

GREENCASTLE RESOURCES LTD.

“INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS”

FOR THE THREE MONTHS ENDED MARCH 31, 2017

(EXPRESSED IN CANADIAN DOLLARS)

Greencastle Resources Ltd.

Interim Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended March 31, 2017

Discussion dated: May 23, 2017

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Greencastle Resources Ltd. and its subsidiaries ("Greencastle" or the "Company") for the three months ended March 31, 2017 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2016. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2016, and December 31, 2015, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 23, 2017, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Greencastle common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company or on the System for Electronic Documents Analysis and Retrieval ("SEDAR") and is available for review under the Company's profile on the SEDAR website (www.sedar.com).

Cautionary Note Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements

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and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of gold or silver and/or other metals, as well as economic deposits of oil and gas	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company; the price of gold or silver and/or other applicable metals and the price of oil and gas and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold or silver price volatility; oil and gas price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2018	The operating and exploration activities of the Company for the twelve-month period ending March 31, 2018, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the nine months ended December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits

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Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of gold or silver and/or other applicable metals and oil and gas will be favourable to the Company	Gold or silver price volatility; oil and gas price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
A total of \$10,000 has been estimated for the Company's plans for its oil and gas projects A total of \$47,500 has been estimated for the Company's plans for its mineral properties A total of \$400,000 is estimated per quarter for corporate expenses	Actual costs of the various line items of the budget are consistent with the costs that management anticipates	Costs could vary from management's expectations
Development of Deveron UAS Corp. (formerly Deveron Resources Ltd.) ("Deveron") new business in the deployment of Unmanned Aerial Systems ("UAS", "UAV" or, more commonly, "drones") sector will be positive	Financing will be available for the deployment of UAS sector	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please see the risk factors outlined in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments of the business are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company is a diversified company with interests in gold and base metal exploration and oil and gas exploration and royalties. It also has strategic investments in other companies.

The Company receives income from royalty interests in two oil and gas properties in Saskatchewan and Alberta. The Company's gold and base metal properties are at the exploration stage and, therefore, produce no revenues.

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The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario, and its outstanding shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "VGN".

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction.

Deveron's operations are focused within the agriculture marketplace. UAS technology could have a significant effect on this market by allowing farmers to reduce costs and strengthen yields therefore improving profitability. Other trend factors include applicable laws and regulations, political conditions, the hiring of qualified people and obtaining necessary services in jurisdictions where Deveron operates. The current trends relating to these factors could change at any time and negatively affect Deveron's operations and business.

Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Operational Highlights

Corporate

During the three months ended March 31, 2017, 550,000 common shares were purchased for cash consideration of \$56,140 in accordance with the current issuer bid at a volume weighted average price of \$0.12 per share.

On February 3, 2017, 625,000 stock options with an exercise price of \$0.12 expired unexercised.

On April 28, 2017, the Company completed the cancellation of 1,377,500 common shares under its current issuer bid at a volume weighted average price of \$0.12 per share.

On May 10, 2017, 48,000 stock options with an exercise price of \$0.10 and an expiry date of June 14, 2017 were exercised for gross proceeds of \$4,800.

Exploration update for mining interests

Information relating to exploration results is based on data collected under the supervision of James Pirie, Ph.D., P. Eng., the President and a director of the Company and is a Qualified Person within the meaning of National Instrument 43-101. Mr. Pirie has approved the disclosure contained under the subheading "Exploration update for mining interests" under the heading "Operational Highlights" and has verified the scientific and technical data contained herein.

During the three months ended March 31, 2017, the Company expensed \$21,284 on exploration expenditures, compared to \$13,724 during the three months ended March 31, 2016. The increase is

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primarily due to the timing of the Company's exploration programs. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

Jewel Ridge

The following table summarizes the Company's current exploration programs at the Jewel Ridge Prospect and total estimated cost to complete each exploration program.

Summary of Completed Activities (Three Months Ended March 31, 2017)	(A) Spent During the Three Months Ended March 31, 2017	Plans for the Project	(B) Planned Expenditures
Three months ended March 31, 2017 – no field activities were completed, property report update in progress. The project claims are in good standing until August 2017	\$21,284	Exploration plans are currently on hold. Lease and claim maintenance only	\$28,000
Subtotals	\$21,284		\$28,000
Total (A+B)			\$49,284

Indian Creek

The following table summarizes the Company current exploration programs at the Indian Creek Project and total estimated cost to complete each exploration program.

