DRONE DELIVERY CANADA CORP.

CSE FORM 2A
LISTING STATEMENT

June 6, 2016

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Schedule "A"	Financial Statements of Asher Resources Corporation • Auditor's consent of D&H Group LLP, Chartered Professional Accountants. • Audited Financial Statements for the years ended December 31, 2015, 2014 and 2013 and related MD&A for years ended December 31, 2015 and 2014.
Schedule "B"	Financial Statements of Drone • Auditor's consent of D&H Group LLP, Chartered Professional Accountants. • Audited Financial Statements from the date of incorporation to December 31, 2014. • Audited Financial Statements for the year ended December 31, 2015 and related MD&A.
Schedule "C"	Pro Forma Consolidated Financial Statements of the Issuer as at December 31, 2015.

Forward-Looking Statements

Unless otherwise indicated, use of the term "**Asher**" or the "**Company**" refers to Asher Resources Corporation prior to the Transaction (as defined below). Unless otherwise indicated, use of the term "**Issuer**" refers to Asher following the Transaction, together with Drone Delivery Canada Inc. ("**Drone**"), its wholly-owned operating subsidiary. The information provided in this listing statement (the "**Listing Statement**"), including information incorporated by reference, may contain "forward-looking statements" about Asher, Drone and the Issuer. In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and/or Drone and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and

other risks described in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer and/or Drone. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer and/or Drone undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation (see *Section 17 – Risk Factors*).

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither Asher nor Drone have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

2. CORPORATE STRUCTURE

2.1(a) – Corporate Name and Head and Registered Office – Asher

Asher was incorporated under the *Business Corporations Act* (British Columbia) on February 2, 2011. Up to February 28, 2012 Asher's common shares (the "**Common Shares**") were listed, as a capital pool company ("**CPC**"), on the TSX Venture Exchange ("**TSXV**"). On February 29, 2012, Asher received final TSXV approval on its October 20, 2011 option agreement (as amended on October 10, 2013) (the "**Option Agreement**") with Aurion Resources Ltd. (the "**Optionor**") to earn up to a 100% interest in certain mining claims, located in the Vernon Hills area, Vernon Mining Division, British Columbia (the "**Lavington Property**") and became a Tier 2 Mining Issuer under TSXV policies, trading under the symbol ACN.

Asher's registered office and records office is located at 1000 - 36 Toronto Street Toronto, Ontario, M5C 2C5.

2.1(b) – Corporate Name and Head and Registered Office – Drone

Drone was incorporated under the *Business Corporations Act* (Ontario) as 2429416 Ontario Ltd. on August 8, 2014. On November 24, 2015 Drone filed articles of amendment to, among other things, change its name to Drone Delivery Canada Inc.

Drone's head office and registered office is located at 6-6150 Highway No. 7, Suite 441, Vaughan, Ontario, L4H 0R6.

2.2(a) – Jurisdiction of Incorporation – Asher

Asher was incorporated under the *Business Corporations Act* (British Columbia) ("**BCBCA**").

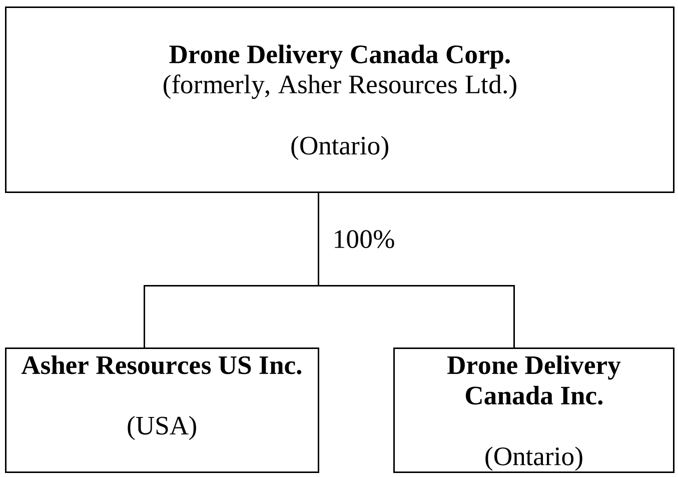
2.2(b) – Jurisdiction of Incorporation – Drone

Drone was incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**").

2.3 – Inter-corporate Relationships

Asher has two wholly-owned subsidiaries, Asher Resources US Inc., which was incorporated in Nevada, USA, and 2500527 Ontario Ltd. ("**Subco**"), which was incorporated in Ontario on January 18, 2016, solely for the purpose of completing the Amalgamation (as defined below) with Drone.

On completion of the Transaction described below in *Section 3 – General Development of the Business*, Drone became a wholly-owned subsidiary of Asher, and the corporate structure of the Issuer is as follows:



2.4 – Fundamental Change

On June 6, 2016, Asher and Drone completed the Transaction. The Issuer is now Drone Delivery Canada Corp. (formerly Asher) with two wholly-owned subsidiaries, Drone Delivery Canada Inc. and Asher Resources US Inc. (in accordance with the corporate structure diagram in Section 2.3 above).

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1(a) – General Development of Asher's Business

Asher was incorporated under the BCBCA on February 2, 2011. On February 29, 2012, Asher received final TSXV approval on the Option Agreement with the Optionor and Asher became a Tier 2 mining issuer under TSXV policies trading under the symbol ACN. Prior to completion of the Transaction, Asher was in the business of exploration and development of mineral properties.

Asher currently has a 100% legal and beneficial interest in the Lavington Property pursuant to the Option Agreement, as amended on October 10, 2013 pursuant to an amending agreement between Asher, the Optionor and Cazador Resources Ltd. ("**Cazador**"). The Optionor and the underlying owner of the Lavington Property, Cazador (an arm's length party), have each retained two percent (2%) net smelter return royalties, for a total royalty burden of 4%, half of which may be purchased by Asher paying $1,000,000 to each of the Optionor and Cazador ($2,000,000 in total) within the time allowed. Following Asher's exercise of the option on or around

June 30, 2014, an advance royalty payment of $40,000 became payable to Cazador annually beginning on October 12, 2014. Asher has a 100% legal and beneficial interest in the Lavington Property. As of the date of this Listing Statement, Asher is required to pay Cazador $80,000 for annual advanced royalty payments which were due in October 2015.

On March 20, 2012, Asher signed a definitive option agreement (as amended) to acquire a 100% interest in the King Mine property ("**King Mine Property**"), a prospective mineral property consisting of 42 lode claims, located in Mineral County, Nevada, USA from ProJem Venture Inc. ("**Projem**"), a private Nevada corporation. Projem has retained a three percent (3%) net smelter return royalty, half of which may be purchased by the Company paying US $1,500,000 within the time allowed. As of the date of this Listing Statement, Asher is required to make the following payments to maintain the option on the King Mine Property: (i) USD$60,000 due March 20, 2016; (ii) USD$40,000 due March 20, 2017; and USD$1,345,000 due March 20, 2018.

On April 22, 2013, Asher issued 1,349,930 common shares in connection with a private placement consisting of 1,349,930 units, closing subsequently on August 23, 2013, for aggregate gross proceeds of $269,986. Each unit consisted of one Common Share and one Common Share purchase warrant. Each warrant was exercisable to purchase one additional Common Share at $0.30 for a period of two years. In addition, 60,000 finders warrants were issued under the same terms. Cash costs of issue associated with this placement were $19,860.

On September 30, 2013, Asher closed a private placement financing consisting of 3,435,000 units and 1,000,000 flow-through Common Shares for aggregate gross proceeds of $887,000. Each unit consisted of one Common Share and one Common Share purchase warrant. Each warrant was exercisable to purchase one additional Common Share at $0.30 for a period of two years. In addition, 190,400 finders warrants were issued under the same terms. Cash costs of issue associated with this placement were $57,575.

On October 15, 2013, Asher announced that it engaged New Frontier Drilling out of Fallon Nevada, to conduct King Mine exploration drill campaign comprising of a 2,150m (7,074ft) reverse circulation drilling program in 11 high priority targets.

On October 17, 2013, Asher announced that it agreed to amend the original option payments owed to Cazador and the Optionor pursuant to the terms of the Option Agreement and issue an aggregate of 900,000 Common Shares in lieu thereof. Following such issuances Asher would own a 100% interest in the Lavington Property subject to: (i) completing its final work commitment by June 30, 2013; (ii) an advanced royalty payment of $40,000 per annum to Cazador; and (iii) a 2% net smelter return to each of the Optionor and Cazador.

On October 30, 2013, Asher issued 900,000 Common Shares with an ascribed fair value of $306,000, as required to maintain the Option on the Lavington Property.

On November 20, 2013, Asher closed a private placement financing consisting of 2,456,000 units for aggregate gross proceeds of $491,200. Each unit consisted of one Common Share and one Common Share purchase warrant. Each warrant was exercisable to purchase one additional Common Share at $0.30 for a period of two years. In addition, 102,000 finders warrants were issued. Each finders warrant was exercisable to purchase one additional Common Share at $0.20 for a period of two years. Cash costs of issue associated with this placement were $35,256.

On December 17, 2013 and December 23, 2013, Asher announced the completion of its first phase drilling program on the King Mine Property and released the drill assay results.

On January 9, 2014, Asher announced the stock option grant of 1,120,000 stock options having an exercise price of $0.10 per Common Share for a period of 5 years to various directors, officers and consultants.

On February 20, 2014, Asher provided an update on the technical review of the King Mine Property and the plans of Asher for its work program and next drill program.

On February 25, 2014, Asher announced the receipt of a drill permit for the Lavington Property and the plans for a three-hole phase 1 drill program.

On June 9, 2014, Asher announced the commencement of the drill program on the Lavington Property. On July 29, 2014 Asher announced the assay results on the drill program at the Lavington Property.

On September 9, 2014, Asher announced the second phase of drilling was approved and planned drill program for the King Mine Property. On October 7, 2014, Asher announced the commencement of the drill program at the King Mine Property.

On October 23, 2014, Asher closed a private placement financing consisting of 1,383,333 flow-through units for aggregate gross proceeds of $83,000. Each unit consisted of one flow-through Common Share and a one half Common Share purchase warrant. Each whole warrant was exercisable to purchase one additional Common Share at $0.10 for a period of one year. Cash costs of issue associated with this placement were $1,316.

On December 23, 2014, Asher announced the completion of the phase 2 drilling program at the King Mine Property and released the drill assay results.

On June 16, 2015, Asher provided a corporate update to its shareholders and announced that it had $800,000 cash and receivables and that Asher was successful in deferring certain option payments on both of its mineral properties. Further, Asher announced it intended to advance the Lavington Property with further field work and mapping. Asher also announced it was looking at options to advance its King Mine Property through a possible joint venture or corporate transaction.

On December 17, 2015, Drone and Asher entered into a letter of intent (the "**LOI**") providing for the amalgamation of Asher and Drone to form the Issuer. On January 19, 2016, Asher, Drone and Subco entered into an amalgamation agreement (the "**Amalgamation Agreement**") whereby Drone and Subco would complete an amalgamation under the provisions of the OBCA (the "**Amalgamation**") and upon the completion of the Amalgamation, Drone would become a reporting issuer listed on the CSE (the "**Transaction**").

On May 31, 2016, the shareholders of Asher approved, among other things, the Amalgamation, the Consolidation (as defined below), the Name Change (as defined below) and the Delisting (as defined below).

On April 11, 2016, Asher announced that it had retained First Republic Capital Corporation (the "**Agent**") to act as agent in connection with a best efforts brokered private placement to raise gross proceeds of up to $2,500,000 through the issuance of up to 17,857,142 Asher subscription receipts (the "**Subscription Receipts**") at a price of $0.14 per Subscription Receipt (the "**Asher Financing**"). The gross proceeds of the Asher Financing less certain expenses of the Agent will be held in escrow on behalf of the subscribers by an escrow agent. In connection with the Asher Financing, the Agent will be entitled to a corporate finance fee in an amount equal to 2% of the aggregate gross proceeds of the Subscription Receipts sold and a sales commission equal to 6% of the aggregate gross proceeds of the Subscription Receipts sold. In addition, as additional compensation, Asher will issue to the Agent corporate finance warrants entitling the Agent to purchase a number of Asher post-Consolidation Common Shares equal to 2% of the aggregate number of Subscription Receipts sold and selling compensation warrants entitling the Agent to purchase a number of Asher post-Consolidation Common Shares equal to 6% of the aggregate number of Subscription Receipts sold (collectively, the "**Compensation Warrants**"), at an exercise price of $0.14 per Compensation Warrant for 24 months from the date of closing of the Asher Financing.

On May 13, 2016, Asher announced an increase to the Asher Financing to up to 19,642,857 Subscription Receipts for gross proceeds of up to $2,750,000.

On May 25, 2016, Asher announced the completion of the Asher Financing through the issuance of 19,642,857 Subscription Receipts of Asher for gross proceeds of $2,749,999.98. In connection with the Asher Financing, the Agent and certain selling group members received a corporate finance fee of $55,000 and a sales commission of $165,000 in the aggregate. In addition, Asher issued 1,571,428 Compensation Warrants entitling the Agent to purchase such number of Asher post-Consolidation Common Shares at an exercise price of $0.14 per Asher post-Consolidation Common Share for 24 months from the date of closing of the Asher financing.

3.1(b) – General Development of Drone's Business

Fiscal Year ended December 31, 2014

Beginning in January 2014, Drone began to formulate its business plan, and commenced development.

On August 8, 2014, Drone was incorporated as 2429416 Ontario Limited and subsequently changed its name to Drone Delivery Canada Inc. on November 24, 2015.

On August 8, 2014, Drone issued 14,125,000 common shares at a price of $0.0001 per common share for $1,412 to certain directors, officers and management of Drone.

Since establishing its operations in August 2014, management has been expeditiously assembling the business operations to establish itself as market leaders in the drone delivery logistics vertical ahead of its competition.

From September 2014 to December 2014, Drone focused on researching markets, technologies and potential capital structures and continued to develop its business plan.

Drone's evolution from a concept to a business stems from management's extensive knowledge and track record in building successful technology businesses in the past. Utilizing managements business, technical expertise along with harnessing their extensive network of contacts in the capital markets, technology and academia, Drone has quickly mobilized from a start-up concept to a leading Canadian drone technology company.

Fiscal Year ended December 31, 2015

In June 2015, Drone entered into memorandums of understanding ("MOU") with 7 Canadian retail businesses including SHOP.CA. to co-develop a drone delivery service.

In July 2015 and October 2015, Drone entered into similar customer/partner MOUs with a Canadian franchise operator and a Canadian on-line retailer.

On November 11, 2015, Drone entered into a finders' fee agreement (the "**Finders' Agreement**") with Jason Monaco and Richard Buzbuzian (the "**Finders**"). Under the terms of the Finders' Agreement, the Finders agreed to raise funds for Drone. As consideration for the services provided by the Finders, Drone agreed to pay the Finders a cash finder's fee of 5% of funds raised. Drone paid an aggregate of $45,674 to the Finders in connection with the private placement financings, completed in December 2015 and January 2016.

On November 24, 2015 Drone filed articles of amendment, among other things, to change its name to Drone Delivery Canada Inc.

On November 24, 2015, Drone issued an aggregate of 18,500,000 common shares in connection with a debt settlement of $370,000 of outstanding indebtedness owed by Drone at a price of $0.02 per common share. Of the 18,500,000 common shares, 14,000,000 common shares were issued to companies controlled by Tony Di Benedetto and Paul Di Denedetto to settle an aggregate of $280,000 of indebtedness and 4,500,000 common shares were issued to a company owned and controlled by Greg Colacitti to settle an aggregate of $90,000 of indebtedness.

On November 24, 2015, Drone issued 14,875,000 common shares at a deemed price of $0.02 per common share, of which 1,625,000 common shares were issued to certain directors, officers, management and consultants of Drone.

On December 17, 2015, Drone entered into the LOI with Asher providing for the amalgamation of Asher and Drone to form the Resulting Issuer. For details of the LOI see *Section 3.1(a) - General Development of Asher's Business*.

On December 18, 2015, Drone closed the first tranche of its private placement financing consisting of 9,585,714 common shares for aggregate gross proceeds of $335,500. In addition, 512,000 finders warrants were issued under the same terms. Cash costs of issue associated with this placement was broker commissions of $17,920 and additional finder's fee of $33,500. Included in the finders' fees is $18,425 to the President of Drone.

Events Occurring Subsequent to December 31, 2015 and Prior to Date of this Listing Statement

On January 5, 2016, Drone closed the second tranche of its private placement financing consisting of 1,464,171 common shares for aggregate gross proceeds of $51,246. In addition, 34,285 finders warrants were issued under the same terms. Cash costs of issue associated with this placement was broker commissions of $1,200 and additional finders' fees of $12,174. Included in the finders' fees is $6,695 to the President of Drone.

On January 7, 2016, Drone closed the third tranche of its private placement financing consisting of 1,000,000 common shares for aggregate gross proceeds of $35,000.

On January 19, 2016, Drone entered into the Amalgamation Agreement with Asher and Subco. For details of the Amalgamation Agreement see *Section 3.2 – Significant Acquisitions and Dispositions*.

On February 24, 2016, Drone closed the fourth and final tranche of its private placement financing consisting of 1,000,000 common shares for aggregate gross proceeds of $35,000.

3.1(c) – Proposed General Development of Issuer's Business

Following the Amalgamation, the Issuer will change its business to the business of Drone as noted above and below and will continue to develop Drone's business plans and technology. The combined funds of Asher and Drone will be utilized for additional advancement of Drone's technologies and business plan, further acquisitions and for general working capital purposes.

3.2 – Significant Acquisitions and Dispositions

The Transaction

Asher, Drone and Subco have entered into the Amalgamation Agreement, pursuant to which the parties agreed to complete a business combination by way of a three-cornered amalgamation (the "**Transaction**") under the provisions of the OBCA. Under the terms of the Amalgamation Agreement, Asher completed the Consolidation, resulting in Asher having 6,015,224 Common Shares immediately prior to closing (the "**Closing**") of the Transaction. Drone then amalgamated with Subco and Asher will now carry on the current business of Drone as Drone will be a wholly owned operating subsidiary of Asher. On June 6, 2016, Asher completed the Consolidation and filed notice of articles to change its name to "Drone Delivery Canada Corp." (the "**Issuer**").

Transaction Mechanics

Pursuant to the Amalgamation Agreement, and as a condition of completion of the Transaction, the following transactions occurred concurrent with or before the completion of the Transaction:

(a) Delisting from TSXV

Following approval of the shareholders of Asher on May 31, 2016, the Common Shares of Asher were voluntarily delisted from the TSXV effective June 3, 2016 (the "**Delisting**").

(b) Consolidation and Name Change

Following approval of the shareholders of Asher on May 31, 2016, the Common Shares of Asher were consolidated on a 4 for 1 basis (the "**Consolidation**"), following which there were 6,015,224 Common Shares issued and outstanding immediately prior to the Amalgamation, and Asher changed its name to "Drone Delivery Canada Corp.", both effective as of June 6, 2016.

