron. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2021, the group of companies was owed $6,004 (December 31, 2020 - $9,879) and this amount is included in amounts payable and other liabilities.

Related party transactions

During the year ended December 31, 2021, the Company also incurred legal fees of $124,647 (year ended December 31, 2020 - $33,174) 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, 2021 amounts payable and other liabilities is $14,372 due to Irwin Lowy LLP (December 31, 2020 - $23,780).

During the year ended December 31, 2021, the Company incurred rent expense of $30,450 (year ended December 31, 2020 - $30,450) to Greencastle which is included in office and general in the consolidated financial statements of comprehensive loss. Included in the December 31, 2021 amounts payable and other liabilities is $7,500 due to Greencastle (December 31, 2020 - $nil).

During the year ended December 31, 2021, the Company incurred share-based payment expenses to officers, directors and key management personnel of $482,691 (year ended December 31, 2020 - $41,473).

22. Segmented information

As at December 31, 2021, the Company's operations comprise one reporting operating segment: data acquisition services and data analytics sector in Canada and in the USA. Segmented information on a geographic basis is as follows:

Operating segment	USA	Canada	Total
As at December 31, 2021			
Current assets	$ 3,445,744	$ 6,231,383	$ 9,677,127
Non-current assets	10,330,236	2,760,014	13,090,250
Revenues	6,317,411	2,281,064	8,598,475
Cost of services	1,330,070	1,439,455	2,769,525
Operating expenses	5,117,281	5,731,945	10,849,226
Operating segment	**USA**	**Canada**	**Total**
As at December 31, 2020			
Current assets	$ 343,857	$ 6,695,946	$ 7,039,803
Non-current assets	-	2,333,769	2,333,769
Revenues	702,478	2,166,975	2,869,453
Cost of services	114,887	516,119	631,006
Operating expenses	546,686	3,453,315	4,000,001

23. Events after the reporting period

1. On January 18, 2022, the Company has signed a $750,000 enterprise contract with a carbon credit-focused investment company, Generic Carbon Credit Corp ("Generic'). The contract provides the client access to Deveron's new scalable and streamlined platform for collecting, analyzing, and sharing in-field soil carbon data. Additionally, Deveron will work with Generic to create, certify and invest in Canadian carbon credits.

2. On February 15, 2022, the Company announced that it has commenced an overnight marketed public offering of Units of the company seeking to raise aggregate gross proceeds of approximately $8 million. Each unit will be comprised of one common share of the Company ("Common Share") and one half of one Common share purchase warrant ("Warrant") and will be offered at a price per unit to be determined in the context of the Market. Each Warrant will have an exercise price and term to be determined in the context of the market. The offering will be conducted on a best efforts agency basis pursuant to the terms and conditions of an agency agreement to be entered into between the Company and raymond James Ltd. as sole agent and sole bookrunner. On February 25, 2022, the Company closed its previously announced overmarket offering, and issued an aggregate of 16,428,573 units in the capital of the company at a price of $0.70 per unit for total gross proceeds of $11,500,000.

3. On March 10, 2022, the Company entered into a definitive agreement to acquire the assets of Agri-Labs, Inc. ("Agri-Labs"), a leading soil lab and agronomy company that services Indiana, Michigan and Ohio. Agri-Lab's unaudited 2021 revenue was USD $664,000 and EBITDA was USD $240,000. As consideration for the acquisition, Deveron has agreed to:

   (i) pay Agri-Labs an initial cash payment of USD $420,000 upon signing of the definitive agreement and USD $210,000 on each of the first two anniversaries of the signing of the definitive agreement; and

   (ii) issue number of common shares in the capital of the Company equal to USD $180,000 at a price of $0.61 per common shares upon receipt of the approval of the TSX Venture Exchange and an additional number of common shares equal to USD $90,000 at a price of $0.61 per common share on each of the first two anniversaries of the signing of the definitive agreement.

4. On March 23, 2022, the Company announced the signing of a USD $750,000 enterprise contract with an agricultural carbon provider. The contract, focused on 85,000 acres in the Mississippi Delta, provides the client with access to Deveron’s platform for collecting, analyzing and sharing in-field soil carbon data.

24. Comparative Figures

Certain comparative figures have been reclassified in order to conform to the current period presentation.