Summary of Completed Activities (Three Months Ended March 31, 2017)	(A) Spent During the Three Months Ended March 31, 2017	Plans for the Project	(B) Planned Expenditures
Three months ended March 31, 2017 – no activities were completed The project claims are in good standing until August 2017	\$nil	Care and maintenance until the Company completes a financing Seeking a joint venture partner to undertake a new exploration program	\$7,000
Subtotals	\$nil		\$7,000
Total (A+B)			\$7,000

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Charlie Creek Property

The following table summarizes the Company's current exploration programs at the Charlie Creek Property and total estimated cost to complete each exploration program.

Summary of Completed Activities (Three Months Ended March 31, 2017)	(A) Spent During the Three Months Ended March 31, 2017	Plans for the Project	(B) Planned Expenditures
Three months ended March 31, 2017 – no activities were completed All the project claims are in good standing until August 2017	\$nil	Compilation of previous exploration data from the claims and surrounding area is currently in progress prior to formulating a program for further exploration	\$12,500
Subtotals	\$nil		\$12,500
Total (A+B)			\$12,500

Exploration update for oil and gas interests

Following is the anticipated plan for the Company's Saskatchewan and Alberta oil and gas projects:

Project Name	Plans for Project	Planned Expenditures for Fiscal 2017 (approx.)	Timing for Completion of Planned Activities (approx.)
Primate and Primate North	Oil and gas consulting, fees	\$5,000 ⁽¹⁾	December 2017
Ferrier Project	Find a joint venture partner	\$5,000 ⁽¹⁾	Undetermined

⁽¹⁾ Discretionary and subject to change

Deveron

In December 2016, Deveron tendered 100% of its shareholdings in Boreal Agrominerals Inc. ("Boreal"), by exercising their Dissent Rights, to an offer from a third party to acquire 100% of Boreal by Plan of Arrangement. The obligations of Boreal and the purchaser (together the "Parties") to complete the arrangement are subject to the fulfillment of certain mutual conditions precedent, including: (a) the arrangement shall have been duly approved by the Boreal shareholders; (b) the court shall have approved the arrangement by granting the interim order and final order; (c) the Ministry Consent will have been received; (d) no person has filed or communicated to the Parties that they intend to file an appeal of the final order; (e) no governmental entity shall have enacted, issued, promulgated, enforced or entered any law which is then in effect and has the effect of making the arrangement illegal or otherwise preventing or prohibiting consummation of the arrangement; and (f) the arrangement agreement shall not have been terminated in accordance

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with its terms. There are additional obligations of the Parties to complete the arrangement. However such additional conditions may be waived in whole or in part by the Parties.

The purchaser will pay a total cash purchase price of \$0.32 per Boreal share after the payment of certain obligations of Boreal. Such amounts are to be paid in three tranches over a 12 month period, which could be extended by the purchaser to a 24 month period as follows:

- \$0.03 per share immediately after December 30, 2016 ("Effective Date") (received in January 2017);
- \$0.12 per share on or before the six-month anniversary of the Effective Date; and
- \$0.17 per share on or before the one-year anniversary of the Effective Date, which could be extended to the second anniversary of the Effective Date.

The arrangement agreement calls for total cash consideration to Deveron of \$960,000.

During the year ended December 31, 2016, Deveron recorded a gain on long-term investment of \$90,000 in the consolidated statements of comprehensive loss, being the amount of consideration for the first tranche of \$0.03 per Boreal share.

In January 2017, Deveron received \$90,000 from the sale of Boreal.

On February 27, 2017, Deveron announced that it completed over 500 commercial, incident free, drone flights in 2016. Also, Deveron is adding to its team in western Canada and will be able to provide drone data solutions throughout the 2017 grow season to customers in Alberta, Saskatchewan and Manitoba.

On March 7, 2017, Deveron announced a multi-year commitment to working with Thompson Ltd. to provide leading-edge remote sensing data solutions to its growers. The contract is expected to run through 2018.

During the three months ended March 31, 2017, the share exchange agreement (the "Acquisition") to acquire the shares of 2487473 Ontario Inc. ("Eagle Scout") was amended to remove the additional consideration to issue one common share for each \$1 of gross revenue earned during the four fiscal years ending after the Acquisition ("Additional Payment Shares") up to a maximum of 1 million common shares, which resulted in a gain on debt settlement of \$240,000 recorded in the unaudited condensed interim consolidated statement of loss.

On April 21, 2017, Deveron completed the first tranche of its brokered private placement. Refer to "Events After The Reporting Period" for more details.