(c) Debt Settlement

On June 6, 2016, Asher completed the settlement of debt in the aggregate of $185,000 through the issuance of 3,083,333 post-Consolidation Common Shares at a deemed price of $0.06 per share to certain creditors of Asher (the "**Debt Settlement**").

(d) Amalgamation

Pursuant to the provisions of the OBCA, Subco and Drone amalgamated to form Drone Delivery Canada Inc., effective on June 6, 2016.

(e) Share Exchange upon Completion of the Amalgamation

Pursuant to the terms of the Amalgamation Agreement, each former shareholder of Drone will be entitled to receive one (1) post-Consolidation Common Share of Asher (each, an "**Issuer Share**") for every one (1) Drone common share (the "**Drone Shares**") held by such shareholder. Drone had 60,549,885 Drone Shares outstanding prior to the completion of the Amalgamation.

The Transaction was completed by way of exempt distribution in connection with a business combination pursuant to applicable securities laws.

Conditions to Closing the Transaction and Required Approvals

The Transaction was subject to a number of approvals, which were obtained, and conditions, which were met, prior to its implementation, including, but not limited to the following:

(a) completion of the Delisting and Consolidation;

(b) the approval of the Transaction by the shareholders of Drone and Asher;

(c) the election and appointment of certain directors and officers of the Issuer;

(d) all conditions precedent set forth in the Amalgamation Agreement, having to be satisfied or waived by the appropriate party; and

(e) the receipt of all necessary corporate, regulatory and third party approvals and compliance with all applicable regulatory requirements and conditions in connection with the Transaction.

Following the Consolidation, the Issuer had 6,015,224 Common Shares issued and outstanding immediately prior to the completion of the Transaction. Upon the completion of the Amalgamation, Debt Settlement and Asher Financing and after the issuance of the Issuer Shares to the former Drone shareholders, the Issuer had 89,291,299 Issuer Shares issued and outstanding, with former Drone Shareholders holding 60,549,885 Issuer Shares or approximately 67.8% of the outstanding Issuer Shares.

Certain of the Issuer Shares held by the new directors and officers of the Issuer will be subject to escrow (the "**Escrow**") that prohibits transfer for up to a three year period following the listing of the Issuer on the CSE (the "**Listing**") pursuant to the policies of the CSE and Form 46-201 Escrow Agreement. In addition, pursuant to the terms of the Amalgamation Agreement, certain former shareholders of Drone holding 47,500,000 Issuer Shares in the aggregate have entered into lock-up agreements (the "**Lock-Up Agreements**") pursuant to which they will be restricted from selling or transferring their respective Issuer Shares for a period of six (6) months from completion of the Listing Transaction (the "**Listing Date**"), following which such Issuer Shares will, if applicable, continue to be subject to such escrow requirements as may be prescribed by the CSE escrow policies and applicable Canadian securities laws. Notwithstanding the Escrow and Lock-Up Agreements the shareholders holding these Issuer Shares will otherwise have all of the normal rights associated with Issuer Shares, such as entitlement to dividends, voting powers and participation in assets upon dissolution or winding up, until they are released from escrow (see *Section 11 – Escrowed Securities*).

The board of directors (the "**Board**") of the Issuer was reconstituted in conjunction with the completion of the Transaction such that it now consists of five directors: Tony Di Benedetto, Richard Buzbuzian, Chris Irwin, Michael Della Fortuna and Robert Montemarano. The Amalgamation Agreement also requires that following the closing of the Transaction the constitution of the Issuer's senior management would include Tony Di Benedetto as Chief Executive Officer, Paul Di Benedetto as Chief Technology Officer, Richard Buzbuzian as President, Robert Suttie as Chief Financial Officer and Greg Colacitti as Vice President, Business Development.

3.3 – Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. However, there are significant risks associated with the business of the Issuer (see *Section 17 – Risk Factors*).

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1(a) – Narrative Description of the Issuer's Business

The business of Drone became the business of the Issuer following the Closing of the Transaction (see *Section 4.1(b) – Narrative Description of Drone's Business*).

4.1(b) – Narrative Description of Drone's Business

Founded in August 2014, Drone is a pioneering technology firm based out of Toronto, Ontario that focuses on designing, developing and implementing a commercially viable drone delivery logistics platform within the Canadian market. The technology that Drone is seeking to develop and deploy is a disruptive technology that could re-define the traditional shipping and delivery market model.

Drone is a pioneering logistics company employing the use of drones to a new business era. Drones will be able to deliver products faster, easier and cheaper allowing retailers, service organizations and government agencies to expand their revenue base and grow their respective bottom lines. Regulatory bodies have begun legislating commercial drone use and Drone will work with such bodies to develop this technology as it unfolds.

Drone is pioneering the design, development and implementation of a commercial drone logistics platform for retailers, service organizations and government agencies in a made in Canada solution by Canadians for Canadians. Drone's business foundation is based on three key principals:

(i) Canadian Innovation: develop an innovative drone delivery logistics platform utilizing partnerships with leading Canadian universities, academics and organizations;

(ii) Market Disruption: develop a logistics solution utilizing drone technology to disrupt the traditional logistics delivery market segment in Canada; and

(iii) Green Technology: develop a platform that embraces green technology minimizing a carbon footprint.

Drone's Achievements to Date

Drone's achievements to date include:

- Established R&D drone logistics lab;
- Extensive UAV airframe development;
- Initiated development of its flight and logistics management platform;
- Assembled leading Canadian academics to lead UAV innovation;
- Development of extensive client engagement; and
- Commenced efforts to secure extensive patents.

R&D Laboratory in Vaughan, Ontario

Drone has established its R&D development laboratory in Vaughan, Ontario. The development lab houses a variety of leading edge manufacturing and development technologies to prototype and advance the development of Drone's drone delivery logistics platform. Drone has invested in leading edge prototyping and development infrastructure which include multiple 3D printers able to produce and develop drone components in many materials including; PLA, aluminum, carbon fiber, ABS, PET and next generation super materials including graphene to name but a few. Drone has also invested in automated CNC machinery, to aid in precision development of carbon fiber, plastic and composite material parts and structures for its airframe design and development initiatives. The Vaughan facility also includes modern, technology enabled offices and meeting rooms and advanced information technology infrastructure which includes an array of data servers (private cloud) which are utilized to assist in developing and testing Drone's software management and logistics platforms along with three dimensional modeling applications.

Drone UAV Airframe Development

Drone has been extensively developing and prototyping various renditions of its delivery drone unit since Drone's inception in 2014. Currently Drone's staff is on its fifth rendition of its next generation delivery drone which features a heavy lifting airframe design, next generation motor and logic design. Through its on-going development, Drone has been able to increase flight times and payload capacities.

Experimentation with advanced construction materials and techniques including integration of graphene, carbon fiber and advanced molecular coatings known as topology optimization of Nano polymers, through its collaboration with Canadian university engineering groups, Drone has advanced its UAV development. Working closely with industry experts and Canadian avionics firms Drone has advanced development in its proprietary logistics management, deployment and communications systems to accommodate upcoming legislation requirements. It is anticipated that commercial drone testing will begin in Q2-Q3 2016.

Engineering Partnerships with Universities

Drone is actively engaged with several university engineering groups including the University of Waterloo and the University of Toronto. Drone has engaged these various groups to aid in the development of its drone logistics platform. Drone will utilize these academic resources in multiple fronts including pooling their pre-PhD students with specialization in robotics, mechatronics, advanced engineering, electronics and embedded systems and to staff Drone's R&D lab along with joint collaboration initiatives to mutually explore and develop next generation drone / UAV technology and platforms to augment and further advance Drone's commercialization and development process.

Leading drone / UAV PhD's from these various universities have joined Drone's technology advisory board (the "**Technology Advisory Board**") to provide strategic insight and guidance to aid in the overall execution strategy of Drone. Canadian academic leaders which are part of the Technology Advisory Board (see biographies below) include: Dr. Hugh Liu, Professor, University of Toronto Institute for Aerospace Studies (UTIAS); Dr. Sebastian Fischmeister, Associate Professor, University of Waterloo Real-Time Embedded Software Group and Dr. Craig A Steeves, Associate Professor, University of Toronto Institute for Aerospace Studies (UTIAS).

Drone's Technology Advisory Board

Dr. Hugh Liu, Professor, University of Toronto, Institute for Aerospace Studies (UTIAS)

Dr. Hugh H.T. Liu is a full professor at the University of Toronto Institute for Aerospace Studies (UTIAS), Toronto, Canada. His research work over the past several years has included a number of aircraft systems and control related areas, and he leads the "Flight Systems and Control" (FSC) Research Laboratory. Dr. Liu is an internationally leading researcher in the area of aircraft systems and control. He has published over 100 technical papers in peer reviewed journals and conference proceedings, and he has received one US/Canada patent of his work on motion synchronization. Dr. Liu has made significant research contributions in autonomous unmanned systems development, cooperative control, and integrated modeling and simulation. He also serves on editorial boards (CASJ, IJSMSC, IEEE-CSS) and technical committees of international professional societies. Before his academic appointment, Dr. Liu has several years' industrial experience where he participated and led development projects of aircraft environmental control systems. Dr. Liu received his Ph.D. in mechanical engineering of the University of Toronto in 1998. He is a Fellow of CSME, an Associate Fellow of AIAA and active member of IEEE and CASI. Dr. Liu is also a registered Professional Engineer in Ontario.

Dr. Sebastian Fischmeister, Associate Professor, University of Waterloo, Real-Time Embedded Software Group

Sebastian Fischmeister received the Dipl.-Ing. degree in Computer Science at the Vienna University of Technology, Austria, and his Ph.D. degree in Computer Science at the University of Salzburg. He is a recipient of the Austrian APART stipend for young, excellent researchers (2005) and subsequently worked at the University of Pennsylvania, USA, as Post Graduate Research Associate. Sebastian is currently an Associate Professor at the Department of Electrical and Computer Engineering at the University of Waterloo, Canada. Sebastian Fischmeister performs systems research at the intersection of software technology, distributed systems, and formal methods. His preferred application area is safety-critical embedded real-time systems in the domain of automotive systems, aerospace, and medical devices. Key highlights of his research include a framework for Real-time Ethernet, a dynamic binary instrumentation tool for time-aware systems, and real-time capable runtime monitoring. A slightly modified version of his real-time communication framework was used to promote the ASTM F29.21 standard on the Integrated Clinical Environment. Jointly with industry, he built the APMA Connected Vehicle Technology Demonstrator, and he is now working on data analysis for assessing the safety and security of mission-critical systems. Sebastian is a licensed Professional Engineer.

Dr. Craig A Steeves, Associate Professor, University of Toronto, Institute for Aerospace Studies (UTIAS)

Craig Steeves is an associate professor in the University of Toronto Institute for Aerospace Studies (UTIAS) and the Associate Director of the Centre for Research in Sustainable Aviation. His research focuses on combining high performance materials with complex geometry to design structures that are light, strong and stiff, and which can be enhanced with additional functional capabilities. Examples of such material systems are 3D-printed polymers coated with nanocrystalline metal, which can be a replacement for machined aluminum, and composites with arbitrary fibre placement. In both cases, the complexity of the structural system equires powerful design tools. Professor Steeves develops computational codes, in particular using topology optimization, that enable optimal design of complex structures with additional functional properties.

Michael Della Fortuna, CEO Nexeya Canada

Michael is the Chief Executive Officer of Nexeya Canada – a provider of mission critical products and solutions for space, aviation and transportation applications. Prior to joining Nexeya Michael held VP and Director level roles in engineering, operations and sales & marketing for General Electric, SPAR Aerospace, Husky Injection Molding and Mircom. Michael was also a partner in nCompass Capital which launched and supported a number of ventures including PowerSure Techonologies, Platinum Coachworks, ShipForLess and EnviroBlue / ZipBinz. A licensed Professional Engineer and Accredited Risk Manager Michael received his degree from the Royal Military College of Canada in Kingston, Ontario and served in the Royal Canadian Air Force as an Aerospace Engineering Officer.

Software Platform Development

Drone has engaged and is working with Whitecap Canada Inc. ("**Whitecap**"), a software development firm, which has commenced the development of Drone's various software control and integration systems as part of its overall drone logistics platform. Whitecap has been tasked to aid in the development of Drone's "FLYTE" control system.

Patent Filing & Processing

Drone has engaged and is working with Bereskin & Parr LLP, a Canadian patent law firm, to develop and file several patents for its next generation drone logistics platform.

Sales & Marketing Activities

To date, Drone is engaging with over 40 client partners which include government, corporate and retail partners to develop its sales and marketing strategy. Additional marketing activities include utilization of internet and social media marketing and various trade shows and conferences.

As at December 31, 2015, Drone's estimated investment summary are as follows:

- R&D Facilities: $93,157 ($62,597 (equipment) and $30,650 (supplies))
- UAV Airframe Development: $ Nil
- Software Development: $ Nil
- Patent Filing: $ Nil
- Sales and Marketing Activities: $1,843

Total Summary: $95,000

Business Objectives and Milestones

Drone's mandate is to become the first Canadian drone technology logistics company to develop a disruptive platform to service Canadian retailers, service organizations and government agencies. Drone's business model focuses on developing a drone logistics platform utilizing partnerships with leading unmanned aerial vehicle ("**UAV**") experts including Canadian universities, leading avionics organizations and research laboratories to develop a platform that conforms to Canadian UAV legislation. This includes a managed drone logistics service with a *'highly sticky',* recurring revenue stream.

Source and Use of Funds

Drone was seeded by the founding partners Tony Di Benedetto, Paul Di Benedetto and their associates to the sum of approximately $322,113. From December 18, 2015 to February 24, 2016, Drone completed a private placement financing, closing in multiple tranches, consisting of an aggregate of 13,049,885 common shares for aggregate gross proceeds of $456,746 (the "**Offering**"). In connection with the Offering, Drone issued an aggregate of 546,285 finder warrants and paid cash commissions of $19,120.

Projected Budget

Drone has developed three budget plans which are specific based upon the capital raise it achieves through its various investment rounds. They are broken down in the following capital raise structures: $800,000, $3,300,000 and $8,000,000. Each budget is based on ensuring a viable business operation which is scalable.

DRONE DELIVERY CANADA.COM

OPERATIONAL DELIVERABLES BASED ON BUDGETS

Budget	$800K	$3.3M	$8M
Funding Source	Seed Round + Asher Treasury	Seed Round + Asher Treasury + $2.5M 2nd Round	Seed Round + Asher Treasury + $2.5M 2nd Round + $5M 3rd Round
Operational Time	18 Month	24 Month	Fully Commercialized - Cashflow Generating
Deliverables	* Backoffice Platform SW Design Book * UAV Grappling Prototype * Patent filing; a) UAV Logistics Business Process b) Grappling Design c) UAV Logic d) Hot Swap Battery Design e) UAV Design f) DDC Name & Logo	* Backoffice Platform SW Design Book * UAV Grappling Prototype * Patent filing; a) UAV Logistics Business Process b) Grappling Design c) UAV Logic d) Hot Swap Battery Design e) UAV Design f) DDC Name & Logo * Complete Drone Flight Management System * Complete Drone Logic Platform * Complete Drone Grappling System * Finalization of all Patents * Complete Operating UAV Unit * Communications Network * Co-Development with Select Customers	* Backoffice Platform SW Design Book * UAV Grappling Prototype * Patent filing; a) UAV Logistics Business Process b) Grappling Design c) UAV Logic d) Hot Swap Battery Design e) UAV Design f) DDC Name & Logo * Complete Drone Flight Management System * Complete Drone Logic Platform * Complete Drone Grappling System * Finalization of all Patents * Complete Operating UAV Unit * Communications Network * Co-Development with Select Customers * Customer Platform Deployment * UAV Fleet * National Operations Centers
Realized Value	* Patents	* Complete Drone Platform * Platform Ready for Commercial Deployment * All Patents Filed * Trained Key Operational Staff	* Fully Operational Business Generating Revenue * 100% Owned & Operating UAV Drone Platform

In the next 12 months, Drone intends to complete the following business objectives:

(a) Backoffice Platform Software Design Book;

(b) UAV Grappling Prototype;

(c) Patent Filing: (i) UAV logistics business process, (ii) grappling design, (iii) UAV logic, (iv) hot swap battery design, (v) UAV design, (vi) Drone name and logo

Drone anticipates that in order to accomplish the business objectives, it will have to meet the minimum milestones set out in the table below.

Event	Cost	Timing
Backoffice Software Design	25,000	6 Months
Grappling Development	25,000	12 Months
UAV Engineering	65,000	12 Months
Patent Filing	55,000	6 Months
Total:	**170,000**	

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

Competition

Currently drone delivery platforms are being developed by a handful of organizations globally including Google, Amazon, DHL and Swiss Post. Drone's partnership with its development partners, which include leading Canadian universities and corporate partners, assists the organization to harness leading Canadian UAV experts to assist Drone to accelerate Canadian development for this emerging disruptive technology. Drone competes with companies in the drone, or UAV industry. There are currently four start-up companies in Canada (including Drone) who are planning public listings in the coming year (Toronto Star, March 7, 2016). As the regulatory and working framework in Canada for commercial drone operators gets more developed over time, and drones are being deployed more frequently, Drone anticipates that competition in the drone market will increase over time as the industry begins to mature. Management is not aware of any other Canadian based drone company seeking to develop a drone delivery platform at this current time.

Market Size

The market size for commercial drone use is growing exponentially at a rate of 19% compounded annual growth rate (Marcelo Ballve, Business Insider March 19, 2015). The growth of commercial drone services is expected to grow exponentially as retailers, service organizations and government agencies are looking at ways to offer better, faster and more affordable logistic delivery services to their respective customers. With the growth of on-line shopping, just in time logistic solutions are being demanded by on-line retailers. In 2015, $136 billion was purchased by Canadians on-line and had their products delivered via a logistics provider (Statistics Canada NAB Online Sales Index). Drone seeks to capture a portion of this logistics market to drive revenue growth and profitability.

Securing Canadian Airspace

Drone aims at securing drone airspace from Transport Canada once a regulatory framework is in place. Drone's early entrance into the Canadian drone delivery sector is working towards obtaining Transport Canada drone certification ahead of future competitors. Drone will require an airspace license to operate its drone delivery platform within Canada.

Competitive Edge

Drone is the first to market in commencing development of a drone delivery logistics platform for Canadian businesses and government agencies. The engagement with leading industry development groups including universities and aeronautics organizations along with its extensive list of co-development partners has given Drone a lead start in this next generation industry. Presently, Drone is engaged with the University of Waterloo and the University of Toronto.

Sales and Marketing

Drone seeks to partner with retailers, service providers and government agencies. The executive team is in active discussions with various potential clients for Drone's delivery logistics platform, and through these discussions are assessing their requirements to help develop and design a drone technology platform which will address their needs and also comply with upcoming drone and UAV legislation being released by Canadian government agencies.

To date, Drone is engaging with over 40 client partners which include government, corporate and retail partners to develop its sales and marketing strategy. Additional marketing activities include utilization of internet and social media marketing and various trade shows and conferences

Intellectual Property

Drone's business premise is focused on the development of a Canadian based drone logistics platform to provide logistic services to retailers, service organizations and government agencies. At present, delivery drone technology cannot be purchased as an off-the-shelf solution, therefore Drone has been focused on developing proprietary technology which meets and exceeds potential Canadian government requirements. Furthermore, Drone intends to patent various technology elements which it has and is currently developing.

