GREENCASTLE RESOURCES LTD.

"INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS"

THREE AND SIX MONTHS ENDED JUNE 30, 2019

(EXPRESSED IN CANADIAN DOLLARS)

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 and six months ended June 30, 2019 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, 2018. 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, 2018, and December 31, 2017, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019, 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 August 27, 2019, 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 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 June 30, 2020	The operating and exploration activities of the Company for the twelve-month period ending June 30, 2020, 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 six months ended December 31, 2019, 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
Management's outlook regarding future trends	Financing will be available for the Company's exploration and	Gold or silver price volatility; oil and gas price volatility; changes

	operating activities; the price of gold or silver and/or other applicable metals and oil and gas will be favourable to the Company	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 $42,000 has been estimated for the Company's plans for its mineral properties A total of $125,000 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

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 has a royalty interest in one oil and gas property in Alberta where the operator completed a new well in Q1 2019. The well was in production and generated modest income during the current quarter. There has been no income received from the Primate property in Saskatchewan since 2016. The Company's gold and base metal properties are at the exploration stage and, therefore, produce no revenues.

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.

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.

Financial and Operational Highlights

Corporate

On January 14, 2019, 1,400,000 options with an exercise price of $0.10 expired unexercised.

On May 10, 2019, the Company announced that, subject to regulatory approval, it will conduct a normal course issuer bid (the "Bid"). The Bid will be for up to 3,332,872 common shares of the Company over a period of one year (the "Bid Period"), being approximately 8.3% of Company's issued and outstanding common shares and being 10% of the Public Float (as that term is defined in the policies of the TSXV) of the Company's issued and outstanding common shares, with up to 802,353 common shares of the Company purchasable over any 30-day period within the Bid Period, being 2% of Company's issued and outstanding common shares. The Bid Period will commence on May 13, 2019, and will continue until the earlier of May 13, 2020, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the Bid.

During the six months ended June 30, 2019, 232,000 common shares were purchased for cash consideration of $14,170 in accordance with the Bid. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit.

As of June 30, 2019, the common shares repurchased by the Company but not cancelled being 232,000 will be returned to treasury for cancellation and accordingly, they are not considered to be outstanding shares for the purposes of loss per share calculations.

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 and six months ended June 30, 2019, the Company expensed $906 and $14,201, respectively on exploration expenditures, compared to $2,611 and $19,383, respectively during the three and six months ended June 30, 2018. The decrease is primarily due to the timing of the Company's exploration activities. 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 (Six Months Ended June 30, 2019)	(A) Spent During the Six Months Ended June 30, 2019	Plans for the Project	(B) Planned Expenditures
Six Months ended June 30, 2019 – claim maintenance and property report update were recently completed. The project claims are in good standing until August 31, 2020	$13,295	Exploration plans are currently on hold while recent report is evaluated	$20,000
Subtotals	**$13,295**		**$20,000**
Total (A+B)			**$33,295**

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 (Six Months Ended June 30, 2019)	(A) Spent During the Six Months Ended June 30, 2019	Plans for the Project	(B) Planned Expenditures
Six Months ended June 30, 2019 – no activities were completed The project claims are in good standing until August 31, 2020	$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**

Project Generation

The Company expects to spend $15,000 on its other projects. The Company's estimated cost of $15,000 will be spent on project generation in currently prospective metal and minerals.

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 2019 (approx.)	Spent During the Six Months Ended June 30, 2019 (approx.)	Timing for Completion of Planned Activities (approx.)
Primate and Primate North	Oil and gas consulting, fees	$2,000 (1)	$nil	December 2019
Ferrier Project	Lease maintenance and find a JV partner	$8,000 (1)	$nil	Undetermined

(1) Discretionary and subject to change

Major Shareholder and Related Party Disclosures

Major Shareholder

To the knowledge of the directors and senior officers of the Company, as at June 30, 2019, 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:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Anthony Roodenburg, Chief Executive Officer ("CEO") and a director	5,915,499	14.75%

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:

The Company defines key management as its CEO, Chief Financial Officer ("CFO") and Board of Directors.