On May 3, 2017, Deveron announced that it commenced flying for the 2017 agricultural season in Canada. Deveron also announced that it ordered additional drones, multispectral sensors and hired additional licensed pilots to service key agricultural communities in Canada.

Major Shareholder and Related Party Disclosures

Major Shareholder

To the knowledge of the directors and senior officers of the Company, as at March 31, 2017, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

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Major shareholder	Number of common shares	Percentage of outstanding common shares
Anthony Roodenburg, Chief Executive Officer ("CEO") and a director	5,524,449	12.92%

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Related Party Disclosures

Related parties include the Board, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the fair value, as agreed to by the parties, and approved by the Board in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of key management of the Company was as follows:

Names	Three months ended March 31, 2017 \$	Three months ended March 31, 2016 \$
Carmelo Marrelli, Chief Financial Officer ("CFO") of both Greencastle and Deveron ⁽ⁱ⁾	18,289	19,739
Anthony Roodenburg, CEO and a director ⁽ⁱⁱ⁾	54,000	54,000
James Pirie, President and a director ⁽ⁱⁱⁱ⁾	37,500	37,500
David MacMillan, CEO of Deveron ^(v)	27,500	nil
Total	137,289	111,239

Director fees	Three months ended March 31, 2017 \$	Three months ended March 31, 2016 \$
Chris Irwin, director ^(iv)	7,500	7,500
Michael Power, director ^(iv)	7,500	7,500
Total	15,000	15,000

(i) During the three months ended March 31, 2017, the Company incurred professional fees and disbursements of \$18,289 (three months ended March 31, 2016 - \$19,739) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr.

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Marrelli is the CFO of Greencastle. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2017, Marrelli Support was owed \$20,083 (December 31, 2016 - \$20,095) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three months ended March 31, 2017, the Company paid management fees of \$54,000 (three months ended March 31, 2016 - \$54,000) to Anthony Roodenburg as CEO of Greencastle, included in office and general. The amounts charged by Anthony Roodenburg are conducted on normal market terms and are recorded at their exchange value. As at March 31, 2017, Anthony Roodenburg was owed \$nil (December 31, 2016 - \$15,077) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three months ended March 31, 2017, the Company paid management fees of \$37,500 (three months ended March 31, 2016 - \$37,500) to James Pirie for performing the duties of president of Greencastle, included in office and general. The amounts charged by James Pirie are conducted on normal market terms and are recorded at their exchange value. As at March 31, 2017, James Pirie was owed \$nil (December 31, 2016 - \$5,184) and this amount was included in accounts payable and accrued liabilities.

(iv) During the three months ended March 31, 2017, directors of Greencastle received \$15,000 (three months ended March 31, 2016 - \$15,000) in director fees.

(v) During the three months ended March 31, 2017, salaries and benefits of \$27,500 (three months ended March 31, 2016 - \$nil) were paid to the CEO and director of Deveron. Included in the March 31, 2017 accounts payable and accrued liabilities is \$nil due to the CEO and director of Deveron (December 31, 2016 - \$2,025).

(b) Other related party disclosures:

Names	Three months ended March 31, 2017 \$	Three months ended March 31, 2016 \$
DSA Corporate Services Inc. ("DSA") ⁽ⁱ⁾	6,270	6,527
Irwin Lowy LLP ("Irwin") ⁽ⁱⁱ⁾	nil	21,741
Total	6,270	28,268

(i) During the three months ended March 31, 2017, the Company incurred professional fees and disbursements of \$6,270 (three months ended March 31, 2016 - \$6,527) to DSA, an organization of which Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2017, DSA was owed \$2,507 (December 31, 2016 - \$1,667) and this amount was included in accounts payable and accrued liabilities.

(ii) Legal fees paid to Irwin, a company controlled by Chris Irwin, a director of Deveron. As at March 31, 2017, Irwin was owed \$28,241 (December 31, 2016 - \$28,889) and this amount was included in accounts payable and accrued liabilities.