Patent Filing & Processing

Drone's business premise is focused on the development of a Canadian based drone logistics platform to provide logistic services to retailers, service organizations and government agencies. At present, delivery drone technology cannot be purchased as an off-the-shelf solution, therefore Drone has been focused on developing proprietary technology which meets and exceeds potential Canadian government requirements. Furthermore, Drone intends to patent various technology elements which it has and is currently developing.

Drone has engaged Canadian patent lawyers to aid in the filing of necessary intellectual property patents for Drone's drone logistics platform. Drone's engineering team has and continues to develop key technology elements for its platform that have been identified as being patentable.

Patents to be filed include:

- Integration of super materials (*graphene, shrilk, carbon fiber*);
- Weather proofing design;
- Heavy lifting air-frame design;
- Modularized connector design;
- Swappable battery system;
- Grappling and tether deployment system; and
- Drone docking / deployment stations.

Services

Drone is developing a managed logistics services platform that will provide drone delivery services to its various clients in the retail, service and government sectors. These services will commence once critical Canadian government legislation is enacted allowing commercial drone use to operate within the Canadian geography. Drone refers to this phase as its "Commercialization Phase". Logistics services will be based on two operating models: Depot to Depot and Depot to Consumer. A per transaction fee with minimum volume requirements is expected to create a recurring revenue model for Drone. Drone will operate similar to a traditional aircraft courier – owning, operating and maintaining its drone infrastructure platform.

Customers utilizing Drone's services will be contractually committed to a minimum monthly service rate and additional charges will be incurred once the minimum delivery count is exceeded. Rates will vary depending on specific client requirements, geographies and committed monthly / annual commitment rates.

Depot to Depot Service

Drone will commence its drone logistic service by offering a Depot to Depot solution, working exclusively in rural areas of Canada. Service will provide a drone based means of transporting goods to and from distribution warehouses and locations. The Depot to Depot operations will technically be easier of the two delivery methodologies to develop and operate as operations will exist within sparsely populated regions in Canada which limits operational difficulties including: reduced object avoidance, reduced liability risks and simplified payload deployments. The Depot to Depot service operations will act as an extension of Drone's on-going product research and development initiatives, and such operations will continue to hone and further develop the Drone technology platform.

Depot to Consumer Service

Once the technology is fully tested and proven within the Depot to Depot operations model, the service will extend to more densely urbanized areas offering Depot to Consumer based delivery along with its Depot to Depot offering. Depot to Consumer will allow Drone to provide services to retailers seeking to have their products shipped from their retail locations to consumers' homes and businesses via the drone logistics platform. The Depot to Consumer model is similar to those being developed by other drone entrants including; Amazon and Google. Based on discussions with Canadian government agencies, it is expected that this service offering will be legislated in the not so distant future once rural operations have been satisfactorily achieved.

Employees

As of the date of this Listing Statement, Drone has 1 employee and 8 consultants.

4.1(d) – Use of Proceeds

As of the date of this Listing Statement, Drone had working capital of approximately $3,300,000. These funds will be used for the following purposes:

Item	**Budgeted Expenditures**
Estimated Costs to Complete the Amalgamation	$120,000
Commissions to the Agent in connection with the Asher Financing	$220,000
Research & Development / UAV Projects	$1,000,000
Salaries	$1,336,500
Business Operational Expenses	
- Accounting	$40,000
- Legal	$135,000
- Investor Relations	$135,000
- Office Rent	$126,000
- Insurance	$22,500
General & Administrative Expenses	$90,000
Hardware Infrastructure	$75,000
Total	**$3,300,000**

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1(a) – Annual Information – Asher

The following table provides a brief summary of Asher's financial operations for the years ended December 31, 2015, 2014 and 2013. Refer to Schedule "A" for the complete set of Asher's audited financial statements for the years ended December 31, 2015, 2014 and 2013.

Selected Information

Description	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**
Revenue	Nil	Nil	Nil
Net income (loss)	$(2,257,322)	($489,383)	($790,905)
Net loss per share (basic and diluted)	$(0.09)	($0.02)	($0.05)
Total Assets	$565,448	$2,737,901	$3,058,632
Total long-term liabilities	$263,628	$178,759	$171,871
Cash dividends per share	Nil	Nil	Nil

5.1(b) – Annual Information – Drone

The following table provides a brief summary of Drone's financial operations for the period from incorporation (August 8, 2014) to December 31, 2014 and for the years ended December 31, 2015 and 2014. Refer to Schedule "B" for complete set of Drone's audited financial statements for the period from incorporation (August 8, 2014) to December 31, 2014 and for the years ended December 31, 2015 and 2014.

Description	Fiscal year ended December 31, 2015 (Audited)	From the period of incorporation (August 8, 2014) to December 31, 2014 (Audited)
Revenue	Nil	Nil
Net income (loss)	$250,277	94,920
Net profit (loss) per share (basic and diluted)	$(0.0036)	$(0.007)
Total Assets	$481,075	1,412
Total long-term liabilities	$250,277	94,920
Cash dividends per share	Nil	Nil

5.2(a) – Quarterly Information – Asher

Quarter	12/31/15	9/30/15	6/30/15	3/31/15	12/31/14	9/30/14	6/30/14	3/31/14
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	($2,257,322)	($250,284)	($158,672)	($89,708)	($489,383)	($347,822)	($262,858)	($167,172)
Loss/SH	($0.09)	($0.01)	($0.01)	($0.00)	($0.02)	($0.02)	($0.01)	($0.01)

5.2(b) – Quarterly Information – Drone

Quarter	12/31/15	9/30/15	6/30/15	3/31/15	12/31/14	9/31/14	6/30/14	3/31/14
Revenue	Nil	N/A	N/A	N/A	Nil	N/A	N/A	N/A
Net loss	$(741,940)	N/A	N/A	N/A	$(647,020)	N/A	N/A	N/A
Loss/SH	$(0.036)	N/A	N/A	N/A	$(0.007)	N/A	N/A	N/A

5.3 – Dividends

The Issuer has not paid dividends in the past and it has no present intention of paying dividends. Future dividends, if any, will be determined by the Board on the basis of earnings, financial requirements and other conditions existing at the time.

5.4 – Foreign GAAP

This section is not applicable to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1(a) – Management's Discussion and Analysis – Asher

Please refer to Schedule "A" for Asher's Management's Discussion and Analysis for the years ended December 31, 2015.

6.1 (b) – Management's Discussion and Analysis – Drone

Please refer to Schedule "B" for Drone Management's Discussion and Analysis for the year ended December 31, 2015.

7. MARKET FOR SECURITIES

7.1 – Listings

The securities of the Issuer are not currently listed on an exchange or quotation and trade reporting system. Prior to the Amalgamation, the Asher Shares were listed and traded on the TSXV under the symbol "ACN".

8. CONSOLIDATED CAPITALIZATION

8.1(a) – Consolidated Capitalization – Issuer

The following table sets forth the capitalization of the Issuer as of the date hereof.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the date of this Listing Statement(1)
Asher post-Consolidation Common Shares	Unlimited	89,291,299
Asher Options(1)	10% of issued and outstanding shares(2)	566,250
Asher Warrants	N/A	Nil
Issuer Warrants(3)	N/A	2,117,713

Notes:
(1) Having exercise prices ranging from $0.10 to $0.28 and expiry dates ranging from August 11, 2016 to January 8, 2019.
(2) The number of stock options that the Resulting Issuer may grant is limited by the terms of the Stock Option Plan and the policies of the Exchange.
(3) Having exercise prices ranging from $0.10 to $0.14 and expiry dates ranging from December 18, 2016 to May 25, 2018.

9. OPTIONS TO PURCHASE SECURITIES

9.1 – Stock Option Plan – Issuer

Treatment of Options under the Transaction

On Closing of the Transaction options to acquire 566,250 Asher Common Shares (the "**Asher Options**"), being all of the outstanding Asher Options immediately prior to Closing, were adjusted based on the Consolidation and remain subject to the Issuer's stock option plan (the "Stock Option Plan") and following Closing of the Transaction became of right of the holder to acquire Issuer Shares.

Options granted pursuant to the Stock Option Plan will not exceed a term of ten years and are granted at an option price and on other terms which the directors determine are necessary to achieve the goal of the Stock Option Plan and in accordance with regulatory policies. The option exercise price will not be less than the discounted market price of each Issuer Share issuable on the exercise of such option, subject to a minimum price of $0.10.

The Stock Option Plan limits the granting of options and shares pursuant to options as follows:

(a) the aggregate number of Issuer Shares reserved for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding Issuer Shares from time to time;

(b) the number of Issuer Shares reserved for issuance to any one person pursuant to options granted under the Stock Option Plan, together with any Issuer Shares reserved for issuance pursuant to options granted to that person during the previous 12 months in the case that the Company is a Tier 2 Issuer shall not exceed 5% of the issued and outstanding Issuer Shares at the time of granting of the options, provided that the aggregate number of options granted to a consultant or person employed in investor relations activities shall not exceed 2% of the issued and outstanding Issuer Shares.

Subject to the discretion of the Board, the options granted to an optionee under the Stock Option Plan shall fully vest on the date of grant of such options. In accordance with the policies of the Exchange, and subject to their approval to the contrary, options issued to consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than ¼ of the options vesting in any 3 month period.

If an optionee ceases to be a director, officer or employee for any reason other than death, his option shall terminate as specified by the Board at the time of granting the option (provided however that, if the Company is a Tier 2 Issuer, his option shall terminate 90 days (but for optionees employed in investor relations activities, 30 days) after the optionee's last active working day, or such lesser period as may be specified by the Board at the time of granting the option), and all rights to purchase Issuer Shares under such option shall cease and expire and be of no further force or effect.

If an optionee dies prior to the expiry of his option, his legal representatives may, by the earlier of: (a) one year from the date of the optionee's death (or such lesser period as may be specified by the Board at the time of granting the option); and (b) the expiry date of the option.

The Board in certain circumstances may from time to time make rules, regulations and amendments to the Stock Option Plan.

As at the date of this Listing Statement, the table immediately following describes the issued and outstanding options to purchase securities of the Issuer.

Category of Optionholder	**Designation and Number of Securities under Option**	**Purchase Price of Securities under Option**	**Other Particulars**
(a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group	566,250 Issuer Options for 566,250 Issuer Shares(1)	$0.40 to $1.12	Five year term
(b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, excluding individuals referred to in (a) above	Nil	N/A	N/A
(c) all other employees and past employees of the Issuer as a group	Nil	N/A	N/A
(d) all other employees and past employees of subsidiaries of the Issuer as a group	Nil	N/A	N/A
(e) all consultants of the Issuer as a group	Nil	N/A	N/A
(f) any other person or company	Nil	N/A	N/A

Note:
(1) These Issuer Options were granted pursuant to the terms of the Stock Option Plan as more particularly described in Section 9.1 above.

10. DESCRIPTION OF THE SECURITIES

10.1 – Description of the Issuer's Securities

The Issuer is authorized to issue unlimited common shares without par value. All of the common shares of the Issuer are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up. No common shares of the Issuer have been issued subject to call or assessment.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

As at the date of this Listing Statement, there are a total of 89,291,299 Issuer Shares, 2,117,713 Issuer Warrants and 566,250 Issuer Options outstanding.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE - Form 2A are applicable to the Issuer Shares.

10.7(a) – Prior Sales of Asher Shares

As at the date of this Listing Statement, there are 89,291,299 Issuer Shares issued and outstanding. Other than the Subscription Receipts and Compensation Warrants in connection with the Asher Financing described below, there were no Common Shares or securities of Asher issued within 12 months of the date of this Listing Statement:

Date of Issuance	Type of Security Issued	Number of underlying Asher post-Consolidation Common Shares	Price Per Security	Value Received	Type of Transaction
May 25, 2016	Subscription Receipts	19,642,857	$0.14	$2,749,999.98	Brokered Private Placement
May 25, 2016	Compensation Warrants	1,571,428	$0.14 (exercise price)	N/A	Brokered Private Placement

10.7(b) – Prior Sales of Drone Shares

Prior to the date of this Listing Statement, there were 60,549,885 Drone Shares and 546,285 Drone Warrants issued and outstanding and the Drone securities issued within 12 months of the date of this Listing Statement are as follows:

Date of Issuance	Type of Security Issued	Number of Drone Securities Issued	Price Per Security	Value Received	Type of Transaction
August 8, 2014	Common Shares	14,125,000	$0.0001	$1,412.64	Founder Shares
November 24, 2015	Common Shares	33,375,000	$0.0001	$3,337.50	Founder Shares
December 18, 2015	Common Shares	9,585,714	$0.035	$335,500	Private Placement

Date of Issuance	Type of Security Issued	Number of Drone Securities Issued	Price Per Security	Value Received	Type of Transaction
December 18, 2015	Finders Warrants	512,000	$0.10 (exercise price)	N/A	Private Placement
January 5, 2016	Common Shares	1,464,171	$0.035	$51,246	Private Placement
January 5, 2016	Finders Warrants	34,285	$0.10 (exercise price)	N/A	Private Placement
January 7, 2016	Common Shares	1,000,000	$0.035	$35,000	Private Placement
February 24, 2016	Common Shares	1,000,000	$0.035	$35,000	Private Placement
TOTAL:		**60,549,885 Drone Shares** **546,285 Drone Warrants**			

All of the Drone Shares were exchanged for Issuer Shares on a 1-for-1 basis upon completion of the Transaction on June 6, 2016.

10.8 – Stock Exchange Price

The Common Shares of Asher were listed and posted for trading on the TSXV under the trading symbol "ACN" prior to the completion of the amalgamation. The table below sets forth the high and low trading prices and volume for the common shares traded through the TSXV on a monthly basis for the period from December 2014 to the date of this Listing Statement.

	Price Range and Trading Volume		
	High	**Low**	**Volume**
December 2014	0.04	0.035	920,351
January 2015	0.075	0.03	1,276,687
February 2015	0.05	0.035	268,398
March 2015	0.05	0.035	214,975
April 2015	0.04	0.03	182,424
May 2015	0.035	0.03	77,858
June 2015	0.045	0.025	381,950
July 2015	0.04	0.025	341,000
August 2015	0.035	0.025	58,152
September 2015	0.025	0.025	160,352
October 2015	0.02	0.02	1,946
November 2015	0.02	0.015	278,618
December 2016	0.015	0.015	172,094
January 2016 – date of this Listing Statement	N/A	N/A	N/A

Note: Stock was halted in December 2015 and therefore there is no data for January 2016 to the date of this Listing Statement.

11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

11.1 – Escrowed Securities

In accordance with NP 46-201, all common shares of an "emerging issuer" (as such term is defined in NP 46-201) which are owned or controlled by its Principal (as such term is defined below) will be escrowed at the time of the issuer's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal, represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. Upon completion of the Transaction, the Issuer will be classified as an emerging issuer.

The following table sets out the Issuer Shares to be held in escrow pursuant to the terms of the escrow agreement (the "**Escrow Agreement**") between the Issuer, Computershare Investor Services Inc. (the "**Escrow Agent**") and the Principals:

Name(1)	**Number and Type of Securities**	**Percentage of Class**(1)
Tony Di Benedetto(2)	7,062,500 Issuer Shares	28.05%
Paul Di Benedetto(3)	7,062,500 Issuer Shares	28.05%
Richard Buzbuzian	1,358,583 Issuer Shares	5.40%
Greg Colacitti(4)	8,750,000 Issuer Shares	34.76%
Chris Irwin(5)	625,000 Issuer Shares	2.48%
Robert Montemarano	314,940 Issuer Shares	1.25%
Total:	**25,173,523**	**100%**

Notes:

(1) *Excluding any Issuer Shares issuable upon the exercise of any of the Issuer Options.*
(2) *3,531,250 Issuer Shares are held by Redline Capital Inc. and 3,531,250 Issuer Shares are held by Launch Capital Inc., companies controlled by Mr. Tony Di Benedetto.*
(3) *3,531,250 Issuer Shares are held by Mach 20 Ventures Inc. and 3,531,250 Issuer Shares are held by Novator Investments Inc., companies controlled by Mr. Paul Di Benedetto.*
(4) *4,500,000 Issuer Shares are held by Sherwood Capital Investments Limited and 4,250,000 Issuer Shares are held by Fairfield Holdings Limited, companies controlled by Mr. Colacitti.*
(5) *625,000 Issuer Shares are held by Irwin Professional Corporation, a company controlled by Mr. Irwin.*

The Shares subject to the Escrow Agreement will be released according to the following schedule:

On the Listing Date	$^1/_{10}$ of the escrow securities
6 months after the Listing Date	$^1/_6$ of the remaining escrow securities
12 months after the Listing Date	$^1/_5$ of the remaining escrow securities
18 months after the Listing Date	$^1/_4$ of the remaining escrow securities
24 months after the Listing Date	$^1/_3$ of the remaining escrow securities
30 months after the Listing Date	$^1/_2$ of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the Listing Date, with the remaining escrow securities being released in 15% tranches every six months thereafter.

Pursuant to the terms of the Escrow Agreement, the securities of the Company held in escrow may be transferred within escrow to an individual who is a director or senior officer of the Company or of material operating subsidiary of the Company, subject to the approval of the Company's board of directors, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or any of its material operating subsidiaries. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

For the purposes of NP 46-201 "Principals" include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

(a) directors and senior officers of the Company or a material operating subsidiary of the Company, at the time of the initial public offering;

(b) promoters of the Company during the two years preceding the initial public offering;

(c) those who own and/or control, directly or indirectly, more than 10% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;

(d) those who own and/or control more than 20% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and

(e) the spouse(s) and relative(s) that live at the same address as any of the above.

In addition, certain shareholders of Drone holding an aggregate of 47,500,000 Issuer Shares have agreed to enter into Lock-Up Agreements which will prohibit such shareholders from selling, transferring or otherwise disposing their respective Issuer Shares for a period of six (6) months from the Listing Date, after which such Issuer Shares will be subject to the terms of the Escrow Agreement. The following table sets out the Issuer Shares to be held in escrow pursuant to the terms of the Lock-Up Agreements between the Issuer and such shareholders of the Issuer:

Name	Number and Type of Securities	Percentage of Class
Redline Capital Inc.[(1)]	3,531,250 Common Shares	7.43%
Launch Capital Inc.[(1)]	3,531,250 Common Shares	7.43%
Mach 20 Ventures Inc.[(2)]	3,531,250 Common Shares	7.43%
Novator Investments Inc.[(2)]	3,531,250 Common Shares	7.43%
Revwerks Management Inc.	3,500,000 Common Shares	7.37%
Orange Elm Holdings Inc.	3,500,000 Common Shares	7.37%
1360327 Ontario Inc.	3,500,000 Common Shares	7.37%
Norbridge Ventures	3,500,000 Common Shares	7.37%
Sherwood Capital Investments Limited[(3)]	4,500,000 Common Shares	9.47%
Fairfield Holdings Limited[(3)]	4,250,000 Common Shares	8.95%
Richard Buzbuzian	1,000,000 Common Shares	2.10%
Amber Klaehn	4,000,000 Common Shares	8.42%
Jason Monaco	1,500,000 Common Shares	3.16%
First Canadian Capital Corp	1,500,000 Common Shares	3.16%
Bruna Monaco	2,000,000 Common Shares	4.21%
Irwin Professional Corporation[(4)]	625,000 Common Shares	1.32%
Total:	**47,500,000 Common Shares**	**100%**

Notes:
(1) Companies controlled by Mr. Tony Di Benedetto.
(2) Companies controlled by Mr. Paul Di Benedetto.
(3) Companies controlled by Mr. Greg Colacitti.
(4) A company controlled by Mr. Chris Irwin.