Names	Six Months ended June 30, 2019 $	Six Months ended June 30, 2018 $
Carmelo Marrelli, CFO (i)	21,783	21,302
Anthony Roodenburg, CEO and a director (ii)	108,000	108,000
James Pirie, President and a director (iii)	15,000	15,000
Total	**144,783**	**144,302**

Names	Three Months ended June 30, 2019 $	Three Months ended June 30, 2018 $
Carmelo Marrelli, CFO (i)	11,102	10,602
Anthony Roodenburg, CEO and a director (ii)	54,000	54,000
James Pirie, President and a director (iii)	7,500	7,500
Total	**72,602**	**72,102**

Director fees	Six Months ended June 30, 2019 $	Six Months ended June 30, 2018 $
Chris Irwin, director (iv)	7,500	7,500
Michael Power, director (iv)	7,500	7,500
Total	**15,000**	**15,000**

Director fees	Three Months ended June 30, 2019 $	Three Months ended June 30, 2018 $
n/a	nil	nil
Total	**nil**	**nil**

(i) During the three and six months ended June 30, 2019, the Company incurred professional fees and disbursements of $11,102 and $21,783, respectively (three and six months ended June 30, 2018 - $10,602 and $21,302, respectively) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. 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 June 30, 2019, Marrelli Support was owed $2,389 (December 31, 2018 - $11,210) and this amount was included in accounts payable and accrued liabilities.

(ii) During the three and six months ended June 30, 2019, the Company paid management fees of $54,000 and $108,000, respectively (three and six months ended June 30, 2018 - $54,000 and $108,000, respectively) 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 June 30, 2019, Anthony Roodenburg was owed $nil (December 31, 2018 - $9,886) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and six months ended June 30, 2019, the Company paid management fees of $7,500 and $15,000, respectively (three and six months ended June 30, 2018 - $7,500 and $15,000, respectively) 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 June 30, 2019, James Pirie was owed $nil (December 31, 2018 - $2,024) and this amount was included in accounts payable and accrued liabilities.

(iv) During the three and six months ended June 30, 2019, directors of Greencastle received $nil and $15,000, respectively (three and six months ended June 30, 2018 - $nil and $15,000, respectively) in director fees. Included in the June 30, 2019 accounts payable and accrued liabilities is $15,000 due to directors of Greencastle (December 31, 2018 - $nil).

(v) Share-based payments:

Names	Six Months ended June 30, 2019 $	Six Months ended June 30, 2018 $
Anthony Roodenburg, CEO and a director	nil	149,600
James Pirie, President and a director	nil	37,400
Chris Irwin, director	nil	18,700
Michael Power, director	nil	18,700
Carmelo Marrelli, CFO	nil	7,480
Total	**nil**	**231,880**

Names	Three Months ended June 30, 2019 $	Three Months ended June 30, 2018 $
n/a	nil	nil
Total	**nil**	**nil**

(b) Other related party disclosures:

Names	Six Months ended June 30, 2019 $	Six Months ended June 30, 2018 $
DSA Corporate Services Inc. ("DSA") (i)	4,876	5,836
Irwin Lowy LLP ("Irwin") (ii)	9,794	10,852
Total	**14,670**	**16,688**

Names	Three Months ended June 30, 2019 $	Three Months ended June 30, 2018 $
DSA (i)	2,316	3,228
Irwin (ii)	9,113	9,007
Total	**11,429**	**12,235**

(i) During the three and six months ended June 30, 2019, the Company incurred professional fees and disbursements of $2,316 and $4,876, respectively (three and six months ended June 30, 2018 - $3,228 and $5,836, respectively) to DSA, an organization which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2019, DSA was owed $2,147 (December 31, 2018 - $908) 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 Greencastle. As at June 30, 2019, Irwin was owed $5,421 (December 31, 2018 - $1,057) and this amount was included in accounts payable and accrued liabilities.

(iii) During the three and six months ended June 30, 2019, the Company received corporate advisory fees of $9,000 and $18,000 (three and six months ended June 30, 2018 - $nil) from Deveron which is included as other income in the unaudited condensed interim consolidated statements of loss.

During the three and six months ended June 30, 2019, the Company earned rental income of $7,500 and $15,000, respectively (three and six months ended June 30, 2018 - $nil) from Deveron which is included in rent in the unaudited condensed interim statements of comprehensive loss.