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Financial Highlights

Financial Performance

Greencastle's net loss totalled \$52,911 for the three months ended March 31, 2017, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$421,405 with basic and diluted loss per share of \$0.01 for the three months ended March 31, 2016. The decrease of \$368,494 in net loss was principally due to the following:

- Income from oil and gas operations during the three months ended March 31, 2017, was \$3,063 (three months ended March 31, 2016 – \$1,357). The increase for the three months ended March 31, 2017, compared to the same period in 2016 is \$1,706. The Company's royalty revenue was higher due to an increase in monthly oil volumes at its Spirit River prospect. Average price for oil at Spirit River for the three months ended March 31, 2017, was \$58 per barrel, compared to an average of \$38 per barrel for the three months ended March 31, 2016.
- Gain on marketable securities for the three months ended March 31, 2017, was \$143,265 (three months ended March 31, 2016 – gain on marketable securities of \$182,981). This decrease in gain of \$39,716 during the period was attributable to the change in fair market value of investments that created a higher gain during the three months ended March 31, 2017, compared to the three months ended March 31, 2016.
- Exploration expenditures for the three months ended March 31, 2017, were \$21,284 (three months ended March 31, 2016 – \$13,724). The change for the three months ended March 31, 2017, was an increase in exploration expenditures of \$7,560 compared to the same period in 2016. The increase was attributable to higher expenditures on the Jewel Ridge Project during the three months ended March 31, 2017.
- Depreciation increased by \$16,268 for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. The increase is attributable to depreciation recorded on computer equipment and drones acquired during the prior year.
- Cost of services increased by \$11,888 for the three months ended March 31, 2017, compared to the three months ended March 31, 2016. The increase is attributable to direct costs (such as salaries and benefits, travel, consulting fees) incurred to generate drone income which is the new business of the Company since the Acquisition during the year ended December 31, 2016.
- Gain on debt settlement increased by \$240,000 for the three ended March 31, 2017 compared to the three months ended March 31, 2016. The increase is attributable to a change in the Acquisition agreement which removed the Additional Payment Shares consideration.
- All other expenses related to working capital expenditures.

Greencastle's total assets at March 31, 2017 were \$4,144,360 (December 31, 2016 - \$4,506,159) against total liabilities of \$506,818 (December 31, 2016 - \$416,548). The decrease in total assets of \$361,799 resulted from cash spent on operating costs, share repurchase, purchase of marketable securities, purchase of property, plant and equipment and dilution of investment in Deveron which was offset by cash received from proceeds from sale of marketable securities and interest and dividends received. The Company has sufficient current assets to pay its existing liabilities of \$506,818 at March 31, 2017.

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Cash Flow

At March 31, 2017, the Company had cash and cash equivalents of \$1,694,517. The decrease in cash and cash equivalents of \$491,851 from the December 31, 2016 cash and cash equivalents balance of \$2,186,368 was as a result of cash outflow in operating activities of \$236,661, cash outflow from financing activities of \$56,140 and cash outflow from investing activities of \$213,789. Operating activities were affected by adjustments of depreciation of \$16,268, change in fair value of derivative liability of \$57,400, gain on marketable securities of \$143,265, gain on debt settlement of \$240,000 and net change in non-cash working capital balances of \$136,978 because of a decrease in sundry receivable of \$85,654, a decrease in royalties receivable of \$721, a decrease in prepaid expenses of \$17,733, an increase in accounts payable and accrued liabilities of \$33,881 and a decrease in decommissioning liability of \$1,011. Financing activities were affected by share repurchase of \$56,140. Investing activities were affected by proceeds from sale of marketable securities of \$98,846, interest and dividends received of \$11,131 which was offset by purchase of marketable securities of \$198,508, dilution of investment in Deveron of \$117,757 and purchase of property, plant and equipment of \$7,501.

Liquidity and Financial Position

The Company expects to be financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. No options or warrants were exercised and the Company did not complete an equity offering during the three months ended March 31, 2017. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2017, the Company is compliant with TSXV Policy 2.5.

During fiscal 2017, the Company's corporate head office costs are estimated to average \$400,000 per quarter, which includes Deveron operational costs. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude exploration expenses. The cost of acquisition and work commitments on the new acquisitions cannot be accurately estimated.

In addition, Deveron anticipates that in order to accomplish the business objectives, it will have to meet the following milestones:

Event	Cost	Spent	Timing
Continue development of on-demand UAS data network	\$125,000	\$nil	6 months
Additional Pilot training	\$5,000	\$5,000	6 months
Ongoing Marketing Campaign	\$50,000	\$10,000	9 months
Data Infrastructure Investment	\$25,000	\$5,000	9 months
Product Feasibility Testing with Partners	\$60,000	\$10,000	9 months
Total	\$265,000	\$30,000	

Deveron may need to adjust the timeframe for meeting various business objectives and milestones depending on the availability of funds. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of

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funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of Deveron. For these reasons, it is considered to be in the best interests of Deveron and its shareholders to afford management a reasonable degree of flexibility as to how the funds are deployed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