12. PRINCIPAL SHAREHOLDERS

12.1 and 12.2 – Principal Shareholders

As at the date of this Listing Statement, to the knowledge of the directors and officers of the Issuer, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer Shares.

12.3 – Voting Trusts

To the knowledge of the Issuer, no voting trust exists within either company such that more than 10% of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

13. DIRECTORS AND OFFICERS

13.1 – 13.3, 13.5, 13.11 – Directors and Officers

The following table sets forth the name of all current directors and officers of the Issuer, their municipalities of residence, their current positions with the Issuer, their principal occupations during the past five years and the number and percentage of Issuer Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date of this Listing Statement:

Name, Address, Occupation and Security Holdings

Name, Municipality of Residence[1], Position(s) with Issuer	Principal Occupation or Employment During the Past Five Years	Position(s) with Issuer	Number[2] and Percentage of Shares of the Issuer Held as at the date of the Listing Statement [3]
Tony Di Benedetto[4], Vaughan, Ontario, Canada Chief Executive Officer and Director	Director and CEO of Drone since 2014. Actively involved in the Canadian technology services sectors since the early 1990's and has built a number of technology companies, including internet hosting providers, managed service providers, wireless broadband networks and data center facilities.	Chief Executive Officer and Director since August 8, 2014	7,062,500 (7.91%)
Paul Di Benedetto[5], Vaughan, Ontario, Canada Chief Technology Officer and Corporate Secretary	Secretary, Treasurer and Director of Drone since 2014. Oversees research and development, engineering, and technical operations for Drone, with over 15 years of technology architecture and engineering experience.	Secretary, Treasurer and Director since August 8, 2014	7,062,500 (7.91%)
Chris Irwin[6], Toronto, Ontario Director	Partner of Irwin Lowy LLP, a law firm	Director since November 20, 2015	625,000 (0.70%)[5]
Richard Buzbuzian Toronto, Ontario, Canada President and Director	President, CEO and Director of Asher; Director of CT Developers, (DEV.P: TSXV). President and CEO of Oriana Resources Corp. (OUP.P:TSXV).	Director since February 2, 2011; President since November 25, 2015	1,358,583 (1.52%)
Robert Suttie Toronto, Ontario, Canada Chief Financial Officer	CFO of Asher. Serves as Chief Financial Officer to a number of junior mining companies listed on the TSX and TSX Venture exchanges.	CFO since October 24, 2011	Nil
Greg Colacitti[7] Toronto, Ontario, Canada Vice President	Responsible for developing Drone's customer channel. Involved in building a number of manufacturing companies both in Canada and the United States and brings over 15 years of entrepreneurial experience in business development, marketing and executive leadership.	--	8,750,000 (9.80%)
Michael Della Fortuna Vaughan, Ontario, Canada Director	Director of Drone since 2014. Chief Executive Officer of Nexeya Canada and partner in nCompass Capital.	Director since January 7, 2016	Nil

Name, Municipality of Residence[1], Position(s) with Issuer	Principal Occupation or Employment During the Past Five Years	Position(s) with Issuer	Number[2] and Percentage of Shares of the Issuer Held as at the date of the Listing Statement [3]
Robert Montemarano Toronto, Ontario, Canada Director	Director of Asher and Armada Data Corporation (ARD: TSXV) and is a member of the audit committee for both companies. Also a director of several other publicly traded companies in the past 15 years.	Director since March 14, 2012	314,940 (0.35%)

Notes:

(1) The information as to municipality of residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.
(2) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.
(3) On an issued and undiluted basis.
(4) 3,531,250 Issuer Shares are held by Redline Capital Inc. and 3,531,250 Issuer Shares are held by Launch Capital Inc., companies controlled by Mr. Tony Di Benedetto.
(5) 3,531,250 Issuer Shares are held by Mach 20 Ventures Inc. and 3,531,250 Issuer Shares are held by Novator Investments Inc., companies controlled by Mr. Paul Di Benedetto.
(6) 625,000 Issuer Shares are held by Irwin Professional Corporation, a company controlled by Mr. Irwin.
(7) 4,500,000 Issuer Shares are held by Sherwood Capital Investments Limited and 4,250,000 Issuer Shares are held by Fairfield Holdings Limited, companies controlled by Mr. Colacitti.

As at the date of this Listing Statement, the directors and officers of the Issuer as a group beneficially own, directly or indirectly, an aggregate of 25,173,523 Issuer Shares, representing 28.2% of the issued and outstanding Issuer Shares on a non-diluted basis.

Management and Directors

The following are brief biographical descriptions of the management and directors of the Issuer.

Tony Di Benedetto (Age 44): – Director and Chief Executive Officer

Tony is CEO of Drone and oversees the overall business and execution strategy. Tony has been actively involved in the Canadian technology services sectors since the early 1990's and has built a number of tech companies, including internet hosting providers, managed service providers, wireless broadband networks and data center facilities. Tony is active in a number of other ventures, including Data Centre Realty, Di Benedetto Group and MS Transactions. Tony brings over 17 years of IT entrepreneurship, technology M&A and capital markets experience to Drone's management team.

Paul Di Benedetto (Age: 41) – Chief Technology Officer and Corporate Secretary

Paul is responsible for overseeing Drone's R&D, engineering, and technical operations. Along with his brother Tony, Paul has co-founded a number of highly successful technology enterprises in the Canadian marketplace and has led the technology oversight roles in each of these entities. Paul is instrumental in implementing technology structures which maximize organizational growth with a view to maximizing return on investments for all stakeholders. Paul brings over 15 years of technology architecture and engineering experience to Drone's management team.

Richard Buzbuzian (Age: 45) – President and Director

Richard is President of Drone and is responsible for overseeing the capital markets business development initiatives of the organization. Richard is a capital markets executive with over 20 years of experience in the technology and resource sectors. During this time, Richard has acted primarily as principal completing various public offerings, corporate finance and M&A transactions all while working closely with investment bankers, securities lawyers and auditors in both Canada and Europe. Currently Richard is President and CEO of Asher and a director of CT Developers, (DEV.P: TSXV). Richard is also President and CEO of Oriana Resources Corp. (OUP.P: TSXV), a Canadian capital pool company that is presently completing a reverse takeover of Graphene Lighting Limited PLC of Manchester England.

Robert Suttie (Age: 47) – Chief Financial Officer

Robert is Drone's CFO. Robert possesses more than 16 years of experience in public company accounting. Robert specializes in management advisory services, accounting and the financial disclosure needs for various groups of public companies. He is regularly involved in initial public offerings, business combinations and asset carve-outs and spin-out transactions. In addition, Robert also serves as Chief Financial Officer to a number of junior mining companies listed on the TSX and TSX Venture exchanges, leveraging his skills and experience to become integral to such reporting issuers.

Greg Colacitti (Age: 40) – Vice President

Greg is Vice President of Business Development at Drone. Greg is responsible for developing Drone's customer and partner channels. Greg has been involved in building a number of manufacturing companies both in Canada and the United States and brings over 15 years of entrepreneurial experience in business development, marketing and executive leadership. Greg has been recognized for his keen ability to identify emerging trends and to formulate robust business models to maximize return on investment.

Chris Irwin (Age: 47) – Director

Chris practices securities and corporate/commercial law and has been the managing partner of Irwin Lowy LLP since January 2010; prior thereto he was the President of Irwin Professional Corporation from August 2006 to December 2009; and prior thereto he was an associate at Wildeboer Dellelce LLP from January 2004 to July 2006. Mr. Irwin advises a number of public companies, board of directors and independent committees on a variety of issues. Mr. Irwin is a director and/or officer of a number of public companies, including: Kerr Mines Inc., Laramide Resources Ltd. and Mag Copper Limited. Mr. Irwin is a former Director of Trelawney Mining and Exploration Inc., a company acquired by IAMGOLD Corporation in a $608 million transaction, and a former Director of Southern Star Resources Inc., which was formerly listed on TSX prior to becoming Gold Eagle Mines Ltd. and being taken over by Goldcorp Inc. in a $1.5 billion transaction.

Michael Della Fortuna (Age: 45) – Director

Michael is the Chief Executive Officer of Nexeya Canada, a provider of mission critical products and solutions for space, aviation and transportation applications. Prior to joining Nexeya Michael held VP and Director level roles in engineering, operations and sales & marketing for General Electric, SPAR Aerospace, Husky Injection Molding and Mircom. Michael was also a partner in nCompass Capital which launched and supported a number of ventures including PowerSure Technologies, Platinum Coachworks, ShipForLess and EnviroBlue / ZipBinz. A licensed Professional Engineer and Accredited Risk Manager Michael received his degree from the Royal Military College of Canada in Kingston, Ontario and served in the Royal Canadian Air Force as an Aerospace Engineering Officer.

Robert Montemarano (Age: 45) – Director

Rob is a partner and Vice-President of Lakeview Group Ltd., a residential and commercial property development and construction company. Lakeview has built over 10,000 homes and developed 14,000 residential lots since 1980. Lakeview owns a portfolio of residential, industrial, retail, hotel and office income producing properties. Rob has been involved in corporate and project financing activities in real estate, mineral exploration, hospitality and a variety of other industries. He is a director of Asher and Armada Data Corporation (ARD: TSXV) and is a member of the audit committee for both companies. He was also a director of Ontex Resources from 1995 to 2010 which changed its name to Goldstone Resources and was bought by TSX listed Premier Gold in June 2011 for $90 million. He was also a director of several other publicly traded companies in the past 15 years.

13.4 – Board Committees of the Issuer

It is anticipated that the Issuer will institute an audit committee of its board of directors. Other committees of the board of directors may be instituted as the Issuer deems necessary or advisable.

It is anticipated that Richard Buzbuzian, Robert Montemarano and Chris Irwin will comprise the members of the audit committee.

13.6 – Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, no director, officer or promoter of the Issuer has, within the last ten years, been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, or within a period of one year thereafter, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Mr. Irwin was a Director, President and Secretary of Brighter Minds Media Inc., which is subject to a cease trade order resulting from a failure to file financial statements dated May 8, 2009 and May 20, 2009.

13.7, 13.8 – Penalties or Sanctions

No director, officer, or promoter of the Issuer, or any shareholder anticipated to hold a sufficient amount of securities of the Issuer to materially affect control of the Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

No director, officer or promoter of the Issuer, or a shareholder anticipated to hold a sufficient amount of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

13.10 – Conflicts of Interest

To the best knowledge of the Issuer, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director, officer or promoter of the Issuer except that certain of the directors, officers and promoters of the Issuer serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Issuer and their duties as a director, officer and promoter of such other companies. See *Section 17 – Risk Factors*.

The directors, officers and promoters of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and OBCA, as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

14. CAPITALIZATION

14.1 – Issued Capital (Post-Transaction)

As at the date of this Listing Statement, the Issuer has the following issued and outstanding securities according to the below table:

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	89,291,299	91,975,262	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	25,173,523	25,409,773	28.2%	27.6%
Total Public Float (A-B)	64,117,776	66,565,489	71.8%	72.4%
Freely-Tradable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	47,500,000	47,500,000	53.2%	51.6%
Total Tradable Float (A-C)	41,791,299	44,475,262	46.8%	48.3%

Public Securityholders (Registered)

Class of Security – Common Shares (Pre-Consolidation and Pre-Asher Financing)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	49	84,610,781
Total	49	84,610,781

Public Securityholders (Beneficial)

Class of Security – Common Shares (Pre-Consolidation and Pre-Asher Financing))

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	1	400
500 – 999 securities	11	6,742
1,000 – 1,999 securities	22	25,462
2,000 – 2,999 securities	30	66,400
3,000 – 3,999 securities	15	48,000
4,000 – 4,999 securities	9	38,000
5,000 or more securities	379	60,325,024
Total	467	60,510,028

Non-Public Securityholders (Registered)

Class of Security

Size of Holding (Post-Transaction)	Number of holders	Total number of securities
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	6	20,809,357
Total	6	20,809,357

14.2 – Convertible Securities

Description of Security	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/ exercise
Stock options granted to executive officers and directors of the Issuer exercisable at prices ranging from $0.10 to $0.28 that vest according to the Stock Option Plan	236,250	236,250
Stock options granted to other persons prices ranging from $0.10 to $0.28 that vest according to the Stock Option Plan	330,000	330,000
Common shares issuable on the exercise of Issuer Warrants	546,285	546,285
Compensation Warrants to acquire common shares exercisable at $0.14 per common share issued to the Agent in connection with the Asher Financing	1,571,428	1,571,428
Total	**2,683,963**	**2,683,963**

14.3 – Other Securities reserved for Issuance

There are no other securities of the Issuer reserved for issuance.

15. EXECUTIVE COMPENSATION

The following information is presented in accordance with National Instrument Form 51-102F6V– *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”) and sets forth the compensation for each of Tony Di Benedetto, CEO and Robert Suttie, CFO, and the most highly compensated executive officers as at December 31, 2015 whose total compensation was, individually, more than $150,000 for the financial year.

15.1 Compensation of Executive Officers

A. Named Executive Officers

The Issuer currently has the following two Named Executive Officers (“**NEO**”): Tony Di Benedetto, CEO and Robert Suttie, CFO.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years, and the proposed compensation for the 2016 fiscal year, to the Named Executive Officers and the directors of the Issuer:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Tony Di Benedetto CEO and Director	2016 2015 2014	180,000 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	180,000 Nil Nil
Robert Suttie(1) CFO	2016 2015 2014	18,000 26,643 26,675	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	18,000 26,643 26,675
Paul Di Benedetto Chief Technology Officer	2016 2015 2014	180,000 180,000 180,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	180,000 Nil Nil
Richard Buzbuzian President and Director	2016 2015 2014	180,000 180,000 180,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil 5,500 5,500	180,000 185,500 185,500
Chris Irwin Director	2016 2015 2014	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Michael Della Fortuna Director	2016 2015 2014	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Robert Montemarano Director	2016 2015 2014	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Greg Colacitti Vice President, Business Development	2016 2015 2014	108,000 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	108,000 Nil Nil

Notes:

(1) *For the year ended December 31, 2015, the Issuer expensed $26,643 to Marrelli Support Services Inc. ("**Marrelli Support**") for the services of Robert Suttie to act as Chief Financial Officer ("**CFO**") of the Issuer. In addition, Marrelli Support also provides bookkeeping services to the Issuer. Robert Suttie is the Vice President of Marrelli Support. For the year ended December 31, 2014, the Issuer expensed $26,675 to Marrelli Support for the services of Robert Suttie to act as CFO of the Issuer.*

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to each Named Executive Officer or to each director of the Corporation during the most recently completed financial year of the Issuer for services provided or to be provided, directly or indirectly, to the Issuer or any of its subsidiaries.

B. Stock Option Plan and Other Incentive Plans

The Issuer has adopted a rolling Stock Option Plan. The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Issuer by directors, officers, employees and consultants of the Issuer and its affiliates and other designated persons. Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Issuer and its subsidiaries and other designated persons as designated from time to time by the Board. The number of Issuer Shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the total issued and outstanding Issuer Shares from time to time. As of the date of this Listing Statement, there are 89,291,299 Issuer Shares issued and outstanding, resulting in up to 8,929,129 Issuer Shares being available for reservation under the Stock Option Plan as at the date hereof. The number of Issuer Shares reserved for issuance shall not exceed (i) five percent (5%) of the issued and outstanding Issuer Shares to any one individual in any 12 month period; (ii) two percent (2%) of the issued and outstanding Issuer Shares to any one consultant retained by the Issuer in any 12 month period; or (iii) two percent (2%) of the issued and outstanding Issuer Shares to any one employee of the Issuer conducting "Investor Relations Activities" in any 12 month period. Any Issuer Shares subject to an option which, for any reason, is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Issuer Shares cannot be less than the market price of the Issuer Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Issuer or any of its subsidiaries or ceasing to have a designated relationship with the Issuer, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. Options under the Stock Option Plan are non-assignable. Options must be exercised within ninety (90) days of termination of employment or cessation of position with the Issuer, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the option must be exercised within twelve (12) months after such death, subject to the expiry of such option. The Board may from time to time amend or revise the terms of the Stock Option Plan.

The Issuer has no equity compensation plans other than the Stock Option Plan.

C. Employment, Consulting and Management Agreements

Other than as set forth below, the Issuer does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Issuer that were: (a) performed by a NEO or director of the Corporation; or (b) performed by any other party which provided services that are typically provided by a NEO or a director of the Issuer.

Robert Suttie

Pursuant to an engagement agreement dated on or around the date of closing of the Transaction, the Issuer engaged Marrelli Support Services Inc. ("**Marrelli Support**") to provide accounting, bookkeeping and related services, and engaged the services of Robert Suttie, the Vice President of Marrelli Support, to act in the role of CFO of the Issuer at a monthly fee of $1,500. Mr. Suttie is eligible to participate in the stock option plan and may receive incentive share options as determined by the Board in accordance with the stock option plan. Marrelli Support is entitled to be reimbursed for reasonable out-of-pocket expenses incurred in connection with the engagement. The agreement may be terminated by either party upon thirty (30) days' prior written notice.

Richard Buzbuzian

Pursuant to a consulting agreement entered into on or around the date of closing of the Transaction, the Issuer retained the services of Richard Buzbuzian to provide assistance with financial, business and operational matters, including but not limited to the Issuer's existing business, assistance with the implementation of the Issuer's business plans, the implementation of the Issuer's capital raising efforts, divestitures and other transactions and to act in the role of President and Director of the Issuer (the "**Buzbuzian Agreement**"). The initial term of the Buzbuzian Agreement is three (3) years (the "**Term**") from execution and will automatically renew in one (1) year increments unless either party notifies the other, six (6) months prior to the expiration of the Term, of the cancellation of the agreement. Mr. Buzbuzian receives an annual base consulting fee of one hundred and eighty thousand dollars ($180,000), payable monthly in advance in equal installments of fifteen thousand dollars ($15,000). In the event of a change of control, a revised compensation structure will be implemented to reflect the compensation paid to senior members of the new management team. Mr. Buzbuzian is also eligible to participate in the stock option plan and may receive an annual bonus as determined by the Board and in accordance with the stock option plan. Mr. Buzbuzian is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the services performed under the agreement.

In the event the Buzbuzian Agreement is terminated: (i) by the Issuer, for any reason other than the expiration of the Term, any renewal Term prior to the expiration of the term, or any renewal term, three hundred and sixty thousand dollars ($360,000), plus any applicable excise tax payable shall immediately become due and payable; or (ii) if within 12 months following a change of control the agreement is terminated by the Issuer without cause, Mr. Buzbuzian will be entitled to receive as severance three hundred and sixty thousand dollars ($360,000) as at that date, plus any applicable excise tax payable.