Included in the June 30, 2019 sundry receivable is $17,475 due from Deveron (December 31, 2018 - $nil) for rent and corporate advisory services.

Financial Highlights

Financial Performance

Greencastle's net loss totalled $99,263 for the three months ended June 30, 2019, with basic and diluted loss per share of $0.00. This compares with a net loss of $88,633 with basic and diluted loss per share of $0.00 for the three months ended June 30, 2018. The increase of $10,630 in net loss was principally due to the following:

- Unrealized loss on marketable securities for the three months ended June 30, 2019, was $141,255 (three months ended June 30, 2018 – unrealized loss of $198,657). The decrease in unrealized loss of $57,402 was attributable to the change in fair market value of investments that created a lower loss during the three months ended June 30, 2019, compared to the three months ended June 30, 2018.

- Realized gain on marketable securities for the three months ended June 30, 2019, was $33,505 (three months ended June 30, 2018 – realized gain of $59,995). This decrease in realized gain of $26,490 was attributable to the change in fair market value of investments that were sold during the period and comparative period.

- Loss from investment in and loans to associate for the three months ended June 30, 2019, was $23,214 (three months ended June 30, 2018 - $137,846). This decrease of $114,632 was attributable to the retained investment in Deveron which is accounted for as an equity investment.

- Other income increased by $9,000 for the three months ended June 30, 2019 compared to the three months ended June 30, 2018. The increase is attributable to corporate advisory services fees of $9,000 (three months ended June 30, 2018 - $nil) received from Deveron.

- Exploration expenditures for the three months ended June 30, 2019, were $906 (three months ended June 30, 2018 – $2,611). The change for the three months ended June 30, 2019, was a decrease in exploration expenditures of $1,705 compared to the same period in 2018. The decrease was attributable to lower expenditures on the Jewel Ridge Project during the three months ended June 30, 2019.

- All other expenses related to working capital expenditures.

Greencastle's total assets at June 30, 2019 were $5,028,265 (December 31, 2018 - $5,426,357) against total liabilities of $175,824 (December 31, 2018 - $287,466). The decrease in total assets of $398,092 resulted from cash received from proceeds from sale of marketable securities and interest and dividends received which was offset by cash spent on investment in associate, operating costs and purchase of marketable securities. The Company has sufficient current assets to pay its existing liabilities of $175,824 at June 30, 2019.

Cash Flow

At June 30, 2019, the Company had cash and cash equivalents of $468,442. The decrease in cash and cash equivalents of $369,787 from the December 31, 2018 cash and cash equivalents balance of $838,229 was as a result of cash outflow in operating activities of $237,507, cash outflow from financing activities of $40,599, cash outflow from investing activities of $91,424 and the effect of exchange rate changes on cash held in foreign currency of $257. Operating activities were affected by adjustments of depreciation of $16,950, change in fair value of derivative liability of $86,800, loss on marketable securities of $77,060, interest expense of $13,358, unrealized foreign exchange of $1,094, loss from investment in and loans to associate of $224,814 and net change in non-cash working capital balances of $26,265 because of an increase in sundry receivable of $24,018, a decrease in prepaid expenses of $9,524 and a decrease in accounts payable and accrued liabilities of $11,771. Financing activities were affected by lease payments of $26,429 and share repurchase of $14,170. Investing activities were affected by proceeds from sale of marketable securities of $268,878, interest and dividends received of $31,575, which was offset by purchase of marketable securities of $355,257 and purchase of shares in investment in associate of $36,520.

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. 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 June 30, 2019, the Company is compliant with TSXV Policy 2.5.

During fiscal 2019, the Company's corporate head office costs are estimated to average $125,000 per quarter. 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.

See "Risk Factors".

Based on the Company working capital of $2,648,199 at June 30, 2019 (December 31, 2018 - $2,745,747), it is anticipated the Company will have sufficient funds to fund its exploration budget of $42,000, plans for its oil and gas prospects of $10,000, current liabilities of $89,127 and estimated remaining operating expenses of $250,000 ($125,000 per quarter), for fiscal 2019.