In addition, Deveron made a \$600,000 investment in Boreal for a 13.6% interest, to assist Boreal in pursuing its business plan of producing and selling its agromineral fertilizers and soil amendment products. The plan projected that Boreal would produce future cash flows, which could be distributed to its shareholders through dividends although this is not anticipated in the near term. As this was unlikely, Deveron took an impairment charge of \$599,999 on the Boreal investment at December 31, 2015. Current management efforts are focused on selling the company and assets to a group which has the potential to sell most of the production offshore. In December 2016, Deveron tendered 100% of its shareholdings in Boreal, by exercising their Dissent Rights, to an offer from a third party to acquire 100% of Boreal by Plan of Arrangement. The obligations of Boreal and the Parties to complete the arrangement are subject to the fulfillment of certain mutual conditions precedent, including: (a) the arrangement shall have been duly approved by the Boreal shareholders; (b) the court shall have approved the arrangement by granting the interim order and final order; (c) the Ministry Consent will have been received; (d) no person has filed or communicated to the Parties that they intend to file an appeal of the final order; (e) no governmental entity shall have enacted, issued, promulgated, enforced or entered any law which is then in effect and has the effect of making the arrangement illegal or otherwise preventing or prohibiting consummation of the arrangement; and (f) the arrangement agreement shall not have been terminated in accordance with its terms. There are additional obligations of the Parties to complete the arrangement. However such additional conditions may be waived in whole or in part by the Parties. The purchaser will pay a total cash purchase price of \$0.32 per Boreal share after the payment of certain obligations of Boreal. Such amounts are to be paid in three tranches over a 12 month period, which could be extended by the purchaser to a 24 month period as follows:

- \$0.03 per share immediately after the Effective Date (received in January 2017);
- \$0.12 per share on or before the six-month anniversary of the Effective Date; and
- \$0.17 per share on or before the one-year anniversary of the Effective Date, which could be extended to the second anniversary of the Effective Date.

See "Risk Factors".

Outlook

The Company intends to continue exploring properties that have the potential to contain economic deposits of gold or silver and/or other metals, as well as economic deposits of oil and gas. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective.

For the immediate future, Deveron intends to develop the UAS business.

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk Factors" below.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for year ended December 31, 2016, available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

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

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

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Events After the Reporting Period

(i) On April 21, 2017, Deveron completed the first tranche of a brokered private placement led by First Republic Capital Corporation (the "Agent"). Garfinkle Biderman LLP acted as legal advisor to the Agent. Further, the Agent has elected to exercise the over-allotment option to sell up to an additional 5,000,000 Units (as defined below) of Deveron for aggregate proceeds of up to

Greencastle Resources Ltd.

Interim Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended March 31, 2017

Discussion dated: May 23, 2017

\$1,750,000 (the "Over-Allotment Option"). Part of the Over-Allotment Option was closed in the first tranche and it is expected that Deveron will close a second tranche of up to 2,571,428 Units for gross proceeds of up to \$900,000 on or before May 31, 2017.

Pursuant to the terms of an agency agreement between Deveron and the Agent dated April 21, 2017, Deveron completed the first tranche of 3,739,288 units (each, a "Unit") at a price of \$0.35 per Unit, for aggregate gross proceeds of \$1,308,751. Each Unit consists of one common share in the capital of Deveron (a "Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share of Deveron (a "Warrant Share") at a price of \$0.50 per Warrant Share for a period of 18 months after the closing of this first tranche.

As consideration for the services provided by the Agent and other agents in connection with the closing of the First Tranche, the Agent and certain other agents received a cash commission equal to in the aggregate \$117,788 and an aggregate of 336,535 compensation warrants (the "Compensation Warrants"), each Compensation Warrant exercisable at any time until 18 months from the date of closing of the First Tranche into one Common Share at an exercise price of \$0.35. The securities issued in connection with the First Tranche are subject to a hold period until four months and a day from the date of closing of the First Tranche.

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

(ii) On April 28, 2017, the Company completed the cancellation of 1,377,500 shares of the Company according to Issuer Bid 2.

(iii) On May 3, 2017, Deveron announced that it commenced flying for the 2017 agricultural season in Canada. Deveron also announced that it ordered additional drones, multispectral sensors and hired additional licensed pilots to service key agricultural communities in Canada.

(iv) On May 10, 2017, 48,000 stock options with an exercise price of \$0.10 and an expiry date of June 14, 2017 were exercised for gross proceeds of \$4,800.