Tony Di Benedetto

Pursuant to a consulting agreement entered into on or around the date of closing of the Transaction, the Issuer retained the services of Tony Di Benedetto to provide assistance with financial, business and operational matters, including but not limited to the Issuer’s existing business, assistance with the implementation of the Issuer's business plans, the implementation of the Issuer's capital raising efforts, divestitures and other transactions and to act in the role of CEO and Director of the Issuer.

Please see Buzbuzian Agreement above for a summary of the significant terms and provisions.

Paul Di Benedetto

Pursuant to a consulting agreement entered into on or around the date of closing of the Transaction, the Issuer retained the services of Paul Di Benedetto to provide assistance with financial, business and operational matters, including but not limited to the Issuer’s existing business, assistance with the implementation of the Issuer's business plans, the implementation of the Issuer's capital raising efforts, divestitures and other transactions and to act in the role of Chief Technology Officer and Director of the Issuer.

Please see Buzbuzian Agreement above for a summary of the significant terms and provisions.

Greg Colacitti

Pursuant to a consulting agreement entered into on or around the date of closing of the Transaction, the Issuer retained the services of Greg Colacitti to provide assistance with financial, business and operational matters, including but not limited to the Issuer’s existing business, assistance with the implementation of the Issuer's business plans, the implementation of the Issuer's capital raising efforts, divestitures and other transactions and to act in the role of Vice President of the Issuer.

Please see Buzbuzian Agreement above for a summary of the significant terms and provisions.

D. Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Compensation to be paid to the officers and directors of the Issuer will be determined by the board of directors of the Issuer once its operations have been established following completion of the Transaction.

Compensation of Name Executive Officers

The board of directors of the Issuer will be responsible for reviewing compensation paid to the NEOs of the Issuer in determining compensation for the Issuer’s executive officers relative to the performance of the Issuer in executing on its objectives once its operations have been established following completion of the Transaction.

Termination and Change of Control Benefits

The Issuer does not have in place any pension or retirement plan. Following completion of the Transaction, the Issuer intends to enter into consulting agreements with each of Messrs. Tony Di Benedetto, Paul Di Benedetto, Richard Buzbuzian and Greg Colacitti pursuant to which the Issuer will be required to make certain payments upon termination or change of control. Please see "*Information Concerning the Corporation - Statement of Executive Compensation – Employment, Consulting and Management Contracts*".

E. Pension and Retirement Plans

The Issuer does not have any pension plan benefits in place for the Named Executive Officers or the directors of the Issuer.

F. Termination and Change of Control Benefits

The Issuer does not have in place any pension or retirement plan. As at the date hereof, the Issuer has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Issuer in connection with or related to the retirement, termination or resignation of such person. The Issuer has not provided any compensation to such persons as a result of a change of control of the Issuer, its subsidiaries or affiliates. The Issuer is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Issuer resulting from the resignation, retirement or the termination of employment of such person.

In the event the consulting agreements with Richard Buzbuzian, Tony Di Benedetto, Paul Di Benedetto or Greg Colacitti are terminated: (i) by the Issuer, for any reason other than the expiration of the Term, any renewal Term prior to the expiration of the term, or any renewal term, three hundred and sixty thousand dollars ($360,000), plus any applicable excise tax payable shall immediately become due and payable; or (ii) if within 12 months following a change of control the agreement is terminated by the Issuer without cause, Messrs. Buzbuzian, T. Di Benedetto, P. Di Benedetto and Colacitti will be entitled to receive as severance three hundred and sixty thousand dollars ($360,000) as at that date, plus any applicable excise tax payable.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or any other individual who at any time during the most recently completed financial year of the Issuer was a director of the Issuer or any associate of the Issuer, is indebted to the Issuer, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

17. RISK FACTORS

17.1 – Description of Risk Factors

The following are certain risk factors relating to the business carried on by the Issuer and/or Drone which prospective investors should carefully consider before deciding whether to purchase Issuer Shares. The Issuer and/or Drone will face a number of challenges in the development of its technology and in building its user base. Due to the nature of the Issuer and/or the Issuer's business and present stage of the business, the Issuer may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The following is a description of the principal risk factors affecting Drone that will, in turn, affect the Issuer.

General Business Risks

Operational Risks

The Issuer will be affected by a number of operational risks and the Issuer may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Issuer's technologies, personal injury or death, environmental damage, adverse impacts on the Issuer's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Issuer's future cash flows, earnings and financial condition. Also, the Issuer may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Issuer cannot insure or which the Issuer may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Issuer's future cash flows, earnings, results of operations and financial condition.

Resale of Shares

There can be no assurance that the publicly-traded market price of the Issuer Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Issuer Shares will be sufficiently liquid so as to permit investors to sell their position in the Issuer without adversely affecting the stock price. In such event, the probability of resale of the Issuer Shares would be diminished.

As well, the continued operation of the Issuer will be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their Issuer Shares and any investment in the Issuer may be lost.

Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of the Issuer Shares will be affected by such volatility. An active public market for the Issuer Shares might not develop or be sustained after the completion of the Listing. If an active public market for the Issuer Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Issuer. If these increased levels of volatility and market turmoil continue, the Issuer's operations could be adversely impacted and the value and the price of the Issuer Shares could continue to be adversely affected.

Limited operating history

Drone has a limited operating history on which to base an evaluation of its respective business, financial performance and prospects. As such, the Issuer's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Issuer is in an early stage and is introducing new products, their revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of drone technology because Drone has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as Drone's target markets. There can be no assurance that the Issuer will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Issuer's business, prospects, financial condition and results of operations.

Substantial Capital Requirements

Management of the Issuer anticipates that they may make substantial capital expenditures for the acquisition, exploration, development and production of its drone logistics technology in the future. As the Issuer will be in the development stage with no revenue being generated from the development on its drone logistics technology, they may have limited ability to raise the capital necessary to undertake or complete future development work. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Issuer. Moreover, future activities may require the Issuer to alter its capitalization significantly. The inability of the Issuer to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Issuer to forfeit their interest in certain business opportunities, miss certain acquisition opportunities and reduce or terminate operations.

Dividends

To date, neither the Issuer nor Drone has paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Issuer will be made by its board of directors on the basis of its earnings, financial requirements and other conditions.

Value of Drone's Assets

Drone's assets, which will be the assets of the Issuer following completion of the Transaction, are of indeterminate value. For further information, see the audited financial statements of Drone attached hereto as Schedule "B".

History of Losses

Drone incurred net losses from the inception of its business until the date of this Listing Statement. The Issuer cannot assure that it can become profitable or avoid net losses in the future or that there will not be any earnings or revenue declines for any future quarterly or other periods. The Issuer expects that its operating expenses will increase as it grows its business, including expending substantial resources for research and development and marketing. As a result, any decrease or delay in generating revenues could result in material operating losses.

Reliance on Management and Key Employees

Drone's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable or unwilling to continue in their present positions, the Issuer might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Issuer may lose know-how, key professionals and staff members as well as partners. These executive officers and key employees could develop drone logistics technology that could compete with and take customers and market share away from the Issuer.

Management of Growth

Drone may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Risk Associated with Foreign Operations in Other Countries

The Issuer's primary revenues are expected to be achieved initially in Canada. However, the Issuer may expand to markets outside of Canada and become subject to risks normally associated with conducting business in other countries. The Issuer cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Issuer's business.

Risks Associated with Acquisitions

As part of the Issuer's overall business strategy, after the completion of the Transaction, the Issuer may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Issuer's security measures could misappropriate proprietary information or cause interruptions in its operations. The Issuer may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Insurance Coverage

The Issuer after completion of the Transaction will require insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. Although the Issuer believes that the events and amounts of liability covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Issuer may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Issuer's financial resources, results of operations and prospects could be adversely affected.

Tax Risk

The Issuer will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). However the Issuer will be operating in a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes to level the playing field for perceived disadvantages to the traditional brick and mortar business. While the Issuer does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Currency Fluctuations

Due to Drone's present operations, and after completion of the Transaction, the Issuer's potential intention is to have future operations in jurisdictions outside Canada, the Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Issuer's business, financial condition and operating results. The Issuer intends, after completion of the Transaction, to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Issuer does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Issuer develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Conflicts of Interest

Because directors and officers of the Issuer and/or Drone are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Issuer may have a conflict of interest in conducting their duties. The Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Issuer will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Issuer, the degree of risk to which the Issuer may be exposed and its financial position at that time. Other than as indicated, the Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

Competitive Markets

The Issuer faces competition and new competitors will continue to emerge throughout the world. Services offered by the Issuer's competitors may take a larger share of consumer spending than anticipated, which could cause revenue generated from the Issuer's products and services to fall below expectations. It is expected that competition in these markets will intensify.

If competitors of the Issuer develop and market more successful products or services, offer competitive products or services at lower price points, or if the Issuer does not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Issuer will decline.

The Issuer's ability to compete effectively will depend on, among other things, the Issuer's pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources. Competition could lead to a reduction in the rate at which the Issuer adds new customers, a decrease in the size of the Issuer's market share and a decline in its customers. Examples include but are not limited to competition from other companies in the UAV industry.

In addition, the Issuer could face increased competition should there be an award of additional licences in jurisdictions in which the Issuer operates in.

Uncertainty and adverse changes in the economy

Adverse changes in the economy could negatively impact the Issuer's business. Future economic distress may result in a decrease in demand for the Issuer's products, which could have a material adverse impact on the Issuer's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Issuer's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Issuer.

Risks Related to Operations

The Issuer operates in evolving markets, which makes it difficult to evaluate the Issuer's business and future prospects.

Drone's unmanned aircraft vehicle ("**UAV**") and other energy technologies are sold in new and rapidly evolving markets. The commercial UAV market is in early stages of customer adoption. Accordingly, the Issuer's business and future prospects may be difficult to evaluate. The Issuer cannot accurately predict the extent to which demand for its products will increase, if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact the Issuer's ability to do the following:

- generate sufficient revenue to maintain profitability;
- acquire and maintain market share;
- achieve or manage growth in operations;
- develop and renew contracts;
- attract and retain additional engineers and other highly-qualified personnel;
- successfully develop and commercially market new products;
- adapt to new or changing policies and spending priorities of governments and government agencies; and
- access additional capital when required and on reasonable terms.

If the Issuer fails to address these and other challenges, risks and uncertainties successfully, its business, results of operations and financial condition would be materially harmed.

The Issuer's adoption of new business models could fail to produce desired financial returns.

Forecasting the Issuer's revenues and profitability for these new business models is inherently uncertain and volatile. The Issuer's actual revenues and profits for these business models may be significantly greater or less than the Issuer's forecasts. Additionally, these new business models could fail for one or more of the Issuer's products and/or services, resulting in the loss of Drone's investment in the development and infrastructure needed to support these new business models, and the opportunity cost of diverting management and financial resources away from more successful businesses.

If critical components or raw materials used to manufacture the Issuer's products become scarce or unavailable, then the Issuer may incur delays in manufacturing and delivery of its products, which could damage its business.

The Issuer obtains hardware components, various subsystems and systems from a limited group of suppliers. The Issuer does not have long-term agreements with any of these suppliers that obligate it to continue to sell components, subsystems, systems or products to the Issuer. The Issuer's reliance on these suppliers involves significant risks and uncertainties, including whether its suppliers will provide an adequate supply of required components, subsystems, or systems of sufficient quality, will increase prices for the components, subsystems or systems and will perform their obligations on a timely basis.

In addition, certain raw materials and components used in the manufacture of the Issuer's products are periodically subject to supply shortages, and its business is subject to the risk of price increases and periodic delays in delivery. Similarly, the market for electronic components is subject to cyclical reductions in supply. If the Issuer is unable to obtain components from third-party suppliers in the quantities and of the quality that it requires, on a timely basis and at acceptable prices, then it may not be able to deliver its products on a timely or cost-effective basis to its customers, which could cause customers to terminate their contracts with the Issuer, increase the Issuer's costs and seriously harm its business, results of operations and financial condition. Moreover, if any of the Issuer's suppliers become financially unstable, then it may have to find new suppliers. It may take several months to locate alternative suppliers, if required, or to redesign the Issuer's products to accommodate components from different suppliers. The Issuer may experience significant delays in manufacturing and shipping its products to customers and incur additional development, manufacturing and other costs to establish alternative sources of supply if the Issuer loses any of these sources or is required to redesign its products. The Issuer cannot predict if it will be able to obtain replacement components within the time frames that it requires at an affordable cost, if at all.

The markets in which the Issuer competes are characterized by rapid technological change, which requires the Issuer to develop new products and product enhancements, and could render the Issuer's existing products obsolete.

Continuing technological changes in the market for the Issuer's products could make its products less competitive or obsolete, either generally or for particular applications. The Issuer's future success will depend upon its ability to develop and introduce a variety of new capabilities and enhancements to its existing product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which it offers products. Delays in introducing new products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive prices may cause existing and potential customers to purchase the Issuer's competitors' products.

If the Issuer is unable to devote adequate resources to develop new products or cannot otherwise successfully develop new products or enhancements that meet customer requirements on a timely basis, its products could lose market share, its revenue and profits could decline, and the Issuer could experience operating losses.

If the Issuer releases defective products or services, its operating results could suffer.

Products and services designed and published by the Issuer involve extremely complex software programs, and are difficult to develop and distribute. While the Issuer has quality controls in place to detect defects in its products and services before they are released. Nonetheless, these quality controls are subject to human error, overriding, and reasonable resource constraints. Therefore, these quality controls and preventative measures may not be effective in detecting defects in the Issuer's products and services before they have been released into the marketplace. In such an event, the Issuer could be required to or may find it necessary to voluntarily suspend the availability of the product or service, which could significantly harm its business and operating results.

The Issuer may experience outages and disruptions of its online services if it fails to maintain adequate operational services, security and supporting infrastructure.

As the Issuer increases its online products and services, it expects to continue to invest in technology services, hardware and software including data centers, network services, storage and database technologies to support existing services and to introduce new products and services including websites. Creating the appropriate support for online business initiatives is expensive and complex, and the Issuer's execution could result in inefficiencies or operational failures, and increased vulnerability to cyber-attacks, which, in turn, could diminish the quality of its products, services, and user experience. Cyber-attacks could include denial-of-service attacks impacting service availability and reliability; the exploitation of software vulnerabilities in Internet facing applications; social engineering of system administrators (tricking company employees into releasing control of their systems to a hacker); the introduction of malware into the Issuer's systems with a view to steal confidential or proprietary data; or attempts to hijack consumer account information. Cyber-attacks of increasing sophistication may be difficult to detect and could result in the theft of the Issuer's intellectual property and consumer data, including personally identifiable information. Operational failures or successful cyber-attacks could result in damage to the Issuer's reputation and loss of current and potential users, subscribers, advertisers, and other business partners which could harm its business.

The Issuer's business could be adversely affected if its consumer protection and data privacy practices are not seen as adequate or there are breaches of its security measures or unintended disclosures of its consumer data.

There are several inherent risks to engaging in business online and directly with the end consumers of the Issuer's products and services. As the Issuer conducts more transactions online directly with consumers, it may be the victim of fraudulent transactions, including credit card fraud, which presents a risk to its revenues and potentially disrupts service to its consumers. In addition, the Issuer will collect and store consumer information, including personal information and credit card information. While the Issuer takes measures to protect its consumer data from unauthorized access or disclosure, it is possible that its security controls over consumer data may not prevent the improper access or disclosure of personally identifiable information. A security breach that leads to disclosure of consumer account information (including personally identifiable information) could harm the Issuer's reputation, compel it to comply with disparate breach notification laws in various jurisdictions and otherwise subject the Issuer to liability under laws that protect personal data, resulting in increased costs or loss of revenue. A resulting perception that the Issuer's products or services do not adequately protect the privacy of personal information could result in a loss of current or potential consumers and business partners for its online offerings that require the collection of consumer data.

In addition, the rate of privacy law-making is accelerating globally and interpretation and application of consumer protection and data privacy laws in Canada, the United States, Europe and elsewhere are often uncertain, contradictory and in flux. As business practices are being challenged by regulators, private litigants, and consumer protection agencies around the world, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Issuer's data and/or consumer protection practices. If so, this could result in increased litigation government or court imposed fines, judgments or orders requiring that the Issuer change its practices, which could have an adverse effect on its business and reputation. Complying with these various laws could cause the Issuer to incur substantial costs or require it to change its business practices in a manner adverse to its business.

Failure to obtain necessary regulatory approvals from Transport Canada or other governmental agencies, or limitations put on the use of small UAV in response to public privacy concerns, may prevent the Issuer from expanding sales of its small UAV to non-military customers in Canada.

The regulation of small UAV for commercial use in Canada is undergoing substantial change and the ultimate treatment is uncertain. Currently, the operation of UAVs with a maximum take-off weight not exceeding 2kg., operated within visual line-of-sight are exempt from the regulations promulgated under the *Aeronautics Act* (Canada).

Transport Canada is responsible for establishing, managing, and developing safety and security standards and regulations for civil aviation in Canada, and includes unmanned civil aviation. Civil operations include law enforcement, scientific research, or use by private sector companies for commercial purposes.

UAV operations for civil or commercial purposes are only authorized to fly with a Special Flight Operations Certificate ("**SFOC**") issued by Transport Canada. The *Canadian Aviation Regulations* ("**CARs**") govern civil aviation safety and security in Canada, and by extension govern operation of UAVs in Canada to an equivalent level of safety as manned aircraft. According to section 602.41 of the CARs, "no person shall operate an unmanned air vehicle in flight except in accordance with a SFOC, or an air operator certificate."

As the name implies, SFOCs are intended to be an authorization for flight under special cases that are specific to a geographical area and for a specific mission. An SFOC may be issued to authorize a UAV to operate for any civil purpose, including for surveillance. The information that must be contained in an application for an SFOC includes details such as: type and purpose of the operation; description of the aircraft; dates and times of the proposed flight; security plans and emergency contingency plans; and a detailed plan describing how the operation will be carried out including: altitude and routes where the operation will be carried out, the location of any obstacles, and the exact boundaries of the area for the operation.

While Transport Canada has been a world leader in the development of regulations for the commercial use of UAVs, it has acknowledged that the current regulatory regime in Canada has not kept pace with the rapid development in technology and the growing demand for commercial UAV use. In 2010, the Canadian Aviation Regulation Advisory Council ("**CARAC**") established the Unmanned Aircraft System Program Design Working Group to develop new regulations to increase the safety, scope and regulatory efficiency of commercial UAV applications in Canada. In 2012, the working group released its phase 1 report which outlines the overall proposed revisions to the Canadian regulatory regime. The working group is currently in the process of drafting the revised regulations contemplated in the phase 1 report with the objective of introducing the new regulations before 2017. The new regulations are intended to be consistent with the international UAV regulatory model established by the International Commercial Aviation Organization ("**ICAO**"). There will likely be significant advance notice and consultation with the public before the new regulations are implemented.