Equity Investments

During the year ended December 31, 2017, the Company concluded that in accordance with IFRS it no longer has control of Deveron since the number of common shares held by the Company decreased from 53.34% to 42.04%. As a result of the deemed loss of control the Company no longer consolidates Deveron's financial position and performance. After deconsolidation, the retained investment in Deveron is accounted for as an equity investment.

As at June 30, 2019, Greencastle's holdings in Deveron was 22.8% (December 31, 2018 – 22.5%).

The Company is considered to have significant influence over Deveron due to the percentage of its equity interest in Deveron and its representation on Deveron's board of directors. Accordingly, Greencastle accounts for its investment in Deveron using the equity method.

Under the equity method, the Company's investments are initially recognized at cost, and the carrying amounts are increased or decreased to recognize the Company's share of the profit or loss after the date of acquisition. Loss on the equity investment was $224,814 for the six months ended June 30, 2019.

The carrying value of the equity investment in Deveron is $2,189,237 as at June 30, 2019 (December 31, 2018 - $2,377,531).

The fair value of the Company's equity investment in Deveron is $2,421,861 based on the closing share price, as at June 30, 2019.

Description of Deveron

At present, Deveron is a leading agriculture technology company focused on providing data acquisition services and data analytics to the farming sector in North America. Through its on-demand network of drone pilots and soil sampling technicians, the company is providing scalable data acquisition solutions in the imagery and soil space. Additionally, through its wholly owned subsidiary Veritas Farm Management, the company provides growers in North America with independent data insight on the data it collects and is being generated on today's farm. On July 19, 2016, Deveron's common shares started trading on the Canadian Securities Exchange ("CSE") under the symbol "DVR". The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

Corporate Update

On March 25, 2019, Deveron granted 2,575,000 stock options to certain officers, employees and advisors to the company. The stock options, at a price of $0.30 per share, will expire in three and five years from the issue date.

On March 31, 2019, 500,000 stock options with an exercise price of $0.37 were cancelled.

UAS Update

The company continues to develop a drone data network to provide on-demand, field level data to enterprises in the agricultural industry. The focus of the company is to work with leading hardware, sensor and analytics providers to provide a scalable solution for using drones on the farm. Deveron continues to develop relationships with leading players in the agricultural space that see the value of working with a service based, standardized drone network.

On January 3, 2019, Deveron and agriculture retailer South West Agromart ("South West"), a member of the Agromart Company of Canada, jointly announced a collaborative initiative between South West and Veritas. This joint initiative is a fresh approach to introducing value-added data solutions to farmers in south western Ontario, including precision farming applications.

On January 23, 2019, the company announced the launch of new product offerings for crop researchers and breeders. These tools enable the rapid collection of measurements across research trials for more efficient and insightful monitoring.

On January 29, 2019, Deveron announced that it entered into a service agreement with A & L Canada Laboratories Inc. ("A & L") in which A & L will engage Deveron to administer, manage and execute A & L's soil sampling collection business. The initial term of the agreement is for 5 years and has an anticipated value of $3.8M over the term of the agreement.

On March 11, 2019, Deveron announced that it was awarded an artificial intelligence ("AI") for Earth grant from Microsoft to help further the company's efforts in AI and making recommendations and predictions using agricultural data.

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

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

On June 11, 2019, Deveron announced the engagement of several global leaders in agricultural research to service high-value research plots on the Canadian Prairies and US Midwest for the 2019 agricultural season. The work will use imagery collected by UAV to enable new efficiencies in high-throughput phenotyping and crop protection research for the advancement of various crop technologies. The projects will cover a wide range of growing environments, including Missouri, North Dakota, Ohio, and Saskatchewan. The development of these pilot projects will be evaluated for future years after data from this season has been analyzed.

On August 13, 2019, Deveron announced it has entered into an agreement to acquire Kansas City, Missouri based digital agriculture provider Atlas Team ("Atlas"). The purchase price for the acquisition of Atlas comprises 250,000 shares of the Company, issued to the shareholders of Atlas, at a deemed price of $0.30. Under the terms of the agreement, the shares will be released from escrow in 3 tranches on an annual basis, commencing on the first anniversary of the closing date. All securities issued in connection with the acquisition are subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

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 opportunities in 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.

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, 2018, 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 unaudited condensed interim 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.