In addition, there exists public concern regarding the privacy implications of Canadian commercial and law enforcement use of small UAV. This concern has included calls to develop explicit written policies and procedures establishing usage limitations. There is no assurance that the response from regulatory agencies, customers and privacy advocates to these concerns will not delay or restrict the adoption of small UAV by non-military customers.

The markets in which the Issuer competes are characterized by rapid technological change, which requires the Issuer to develop new products and product enhancements, and could render the Issuer's existing products obsolete.

Continuing technological changes in the market for the Issuer's products could make its products less competitive or obsolete, either generally or for particular applications. The Issuer's future success will depend upon its ability to develop and introduce a variety of new capabilities and enhancements to its existing product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which it offers products. Delays in introducing new products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive prices may cause existing and potential customers to purchase the Issuer's competitors' products.
If the Issuer is unable to devote adequate resources to develop new products or cannot otherwise successfully develop new products or enhancements that meet customer requirements on a timely basis, its products could lose market share, its revenue and profits could decline, and the Issuer could experience operating losses.

The Issuer expects to incur substantial research and development costs and devote significant resources to identifying and commercializing new products and services, which could significantly reduce its profitability and may never result in revenue to the Issuer.

The Issuer's future growth depends on penetrating new markets, adapting existing products to new applications, and introducing new products and services that achieve market acceptance. The Issuer plans to incur substantial research and development costs as part of its efforts to design, develop and commercialize new products and services and enhance existing products. The Issuer believes that there are significant investment opportunities in a number of business areas. Because the Issuer accounts for research and development as an operating expense, these expenditures will adversely affect its earnings in the future. Further, the Issuer's research and development programs may not produce successful results, and its new products and services may not achieve market acceptance, create additional revenue or become profitable, which could materially harm the Issuer's business, prospects, financial results and liquidity.

The Issuer's products and services are complex and could have unknown defects or errors, which may give rise to claims against the Issuer, diminish its brand or divert its resources from other purposes.

The Issuer's UAV rely on complex avionics, sensors, user-friendly interfaces and tightly-integrated, electromechanical designs to accomplish their missions. Despite testing, the Issuer's products have contained defects and errors and may in the future contain defects, errors or performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by the Issuer's customers for a period of time. These problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in the Issuer's service and maintenance costs, exposure to liability for damages, damaged customer relationships and harm to the Issuer's reputation, any of which could materially harm the Issuer's results of operations and ability to achieve market acceptance. In addition, increased development and warranty costs could be substantial and could reduce the Issuer's operating margins.

The existence of any defects, errors, or failures in the Issuer's products or the misuse of the Issuer's products could also lead to product liability claims or lawsuits against it. A defect, error or failure in one of the Issuer's UAV could result in injury, death or property damage and significantly damage the Issuer's reputation and support for its UAV in general. The Issuer anticipates this risk will grow as its UAV begins to be used in Canadian domestic airspace and urban areas. The Issuer's UAV test systems also have the potential to cause injury, death or property damage in the event that they are misused, malfunction or fail to operate properly due to unknown defects or errors.

Although the Issuer maintains insurance policies, it cannot provide assurance that this insurance will be adequate to protect the Issuer from all material judgments and expenses related to potential future claims or that these levels of insurance will be available in the future at economical prices or at all. A successful product liability claim could result in substantial cost to us. Even if the Issuer is fully insured as it relates to a claim, the claim could nevertheless diminish the Issuer's brand and divert management's attention and resources, which could have a negative impact on the Issuer's business, financial condition and results of operations.

Shortfalls in available external research and development funding could adversely affect the Issuer.

The Issuer depends on its research and development activities to develop the core technologies used in its UAV products and for the development of the Issuer's future products. A portion of the Issuer's research and development activities depend on funding by commercial companies and the Canadian government. Canadian government and commercial spending levels can be impacted by a number of variables, including general economic conditions, specific companies' financial performance and competition for Canadian government funding with other Canadian government-sponsored programs in the budget formulation and appropriation processes. Moreover, the Canadian, federal and provincial governments provide energy rebates and incentives to commercial companies, which directly impact the amount of research and development that companies appropriate for energy systems. To the extent that these energy rebates and incentives are reduced or eliminated, company funding for research and development could be reduced. Any reductions in available research and development funding could harm the Issuer's business, financial condition and operating results.

The Issuer could be prohibited from shipping its products to certain countries if it is unable to obtain Canadian government authorization regarding the export of its products, or if current or future export laws limit or otherwise restrict the Issuer's business.

The Issuer must comply with Canadian federal and provincial laws regulating the export of its products. In some cases, explicit authorization from the Canadian government is needed to export its products. The export regulations and the governing policies applicable to the Issuer's business are subject to change. The Issuer cannot provide assurance that such export authorizations will be available for its products in the future. Compliance with these laws has not significantly limited the Issuer's operations or sales in the recent past, but could significantly limit them in the future. Non-compliance with applicable export regulations could potentially expose the Issuer to fines, penalties and sanctions. If the Issuer cannot obtain required government approvals under applicable regulations, the Issuer may not be able to sell its products in certain international jurisdictions, which could adversely affect the Issuer's financial condition and results of operations.

From time to time the Issuer may become involved in legal proceedings, which could adversely affect the Issuer.

The Issuer may, from time to time in the future, become subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy, and disruptive to normal business operations. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on the Issuer's business, operating results, or financial condition.

Reliance on business partners

The Issuer relies on various business partners, including third-party service providers, vendors, licensing partners, development partners, and licensees, among others, in many areas of the Issuer's business. In many cases, these third parties are given access to sensitive and proprietary information in order to provide services and support to the Issuer's teams. These third parties may misappropriate the Issuer's information and engage in unauthorized use of it. The failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to the Issuer's business operations. Further, disruptions in the financial markets and economic downturns may adversely affect the Issuer's business partners and they may not be able to continue honoring their obligations to the Issuer. Alternative arrangements and services may not be available to the Issuer on commercially reasonable terms or the Issuer may experience business interruptions upon a transition to an alternative partner or vendor. If the Issuer loses one or more significant business partners, the Issuer's business could be harmed.

Risks Related to Intellectual Property

If the Issuer fails to protect, or incur significant costs in defending, its intellectual property and other proprietary rights, the Issuer's business, financial condition, and results of operations could be materially harmed.

The Issuer's success depends, in large part, on its ability to protect its intellectual property and other proprietary rights. The Issuer relies primarily on patents, trademarks, copyrights, trade secrets and unfair competition laws, as well as license agreements and other contractual provisions, to protect the Issuer's intellectual property and other proprietary rights. However, a significant portion of the Issuer's technology is not patented, and the Issuer may be unable or may not seek to obtain patent protection for this technology. Moreover, existing Canadian legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only limited protection, may not provide the Issuer with any competitive advantages, and may be challenged by third parties. The laws of countries other than Canada may be even less protective of intellectual property rights. Accordingly, despite its efforts, the Issuer may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Issue's technology. Unauthorized third parties may try to copy or reverse engineer the Issuer's products or portions of its products or otherwise obtain and use the Issuer's intellectual property. Moreover, many of the Issuer's employees have access to the Issuer's trade secrets and other intellectual property. If one or more of these employees leave to work for one of the Issuer's competitors, then they may disseminate this proprietary information, which may as a result damage the Issuer's competitive position. If the Issuer fails to protect its intellectual property and other proprietary rights, then the Issuer's business, results of operations or financial condition could be materially harmed. From time to time, the Issuer may have to initiate lawsuits to protect its intellectual property and other proprietary rights. Pursuing these claims is time consuming and expensive and could adversely impact the Issuer's results of operations.

In addition, affirmatively defending the Issuer's intellectual property rights and investigating whether the Issuer is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Issuer's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Issuer resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, then the proceedings could result in significant expense to the Issuer and divert the attention and efforts of the Issuer's management and technical employees, even if the Issuer prevails.

The Issuer may be sued by third parties for alleged infringement of their proprietary rights, which could be costly, time-consuming and limit the Issuer's ability to use certain technologies in the future.

The Issuer may become subject to claims that its technologies infringe upon the intellectual property or other proprietary rights of third parties. Any claims, with or without merit, could be time-consuming and expensive, and could divert the Issuer's management's attention away from the execution of its business plan. Moreover, any settlement or adverse judgment resulting from these claims could require the Issuer to pay substantial amounts or obtain a license to continue to use the disputed technology, or otherwise restrict or prohibit the Issuer's use of the technology. The Issuer cannot assure that it would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all, that the Issuer would be able to develop alternative technology on a timely basis, if at all, or that the Issuer would be able to obtain a license to use a suitable alternative technology to permit the Issuer to continue offering, and the Issuer's customers to continue using, the Issuer's affected product. An adverse determination also could prevent the Issuer from offering its products to others. Infringement claims asserted against the Issuer may have a material adverse effect on its business, results of operations or financial condition.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under Section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Issuer Shares.

18. PROMOTERS

18.1 – 18.2 – Promoter Consideration

The Issuer paid a finder's fee to the Finders in the aggregate of $45,674 in connection with the private placement financings of Drone completed in December 2015 and January 2016. See Section 3.1(b)-*General Development of Drone's Business*.

Other than as listed above, there has been no person or company that may be considered a promoter of the Issuer within two years immediately preceding this Listing Statement.

19. LEGAL PROCEEDINGS

19.1 – Legal Proceedings

As of the date of this Listing Statement, there are no legal proceedings material to the Issuer to which the Issuer is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to the Issuer to be contemplated.

19.2 – Regulatory Actions

As of the date of this Listing Statement, the Issuer has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Issuer entered into a settlement agreement with a securities regulatory authority, nor has the Issuer been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Issuer's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than Mr. Richard Buzbuzian (as explained below) no material conflict of interest, either direct or indirect, is currently known to exist with respect to any proposed transaction, or any transaction consummated over the three years before the date of this Listing Statement, that has affected or will materially affect the Issuer.

Conflicts of interest may arise as a result of the directors and officers of the Issuer also holding positions as directors or officers of other companies. Some of those individuals have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer.

The directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and the OBCA, as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 – Auditors

The auditors of the Asher and Drone are D&H Group LLP, Chartered Professional Accountants.

After completion of the Transaction the auditor of the Issuer will be D&H Group LLP, Chartered Professional Accountants.

21.2 – Transfer Agent and Registrar

The registrar and transfer agent of the Issuer is Computershare Investor Services Inc.

22. MATERIAL CONTRACTS

22.1 – Material Contracts of the Issuer

The Issuer has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business and documents entered into in connection with the Transaction (described in Section 3.1(a) above).

Drone has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business and documents entered into in connection with the Transaction (described in Section 3.1(b) above).

The material contracts described above may be inspected without further charge at the offices of Irwin Lowy LLP, solicitors of the Issuer, located at Suite 400, 365 Bay Street, Toronto, Ontario during ordinary business hours until the date of the completion of the Listing and for a period of 30 days thereafter.

22.2 – Special Agreements

The Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreement.

23. INTEREST OF EXPERTS

23.1 – Interest of Experts – Issuer and Drone

The auditors of Asher, D&H Group LLP, Chartered Professional Accountants, audited the financial statements of Asher for the years ended December 31, 2015, 2014 and 2013 and is independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, D&H Group LLP, Chartered Professional Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of the Issuer.

The auditors of Drone, D&H Group LLP, Chartered Professional Accountants audited the financial statements of Drone from the date of incorporation of Drone (August 8, 2014) to December 31, 2014 and for the year ended December 31, 2015, and is independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, D&H Group LLP, Chartered Professional Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of Drone.

24. OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Issuer and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

25(a) – Financial Statements – Asher

Schedule "A" contains the audited financial statements for Asher for years ended December 31, 2015, 2014 and 2013.

25(b) – Financial Statements – Drone

Schedule "B" contains the audited financial statements for Drone for the period from August 8, 2014 (the date of incorporation of Drone) to December 31, 2014 and the year ended December 31, 2015.

25(c) – Pro Forma Consolidated Financial Statements

Schedule "C" contains the unaudited pro forma consolidated statement of financial position of the Issuer as at December 31, 2015.

SCHEDULE "A"
FINANCIAL STATEMENTS OF ASHER

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

dhgroup.ca
t 604.731.5881
f 604.731.9923

April 28, 2016

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Nova Scotia Securities Commission

Dear Sirs:

Re: Asher Resources Corporation (the "Company")

We refer to the information circular of the Company dated April 28, 2016 relating to the annual and special meeting to be held on May 19, 2016.

Asher Resources Corporation

We consent to being named and to the use, through incorporation by reference, in the above-mentioned information circular of our auditor's report dated April 18, 2016 to the shareholders of the Company on the following financial statements:

§ Consolidated statements of financial position as at December 31, 2015 and December 31, 2014;
§ Consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for each of the years ended December 31, 2015 and December 31, 2014 and a summary of significant accounting policies and other explanatory information.

Drone Delivery Canada Inc.

We consent to being named, and to the use in the above-mentioned information circular, of our auditor's report dated April 27, 2016 to the directors of the Company on the following financial statements:

§ Statements of financial position as at December 31, 2015 and December 31, 2014;
§ Statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the year ended December 31, 2015 and the period from incorporation on August 8, 2014 to December 31, 2014 and a summary of significant accounting policies and other explanatory information.

We report that we have read the information circular and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audits of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the information circular as these terms are described in the CPA Canada Handbook – Assurance.

Yours truly,

"D&H Group LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

ASHER RESOURCES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Asher Resources Corporation [the "Company"] are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards (“IFRS”) and their interpretations as issued by the International Accounting Standards Board (“IASB”).

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the 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 consolidated financial statements and (ii) the 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 by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

dhgroup.ca
t 604.731.5881
f 604.731.9923

Independent Auditor's Report

To the Shareholders of Asher Resources Corporation

We have audited the accompanying consolidated financial statements of Asher Resources Corporation, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years ended December 31, 2015 and December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Asher Resources Corporation as at December 31, 2015 and December 31, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Vancouver, B.C.
April 18, 2016

Chartered Professional Accountants

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS)

As at		December 31, 2015		December 31, 2014
ASSETS				
Current				
Cash	**$**	**20,914**	$	120,993
Short-term investments		**485,101**		728,792
Amounts receivable		**40,572**		59,739
Prepaid expenses		**18,861**		18,164
		565,448		927,688
Exploration and evaluation assets (Note 3)		**-**		1,810,213
	$	**565,448**	$	2,737,901
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**263,628**	$	178,759
SHAREHOLDERS' EQUITY				
Capital stock (Note 4)		**2,541,488**		2,541,488
Contributed surplus		**1,923,173**		1,923,173
Deficit		**(4,162,841)**		(1,905,519)
		301,820		2,559,142
	$	**565,448**	$	2,737,901

Nature of Operations (Note 1)
Subsequent Events (Note 9)

Approved on Behalf of the Board:

"Norman Eyolfson"
Director

"Richard Buzbuzian"
Director

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

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(EXPRESSED IN CANADIAN DOLLARS)

Year Ended December 31,	**2015**	**2014**
EXPENSES		
Office and general	**$ 92,122**	$ 113,597
Professional fees	**223,097**	235,334
Share-based payments	**-**	73,288
Shareholder information	**18,554**	26,872
Travel	**82**	11,649
Investor relations	**5,053**	36,810
Net loss for the period before the following:	**(338,908)**	**(497,550)**
Interest income	**7,003**	17,521
Loss on foreign exchange	**(14,789)**	(9,354)
Write down of exploration and evaluation assets	**(1,910,628)**	-
NET LOSS AND COMPREHENSIVE LOSS	**$ (2,257,322)**	$ (489,383)
Basic and diluted loss per share (Note 5)	**$ (0.09)**	$ (0.02)
Basic and diluted weighted average number of shares outstanding	**24,060,896**	22,938,891

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

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

	Shares	Common Stock	Capital Surplus	Contributed Deficit	Total
Balance, December 31, 2013	**22,677,563**	**$ 2,475,159**	**$ 1,827,738**	**$ (1,416,136)**	**$ 2,886,761**
Private placement (Note 4(b)(i))	1,383,333	83,000	-	-	83,000
Costs of issue (Note 4(b)(i))	-	(1,316)	-	-	(1,316)
Issuance of warrants (Note 4(b)(i))	-	(15,355)	15,355	-	-
Share-based payments	-	-	80,080	-	80,080
Net loss for the year	-	-	-	(489,383)	(489,383)
Balance, December 31, 2014	**24,060,896**	**$ 2,541,488**	**$ 1,923,173**	**$ (1,905,519)**	**$ 2,559,142**
Net loss for the year	-	-	-	(2,257,322)	(2,257,322)
Balance, December 31, 2015	**24,060,896**	**$ 2,541,488**	**$ 1,923,173**	**$ (4,162,841)**	**$ 301,820**

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

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN CANADIAN DOLLARS)

Year Ended December 31,	**2015**	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**$ (2,257,322)**	$ (489,383)
Stock-based compensation	**-**	73,288
Write down of exploration and evaluation assets	**1,910,628**	-
Accrued interest	**(6,309)**	(17,322)
Net change in non-cash working capital:		
Amounts receivable	**19,167**	6,575
Prepaid expenses	**(697)**	21,307
Accounts payable and accrued liabilities	**84,869**	(27,758)
	(249,664)	(433,293)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of short-term investments	**-**	(1,000,000)
Proceeds from disposition of short-term investments	**250,000**	821,732
Exploration and evaluation assets	**(100,415)**	(612,983)
	149,585	(791,251)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital, net of issue costs (Note 4(b))	**-**	81,684
	-	81,684
CHANGE IN CASH	**(100,079)**	(1,142,860)
CASH, BEGINNING OF YEAR	**120,993**	1,263,853
CASH, END OF YEAR	**$ 20,914**	$ 120,993

SUPPLEMENTARY CASH FLOW INFORMATION:

Accounts payable and accrued liabilities related to exploration and evaluation assets	**$ 88,576**	$ 84,098

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

1. NATURE OF OPERATIONS

Asher Resources Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 2, 2011, and is a Tier 2 Mining Issuer under Exchange policies, trading under the symbol ACN.

The Company has an option agreement to earn up to a 100% interest in certain mining claims located in the Vernon Hills area, Vernon Mining Division, British Columbia, and a definitive option agreement, to acquire a 100% interest in the King Mine property, a prospective mineral property consisting of 42 lode claims, located in Mineral County, Nevada, USA.

On January 19, 2016, the Company entered into an amalgamation agreement with 2500527 Ontario Ltd., a wholly-owned subsidiary of Asher ("Asher Subco"), and Drone Delivery Canada Inc. ("DDC") providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition by Asher of all of the issued and outstanding common shares of DDC (the "Transaction"), pursuant to which Asher Subco and DDC will amalgamate and the outstanding securities of DDC will be exchanged, on a one-for-one basis, for securities of the Company. It is intended that following completion of the Transaction former DDC shareholders will hold approximately 87% of the resulting issuer and Asher shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of DDC. (Note 9)

The head office of the Company is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

On January 17, 2013, the Company incorporated Asher Resources US Inc. in Nevada, a wholly owned subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the years ended December 31, 2015 and 2014, using significant accounting policies outlined below.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 21, 2016.

(b) Basis of Preparation

The consolidated financial statements are presented in Canadian dollars. The consolidated financial statements are prepared on the historical cost basis or the fair value basis for certain financial instruments.

The preparation of consolidated financial statements requires the use of estimates and the exercise of judgment in applying the Company's accounting policies.

(c) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, Asher Resources US Inc. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(d) Income Taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Share-based Payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share award reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

- Exercise price
- Expected volatility
- Risk-free interest rate
- Expected life of the award
- Current market price of the underlying shares
- Expected forfeitures

(f) Exploration and Evaluation Assets

The Company considers its exploration and development costs to have the characteristics of property, plant and equipment. As such, the Company defers all exploration costs including acquisition costs, field exploration and supervisory costs and feasibility and environmental study costs relating to specific properties until those properties are brought into production at which time they will be amortized on a units-of-production basis, based on recoverable, proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value.

The recovery of costs of exploration and evaluation assets and deferred exploration is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration development and future profitable production or proceeds from disposition of such properties. Management’s estimates of recoverability of the Company’s investment in various projects have been based on current conditions.

(g) Financial Instruments

<u>Financial Assets</u>

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash and short-term investments (consisting of various guaranteed investment certificates and money market funds) are classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. These include amounts receivable.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2015 and 2014, the Company has not classified any financial assets as available for sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At December 31, 2015 and 2014, the Company has not classified any financial liabilities as fair value through profit or loss.

Capital Stock

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

(h) Short-term Investments

Short-term investments consist of guaranteed investment certificates at various rates held with a Canadian chartered bank and money market funds, with original maturities of one year or less and are cashable.

(i) Revenue Recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

(j) Related Parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

(k) Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the allocation of proceeds received on sale of units to the underlying common shares and share purchase warrants issued as private placement units. The fair value of the share purchase warrants issued in private placements is determined by an option pricing model (see note 2(e)), calculated on the announcement date. The balance, if any, is allocated to the attached common shares.

(l) Flow-through Shares

The Company has adopted an accounting policy whereby flow-through share proceeds are allocated between the offering of the common shares and the premium associated with the sale of income tax benefits when the common shares are offered, if any. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and reversed in the statement of comprehensive loss as the Company spends flow-through share proceeds.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Share-based Payments

Management is required to make certain estimates when determining the fair value of stock option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based payments in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options. For the year ended December 31, 2015, the Company recognized $nil of share-based payment expense (year ended December 31, 2014 - $73,288).

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of a similar company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) **Critical Accounting Estimates and Judgments (Continued)**

Critical Judgments Used in Applying Accounting Policies

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

i) Income taxes and recovery of deferred tax assets

The 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

ii) Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs of disposal. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate net present value. The Company assesses its mineral properties for impairment in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources. As at December 31, 2015, there were no indications of impairment.

The Company determines its recoverable amount by determining the higher of the value in use and the fair value less costs of disposal. The Corporation considered recent transactions with the industry, long term views of commodity prices, externally evaluated resource volumes, and discount rates specific to the cash generating unit ("CGU"). In computing the recoverable amount, future cash flows were adjusted for risks specific to the CGU and discounted using a post tax discount rate.

(n) **Loss Per Share**

Basic loss per share is computed by dividing loss for the year by the weighted number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method whereby the weighted average number of common shares used in the basic loss per share calculation is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued at the beginning of the year. Potential common shares represent the common shares issuable upon the exercise of stock options or warrants. Potential common shares are excluded from the calculation if their effect is anti-dilutive.

(o) **Impairment**

Financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) **Impairment (Continued)**

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(p) **Foreign Currencies**

The functional currency of the Company is the Canadian Dollar. The functional currency of the subsidiary Asher Resources US Inc. is the US dollar. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot rate at the date of the initial transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

The financial results and position of the US subsidiary are translated as follows: (i) assets and liabilities are translated at the period end exchange rates prevailing at the reporting date; and (ii) income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of the US subsidiaries are recognized in other comprehensive loss. These differences are recognized in loss and comprehensive loss in the period in which the operation is disposed.

(q) **Future Accounting Pronouncement**

The following standard has been issued but not yet adopted in these consolidated financial statements. The Company does not expect to early adopt this standard. The Company's assessment of the impact of this new standard and interpretation is set out below.

i) IFRS 9, Financial Instruments ("IFRS 9") was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. IFRS 9 has an effective date of January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of this standard on its financial statements.

ii) IFRS 11, Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

(EXPRESSED IN CANADIAN DOLLARS)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Future Accounting Pronouncement (continued)

iii) IAS 1, Presentation of Financial Statements ("AS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

3. EXPLORATION AND EVALUATION ASSETS

Year Ended December 31,	2015	2014
Lavington Claims		
Balance, beginning of period	**$ 689,647**	$ 433,853
Drilling	**-**	103,857
Geological	**-**	148,437
Mapping	**82,000**	-
Claims	**-**	3,500
Write down	**(771,647)**	-
Balance, end of year	**$ -**	$ 689,647
King Mine		
Balance, beginning of period	**$ 1,120,566**	$ 721,939
Drilling	**-**	169,275
Geological	**8,682**	146,741
Laboratory expense	**3,916**	43,899
Staking fees	**5,817**	38,712
Write down	**(1,138,981)**	-
Balance, end of year	**$ -**	$ 1,120,566
Total, end of year	**$ -**	$ 1,810,213

Lavington Claims

On February 29, 2012, the Company received final Exchange approval of its October 20, 2011 Option Agreement with Aurion Resources Ltd, as amended on October 10, 2013. Pursuant to the Option Agreement, the Company can earn up to a 100% interest in certain mining claims, located in the Vernon Hills area, Vernon Mining Division, British Columbia by paying cash and issuing shares to the Optionor as follows:

i) $25,000 upon execution of the Option Agreement (paid);
ii) $15,000 and 62,500 common shares on February 28, 2012 (paid; 62,500 common shares issued with an ascribed fair value of $21,250);
iii) $25,000 and 50,000 common shares on February 28, 2013 (paid; 50,000 common shares issued with an ascribed fair value of $13,500);
iv) 650,000 common shares by October 31, 2013 (650,000 common shares issued with an ascribed fair value of $221,000); and
v) Incur a minimum of $200,000 in exploration expenditures on the property by June 30, 2014 (incurred).

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Lavington Claims (Continued)

The Optionor and the underlying owner of the Property (Cazador Resources Ltd., an arm's length party) have each retained two percent (2%) net smelter return royalties, for a total royalty burden of 4%, half of which may be purchased by the Company paying $1,000,000 to each of the Optionor and Cazador Resources Ltd. ($2,000,000 in total) within the time allowed. After exercise of the option, an advance royalty payment of $40,000 will become payable to Cazador annually on October 12th. The October 12, 2014 payment has been deferred to October 12, 2015.

The Company was also required to make the payments to Cazador Resources Ltd. required in order to keep the underlying agreement in force during the currency of the option. The remaining underlying option payments consisted of $25,000 and 25,000 common shares on or before October 12, 2012 (paid; 25,000 shares issued, with an ascribed fair value of $6,000) and 250,000 common shares on or before October 31, 2013 (250,000 common shares issued with an ascribed fair value of $85,000).

The Company has a 100% legal and beneficial interest in the Lavington Property.

In light of the Company's default on option payment and the Company's proposed change in business (see note 9), the Lavington Claims have been written down to $nil.

King Mine

On March 20, 2012 and as amended, the Company signed a definitive option agreement, to acquire a 100% interest in the King Mine property (the "King Mine"), a prospective mineral property consisting of 42 lode claims, located in Mineral County, Nevada, USA from ProJem Venture Inc. ("Projem"), a private Nevada corporation.

In order to exercise the option, the Company has agreed to make the following cash payments and issue shares to Projem in the amounts and within the time periods described below:

i) US $15,000 (CDN $14,894) upon execution of the option agreement (paid);
ii) 50,000 common shares on April 10, 2012 (50,000 common shares issued with an ascribed fair value of $20,000);
iii) US $20,000 (CDN $20,744, CDN $22,388) on each of March 20, 2013 and 2014 (paid; paid);
iv) US $60,000 (CDN $63,816) on March 20, 2016;
v) US $40,000 (CDN $42,544) on March 20, 2017; and
vi) US $1,345,000 (CDN $1,430,542) on March 20, 2018.

Projem has retained a three percent (3%) net smelter return royalty, half of which may be purchased by the Company paying US $1,500,000 (CDN $1,601,400) within the time allowed.

In light of the Company's default on option payment and the Company's proposed change in business (see note 9), the King Mine has been written down to $nil.

(EXPRESSED IN CANADIAN DOLLARS)

4. CAPITAL AND OTHER EQUITY

(a) Authorized

Unlimited number of common shares, without par value.

(b) Issued

	Shares		Amount
Balance, December 31, 2013	**22,677,563**	**$**	**2,475,159**
Private placement (i)	1,383,333		83,000
Costs of issue (i)	-		(1,316)
Issuance of warrants (i)	-		(15,355)
Balance, December 31, 2014 and December 31, 2015	**24,060,896**	**$**	**2,541,488**

i) On October 23, 2014, the Company closed a private placement financing consisting of 1,383,333 flow-through units for aggregate gross proceeds of $83,000. Each unit consisted of one flow-through common share and one half share purchase warrant. Each share purchase warrant is exercisable to purchase one additional common share at $0.10 for a period of one year. Cash costs of issue associated with this placement were $1,316. No premium was associated with the flow-through common shares.

The resulting 691,667 warrants were assigned a fair value of $15,355 using a valuation method based on the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 161.06%, risk free interest rate 1.00%, and an expected life of one year. No finder's fees were paid on this transaction.

(c) Stock Options

As at December 31, 2015, 2,265,000 options were issued and outstanding, all fully vested and exercisable.

	Number of Stock Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2013	**1,145,000**	**$0.24**
Granted	1,120,000	$0.10
Balance, December 31, 2014 and December 31, 2015	**2,265,000**	**$0.17**

Expiry Date	Number Outstanding	Exercise Price	Weighted Average Contractual Life (years)
August 11, 2016	450,000	$0.20	0.61
December 13, 2016	310,000	$0.28	0.95
March 14, 2017	135,000	$0.28	1.20
January 29, 2018	250,000	$0.25	2.08
January 8, 2019	1,120,000	$0.10	3.02
	2,265,000	$0.17	2.05

(EXPRESSED IN CANADIAN DOLLARS)

4. CAPITAL AND OTHER EQUITY (Continued)

(d) Warrants

As at December 31, 2015, no warrants were issued and outstanding.

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2013	**9,882,608**	**$0.31**
Issued (Note 4(b)(i))	691,667	0.10
Expired	(1,370,000)	0.35
Balance, December 31, 2014	**9,204,275**	**0.29**
Expired	(9,204,275)	0.29
Balance, December 31, 2015	**-**	**$ -**

5. LOSS PER SHARE

The effect of potentially dilutive securities has been excluded from the computation of diluted weighted average number of shares outstanding, as they are anti-dilutive to the basic loss per share.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, short-term investments, amounts receivable and accounts payable and accrued liabilities.

The carrying amounts shown in the statement of financial position are as follows:

As at December 31,	2015	2014
Cash	$ 20,914	$ 120,993
Short-term investments	485,101	728,792
Amounts receivable	40,572	59,739
Accounts payable and accrued liabilities	263,628	178,759

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments recorded at fair value.

For amounts receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

6. FINANCIAL INSTRUMENTS (Continued)

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash, and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Risk Management Disclosures

The Company is exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to these risks. The principal financial risks to which the Company is exposed are described below.

(a) **Financial Risks**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, currency risk, and price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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, short-term investments and amounts receivable. Amounts receivable consists primarily of harmonized taxes receivable from the Government of Canada. Cash is held with reputable Canadian chartered banks, the balances of which are closely monitored by management. Management believes that the credit risk with respect to financial instruments included in cash and amounts receivable, is minimal. As at December 31, 2015, no receivables were past due or considered impaired.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2015, the Company had a cash and short-term investment balance of $506,015 to settle current liabilities of $263,628. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

6. FINANCIAL INSTRUMENTS (Continued)

(a) **Financial Risks (Continued)**

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances, short-term investments and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company's exposure to foreign currency transactions is nominal. The Company does not enter into arrangements to hedge its foreign currency risk as it is not material to the Company's financial statements.

iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them.

Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(b) **Capital Management**

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company considers its capital to be equity, which comprises capital stock, contributed surplus and deficit, which at December 31, 2015, totalled $301,820.

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 Venture Exchange ("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 December 31, 2015, the Company believes it is compliant with Policy 2.5.

6. FINANCIAL INSTRUMENTS (Continued)

Risk Management Disclosures (Continued)

(c) **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 holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate against the Canadian Dollar would affect the reported loss and comprehensive loss for the year ended December 31, 2015 by approximately $nil (December 31, 2014 - $1,200).

(ii) The Company's cash and short-term investments are subject to interest rate fluctuations. As at December 31, 2015, sensitivity to a plus or minus 1% change in interest rates would affect reported loss and comprehensive loss for the year ended December 31, 2015 by approximately $5,000 (December 31, 2014 - $8,500).

7. RELATED PARTY DISCLOSURES

i) On January 9, 2014, the Company granted 1,025,000 stock options with an exercise price of $0.10 to certain directors and officers of the Company, expiring on January 8, 2019. The options were assigned a fair value of $73,288 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 147.31%, risk free interest rate 1.87%, and an expected life of 5 years. The options vested immediately upon grant.

ii) During the year ended December 31, 2015, the Company paid $26,643 (year ended December 31, 2014 - $26,675) to Marrelli Support Services Inc. (“Marrelli Support”) and DSA Corporate Services Inc. (the “DSA”), together known as the “Marrelli Group” for:

a) Robert D.B. Suttie, vice president of Marrelli Support, to act as Chief Financial Officer (“CFO”);

b) Bookkeeping and office support services; and

c) Regulatory filing services.

The Marrelli Group was also reimbursed for out of pocket expenses. As of December 31, 2015, the Marrelli Group was owed $9,220 (December 31, 2014 - $10,326). These amounts are included in accounts payable and accrued liabilities.

iii) For the year ended December 31, 2015, the Company expensed $180,000 (year ended December 31, 2014 - $180,000) to the Chief Executive Officer ("CEO"), under the terms of a consulting agreement. Included in accounts payable and accrued liabilities is $nil (December 31, 2014 - $230) pertaining to reimbursable travel expenses. Included in prepaid expenses is $15,000 pertaining to an advance of salary (December 31, 2014 - $15,000).

iv) For the year ended December 31, 2015, the Company paid $nil (year ended December 31, 2014 - $16,000) to a director of the Company for consulting services, which were capitalized to exploration and evaluation expenditures on the consolidated statements of financial position.

v) As at December 31, 2015, $38,500 (December 31, 2014 - $33,000) is owed to directors of the company and is included in accounts payable and accrued liabilities.

(EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY DISCLOSURES (Continued)

Remuneration of the officers and directors of the Company was as follows:

Year Ended December 31,	2015	2014
CEO remuneration	**$ 180,000**	$ 180,000
Marrelli Support Services Inc.- CFO and accounting	**$ 26,643**	$ 26,675
Terry Christopher - consulting fees	**$ -**	$ 16,000
Director Fees	**$ 5,500**	$ 38,500
Share based payments	**$ -**	$ 73,288

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

At December 31, 2015, directors with control of less than 10% of the common shares of the Company collectively control 2,134,928 common shares of the company or approximately 9.41% of the total common shares outstanding. To the knowledge of directors and officers of Asher, the remainder of the Company's outstanding common shares are widely held.

8. INCOME TAXES

The significant components of the Company's net deferred income tax assets and liabilities are as follows:

As at December 31,	2015	2014
Deferred Income Taxes		
Non-capital losses	**$ 551,000**	$ 428,300
Exploration and evaluation assets	**400,000**	(56,300)
Share issue costs	**28,000**	50,900
Unrecognized deferred tax assets	**(979,000)**	(422,900)
	$ -	$ -

Deferred tax assets in respect of losses and other temporary differences are recognized when it is more likely than not that they will be recovered against profits in future periods. No deferred tax assets have been recognized as this criterion has not been met.

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the period. The Company's effective tax rate for the period ended December 31, 2015 was 25.00% (December 31, 2014 - 25.00%).

Year Ended December 31,	2015	2014
Loss before recovery of income taxes	**$ (2,257,322)**	$ (489,383)
Expected income tax recovery	**$ 572,581**	$ 122,300
Non-deductible items	**(490,881)**	(21,000)
Share issue costs	**22,000**	300
Change in tax benefits not recognized	**(103,700)**	(101,600)
Income tax recovery reflected in the statements of loss and comprehensive loss	**$ -**	$ -

As at December 31, 2015, the Company has estimated non-capital losses of $2,205,000 for Canadian income tax purposes that may be carried forward to reduce taxable income of future years. The non-capital losses expire by 2034.

9. SUBSEQUENT EVENTS

(i) On January 19, 2016, the Company entered into an amalgamation agreement with 2500527 Ontario Ltd., a wholly-owned subsidiary of Asher ("Asher Subco"), and Drone Delivery Canada Inc. ("DDC") providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition by Asher of all of the issued and outstanding common shares of DDC (the "Transaction"), pursuant to which Asher Subco and DDC will amalgamate and the outstanding securities of DDC will be exchanged, on a one-for-one basis, for securities of the Company. It is intended that following completion of the Transaction former DDC shareholders will hold approximately 87% of the resulting issuer and Asher shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of DDC.

Prior to closing the Transaction, it is anticipated that Asher will apply to list its common shares for trading on the Canadian Securities Exchange (the "CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that Asher will delist from the TSXV concurrently with the listing on the CSE immediately following the completion of the Transaction.

On closing of the Transaction it is anticipated that Asher will change its name to "Drone Delivery Canada Corp.".

Concurrent with closing the Transaction it is expected that Asher will consolidate its common shares on a 4 for 1 basis and complete a debt settlement with certain creditors to settle an aggregate of $185,000 owing by Asher at a deemed price of $0.015 per Asher common share on a pre-consolidated basis ($0.06 on a post-consolidated basis).

(ii) On April 11, 2016, the Company announced that it has retained First Republic Capital Corporation (the “Agent”) to act as agent in connection with a best efforts brokered private placement to raise gross proceeds of up to $2,500,000 through the issuance of up to 17,857,142 subscription receipts of the Company (the "Subscription Receipts") at a price of $0.14 per Subscription Receipt (the "Offering"). The gross proceeds of the Offering less certain expenses of the Agent will be held in escrow on behalf of the subscribers by an escrow agent.

In connection with the Offering, the Agent will be entitled to a corporate finance fee in an amount equal to 2% of the aggregate gross proceeds of the Subscription Receipts sold and a sales commission equal to 6% of the aggregate gross proceeds of the Subscription Receipts sold. In addition, as additional compensation, the Company will issue to the Agent corporate finance warrants entitling the Agent to purchase a number of post-consolidation common shares equal to 2% of the aggregate number of Subscription Receipts sold and selling compensation warrants entitling the Agent to purchase a number of post-consolidation common shares equal to 6% of the aggregate number of Subscription Receipts sold, at an exercise price of $0.14 per compensation warrant for 24 months from the date of closing.

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to a reader to assess material changes in the financial condition and results of operations as at and for the year ended December 31, 2015. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of Asher Resources Corporation ("Asher" or the "Company") for the years ended December 31, 2015 and 2014 and the notes thereto ("Statements"). Readers are encouraged to review the Statements in conjunction with this document.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on February 2, 2011. Up to February 28, 2012 the Company's common shares were listed, as a capital pool company ("CPC"), on the TSX Venture Exchange (the "Exchange"). On February 29, 2012, the Company received final Exchange approval on its October 20, 2011 option agreement (the "Option Agreement") with Aurion Resources Ltd. (the "Optionor") to earn up to a 100% interest in certain mining claims (the "Lavington Claims" or the "Property"), located in the Vernon Hills area, Vernon Mining Division, British Columbia and became a Tier 2 Mining Issuer under Exchange policies, trading under the symbol ACN.

The transaction contemplated by the Option Agreement constituted the Company's Qualifying Transaction under Exchange Policy 2.4. This was an arm's length Qualifying Transaction. Shareholder approval was not required; however, acceptance by the Exchange of the transactions represented by the Option Agreement and any related matter was required.

Highlights

During the year ended December 31, 2015, the Company continued to focus upon cost containment, maintenance of its core assets, and the investigation of prospective opportunities within the market.

On January 19, 2016, the Company entered into an amalgamation agreement with 2500527 Ontario Ltd., a wholly-owned subsidiary of Asher ("Asher Subco"), and Drone Delivery Canada Inc. ("DDC") providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition by Asher of all of the issued and outstanding common shares of DDC (the "Transaction"), pursuant to which Asher Subco and DDC will amalgamate and the outstanding securities of DDC will be exchanged, on a one-for-one basis, for securities of the Company. It is intended that following completion of the Transaction former DDC shareholders will hold approximately 87% of the resulting issuer and Asher shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of DDC. (see Subsequent Events, page 14)

Mineral Properties

The King Mine

The King Mine Project was acquired for its two-target potential; the high-grade gold structures exposed at surface and the bulk-tonnage porphyry copper-gold potential. Completed work on the project to date includes lithologic and alteration mapping, rock sampling, induced polarization survey, ground magnetic survey, petrographic analysis and a recently completed 11 hole reverse circulation drilling program.

The near surface high-grade gold structure was tested in the recent drill program and returned significant intersections including 3.26 g/t Au over 9.1 metres in hole KM-04. This gold bearing structure was also drill tested in several other locations, however, it appears based on the information from KM-03 and KM-04 that the gold zone is dipping towards the east, not vertical as originally postulated, and thus the drill holes may have drilled under the gold bearing structure. This gold zone has been mapped and exposed intermittently for 1700 metres along surface and remains mostly untested.

The King Mine is a bulk-tonnage copper-gold porphyry target and the recent technical review, including in the geological, geochemical, alteration and geophysical data with the recent drill hole data shows a potentially untested porphyry target. The untested target is defined by a large magnetic low having dimensions of 1000 by 800 metres and is coincident with a well-defined structural zone, a pyritic halo and significant alteration zone. The alteration zone is mainly phyllic, however, a heavily altered outcrop was identified as a potassicly altered diorite in a petrographic analysis. The pyritic halo, which was tested in the recent drilling showed high levels of Zn and Pb, which are often associated with pyrite halos of porphyries. An attempt was made in the recent drill program to test the northern end of the magnetic low with KM-5, however, the hole was lost in a fault and well short of its intended target depth. This drill hole, however, displayed increasing copper and molybdenum at the bottom of the hole, which could be expected as you approach a porphyry target, and provides strong evidence the coincident dataset could represent an as yet un-drilled porphyry body.

Acquisition and Commitments Associated with the King Mine Project

On March 20, 2012 and as amended, the Company signed a definitive option agreement to acquire a 100% interest in the King Mine property (the “King Mine”), a prospective mineral property consisting of 42 lode claims, located in Mineral County, Nevada, USA from ProJem Venture Inc. (“Projem”), a private Nevada corporation.

In order to exercise the option, the Company has agreed to make the following cash payments and issue shares to Projem in the amounts and within the time periods described below:

i) US $15,000 (CDN $14,894) upon execution of the option agreement (paid);
ii) 50,000 Shares on April 10, 2012 (50,000 common shares issued, with an ascribed fair value of $20,000);
iii) US $20,000 (CDN $20,744, CDN $22,388) on each of March 20, 2013 and 2014 (paid; paid);
iv) US $60,000 (CDN $63,816) on March 20, 2016;
v) US $40,000 (CDN $42,544) on March 20, 2017; and
vi) US $1,345,000 (CDN $1,430,542) on March 20, 2018.

All shares issued are subject to a four month hold period. Projem has retained a three percent (3%) net smelter return royalty, half of which may be purchased by the Company paying US $1,500,000 (CDN $1,601,400) within the time allowed.

In light of the Company's default on option payment and the Company's proposed change in business (see Subsequent Events, page 14), the King Mine has been written down to $nil.

Lavington Claims

On February 29, 2012, the Company received final Exchange approval of its October 20, 2011 Option Agreement with Aurion Resources Ltd, as amended on October 10, 2013. Pursuant to the Option Agreement, the Company can earn up to a 100% interest in certain mining claims, located in the Vernon Hills area, Vernon Mining Division, British Columbia by paying cash and issuing shares to the Optionor as follows:

i) $25,000 upon execution of the Option Agreement (paid);
ii) $15,000 and 62,500 common shares on February 28, 2012 (paid; 62,500 common shares issued with an ascribed fair value of $21,250);
iii) $25,000 and 50,000 common shares on February 28, 2013 (paid; 50,000 common shares issued with an ascribed fair value of $13,500);
iv) 650,000 common shares by October 31, 2013 (650,000 common shares issued with an ascribed fair value of $221,000); and
v) Incur a minimum of $200,000 in exploration expenditures on the property by June 30, 2014. (incurred)

The Optionor and the underlying owner of the Property (Cazador Resources Ltd., an arm's length party) have each retained two percent (2%) net smelter return royalties, for a total royalty burden of 4%., half of which may be purchased by the Company paying $1,000,000 to each of the Optionor and Cazador Resources Ltd. ($2,000,000 in total) within the time allowed. After exercise of the option, an advance royalty payment of $40,000 will become payable to Cazador annually on October 12, 2014. The October 12, 2014 payment has been deferred to October 12, 2015.

The Company is also required to make the payments to Cazador Resources Ltd. required in order to keep the underlying agreement in force during the currency of the option. The remaining underlying option payments will consist of $25,000 and 25,000 common shares on or before October 12, 2012 (paid; 25,000 shares issued, with an ascribed fair value of $6,000) and 250,000 common shares on or before October 31, 2013 (250,000 common shares issued with an ascribed fair value of $85,000). The Company has a 100% legal and beneficial interest in the Lavington Property.

The bulk of the known mineralization on the property occurs within a 2.5 kilometre by 200-400 metre wide "siliceous-sericitic-pyritic" "shear" zone. The zone was defined by strong gold, arsenic, copper, zinc, and lead in soil values. Within this zone, 8 widely spaced holes were drilled with hole # 7 producing the most significant intersection (all intersections are drilled width) 0.543 g/t Au over 34 m, within a larger interval of 125 metres averaging 0.307 g/t gold. This mineralization is partially undercut by the bottom of hole 2 which returned 0.253 g/t gold over 46 metres. Holes 2, 5, 6, 7 and 8 were terminated in the Lavington mineralized zone and in gold–copper mineralization. The best know mineralization is also associated with a discreet IP anomaly.

The Company completed the three-hole Phase I program, which undercut many of the historic drill holes. An eastward step out drill hole along strike tested a yet un-drilled section of the IP anomaly coincident with a multi-element soil anomaly and known rock mineralization. Rresults from the recently completed 970 metre exploration drilling program indicate long intervals of gold mineralization in the small part of the Lavington property tested. Additionally, drilling with the HQ diameter tools matched or exceeded the results of the historic drilling. The deeper holes stepping back further from the historic drilling indicate that other previously undiscovered zones are present and open at depth and to the north, east and west providing opportunity to further advance efforts at Lavington.

The Lavington property, which Asher has recently expanded to 3,139.26 hectares, encompasses a 3 by 8 kilometre area hosting multiple and extensive gold showings of greater than 100 ppb gold in soil and rock samples. Many of these areas were first discovered in the late 1980's and never received additional exploration making Lavington a very under explored and an attractive gold-copper porphyry exploration target.

In light of the Company's default on option payment and the Company's proposed change in business (see Subsequent Events, page 14), the Lavington Claims have been written down to $nil.

Selected Annual Information

	Year Ended Dec. 31, 2015 $	Year Ended Dec. 31, 2014 $	Year Ended Dec. 31, 2013 $
Interest income	$7,003	$17,521	$6,638
Expenses	($338,908)	($497,550)	($798,105)
Net Loss	($2,257,322)	($489,383)	($790,905)
Net Loss per share, basic and diluted	($0.10)	($0.02)	($0.05)

The Company reported a net loss and comprehensive loss of $2,257,322 (2014 - $489,383), comprised primarily of $1,910,628 (2014 - $nil) for the write down of exploration and evaluation assets, administrative expenses of $338,908 (2014 - $424,262) including investor relations of $5,053 (2014 - $36,810), management fees of $180,000 (2014 - $180,000), director's fees of $5,500 (2014 - $38,500), travel of $82 (2014 - $11,649), office rent of $19,200 (2014 - $19,200), accounting and audit fees of $37,033 (2014 - $42,649), a loss of $14,789 (2014 – loss of $9,354) on expenses settled in US currency, and foreign exchange from private placement proceeds received and held in US dollars, and various sundry consumable expenses. This was partially offset by interest income of $7,003 (2014 - $17,521) from invested funds.

Expressed in Canadian Dollars

Summary of Quarterly Results

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Company's financial statements.

	Three Months Ended December 31, 2015	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015
Expenses	$94,788	$87,865	$71,258	$84,997
Net loss and comprehensive loss	($2,007,038)	($91,612)	($68,964)	($89,708)
Total assets	$565,448	$2,467,339	$2,544,226	$2,639,833
Net loss per share, basic and diluted	($0.08)	($0.00)	($0.00)	($0.00)
Cash, funds in trust and short-term investments, end of period	$506,015	$590,021	$680,556	$795,624

	Three Months Ended December 31, 2014	Three Months Ended September 30, 2014	Three Months Ended June 30, 2014	Three Months Ended March 31, 2014
Expenses	$143,522	$85,286	$100,725	$168,017
Net loss and comprehensive loss	($141,561)	($84,964)	($95,686)	($167,172)
Total assets	$2,737,901	$2,748,658	$2,936,106	$2,912,914
Net loss per share, basic and diluted	($0.00)	($0.00)	($0.01)	($0.01)
Cash, funds in trust and short-term investments, end of period	$849,785	$1,065,192	$1,350,211	$1,610,259

- The Company incurred a loss of $2,007,038 for the three months ended December 31, 2015. The Company earned $1,487 of net interest earned on invested proceeds of its financing, and saw a loss on foreign exchange of $3,109. During the three months ended December 31, 2015, there was a write down of exploration and evaluation assets of $1,910,628. Expenses of $94,788 include office rent of $4,800, accounting and audit fees of $14,502, management fees of $45,000, legal fees of $1,488, shareholder information of $1,273, investor relations expenses of $1,985 and various sundry consumable expenses.

- The Company incurred a loss of $91,612 for the three months ended September 30, 2015. The Company earned $1,775 of net interest earned on invested proceeds of its financing, and saw a loss on foreign exchange of $5,522. Expenses of $87,865 include office rent of $4,800, accounting and audit fees of $7,476, management fees of $45,000, legal fees of $2,863, shareholder information of $4,041, investor relations expenses of $3,068 and various sundry consumable expenses.

- The Company incurred a loss of $68,964 for the three months ended June 30, 2015. The Company earned $1,046 of net interest earned on invested proceeds of its financing, and saw a gain on foreign exchange of $1,248. Expenses of $71,258 include office rent of $4,800, accounting and audit fees of $11,852, management fees of $45,000, legal fees of $1,030, shareholder information of $1,489, investor relations expenses of $534 and various sundry consumable expenses.

- The Company incurred a loss of $89,708 for the three months ended March 31, 2015. The Company earned $2,695 of net interest earned on invested proceeds of its financing, and saw a loss on foreign exchange of $7,406. General expenses of $84,997 include office rent of $4,800, accounting and audit fees of $8,953, management fees of $45,000, legal fees of $682, shareholder information of $10,570, investor relations expenses of $646 and various sundry consumable expenses.

- The Company incurred a loss of $141,561 for the three months ended December 31, 2014. The Company earned $3,001 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $1,040. General expenses of $143,522 include office rent of $4,800, accounting and audit fees of $14,877, management fees of $45,000, shareholder information of $2,840 and various sundry consumable expenses.

- The Company incurred a loss of $84,964 for the three months ended September 30, 2014. The Company earned $3,733 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $3,411. General expenses of $85,286 include office rent of $4,800, accounting and audit fees of $8,540, management fees of $45,000, shareholder information of $7,991 and various sundry consumable expenses.

- The Company incurred a loss of $95,686 for the three months ended June 30, 2014. The Company earned $3,803 of net interest earned on invested proceeds from its financing, and saw a gain on foreign exchange of $1,236. General expenses of $100,725 include office rent of $4,800, accounting and audit fees of $10,106, management fees of $45,000, shareholder information of $7,339, investor relations expenses of $3,017 and various sundry consumable expenses.

- The Company incurred a loss of $167,172 for the three months ended March 31, 2014. The Company earned $6,984 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $6,139. General expenses of $94,729 include office rent of $4,800, accounting and audit fees of $9,125, management fees of $45,000, shareholder information of $8,702, investor relations expenses of $10,058 and various sundry consumable expenses.

Results of Operations

Year ended December 31, 2015, compared with year ended December 31, 2014

The Company reported a net loss for the year ended December 31, 2015 of $2,257,322 compared to net loss of $489,383 during the year ended December 31, 2014. The increase of $1,767,939 in net loss is primarily driven by the write down of exploration and evaluation assets of $1,910,628.

There were no option grants during the year ended December 31, 2015 (year ended December 31, 2014 – 1,120,000), resulting in no associated fair value being recognized during the 2015 year (2014 - $73,288).

Administrative expenses decreased to $92,122 for the year ended December 31, 2015 from $113,597 in the comparative year ended December 31, 2014.

During the year ended December 31, 2015, $5,053 was incurred for investor relations, compared with $36,810 for the year ended December 31, 2014, as the Company had a more extensive program in the comparative period to establish its corporate presence and expand its shareholder base.

During the year ended December 31, 2015, $82 was incurred for travel compared with $11,649 for the year ended December 31, 2014, as the Company required more business travel in the comparative period.

Three months ended December 31, 2015, compared with three months ended December 31, 2014

The Company reported a net loss for the three months ended December 31, 2015 of $2,007,038 compared to net loss of $141,561 during the three months ended December 31, 2014. The increase of $1,865,477 in net loss is primarily driven by the write down of exploration and evaluation assets of $1,910,628.

Office and general decreased to $30,540 for the three months ended December 31, 2015 from $54,093 in the comparative three months ended December 31, 2014.

During the three months ended December 31, 2015, $1,985 was incurred for investor relations, compared with $23,065 for the three months ended December 31, 2014, as the Company had a more extensive program in the comparative period to establish its corporate presence and expand its shareholder base.

Liquidity and Capital Resources

The Company reported working capital as at December 31, 2015 of $301,820 (December 31, 2014 - $748,929), and cash and short-term investment balance of $506,015 (December 31, 2014 - $849,785).

The cash on hand as at December 31, 2015, is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

The Company has no credit facilities with financial institutions. Accordingly, its financial instruments consist of cash, short-term investments, amounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates their carrying values because of their short term nature.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity or debt financing for growth. The Company may need additional capital, and may raise additional funds should its Board deem it advisable.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based Payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options. For the year ended December 31, 2015 the Company recognized $nil of stock-based compensation expense (year ended December 31, 2014 - $73,288).

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of a similar company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs of disposal. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate net present value. The Company assesses its mineral properties for impairment in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources. As at December 31, 2015, the exploration and evaluation assets were fully impaired.

The Company determines its recoverable amount by determining the higher of the value in use and the fair value less costs of disposal. The Corporation considered recent transactions with the industry, long term views of commodity prices, externally evaluated resource volumes, and discount rates specific to the cash generating unit ("CGU"). In computing the recoverable amount, future cash flows were adjusted for risks specific to the CGU and discounted using a post-tax discount rate.

New Accounting Policies

There were no accounting policies adopted during the year ended December 31, 2015.

<u>Future Accounting Pronouncement</u>

The following standard has been issued but not yet adopted in these financial statements. The Company does not expect to early adopt this standard. The Company's assessment of the impact of this new standard and interpretation is set out below.

i) IFRS 9, Financial Instruments ("IFRS 9") was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. IFRS 9 has an effective date of January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of this standard on its financial statements.

ii) IFRS 11, Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after

January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

iii) IAS 1, Presentation of Financial Statements (“AS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

For amounts receivable, subscriptions receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Property and Financial Risk Factors

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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, short-term investments and amounts receivable. Amounts receivable consists primarily of harmonized taxes receivable from the Government of Canada. Cash is held with reputable Canadian chartered banks, the balances of which are closely monitored by management. Management believes that the credit risk with respect to financial instruments included in cash and amounts receivable is minimal. As at December 31, 2015, no receivables were past due or considered impaired.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2015, the Company had a cash and short-term investment balance of $506,015 to settle current liabilities of $263,628. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company's exposure to foreign currency transactions is nominal. The Company does not enter into arrangements to hedge its foreign currency risk as it is not material to the Company's financial statements.

iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them.

Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return through enhancing the share value.

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, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising capital stock, contributed surplus, and deficit, which at December 31, 2015, totalled $301,820 (December 31, 2014 - $2,559,142). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the Exchange 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 September 30, 2015, the Company is compliant with Policy 2.5.

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 holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate against the Canadian Dollar would affect the reported loss and comprehensive loss for the year ended December 31, 2015 by approximately $nil.

(ii) The Company's cash and short-term investments are subject to interest rate fluctuations. As at December 31, 2015, sensitivity to a plus or minus 1% change in interest rates would affect reported loss and comprehensive loss for the year ended December 31, 2015 by approximately $4,800.

Expressed in Canadian Dollars

Related Party Transactions

i) On January 9, 2014, the Company granted 1,025,000 stock options with an exercise price of $0.10 to certain directors and officers of the Company, expiring on January 8, 2019. The options were assigned a fair value of $73,288 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 147.31%, risk free interest rate 1.87%, and an expected life of 5 years. The options vested immediately upon grant.

ii) During the year ended December 31, 2015, the Company paid $26,643 (year ended December 31, 2014 - $26,675) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

   a) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO");
   b) Bookkeeping and office support services; and
   c) Regulatory filing services.

   The Marrelli Group was also reimbursed for out of pocket expenses. As of December 31, 2015, the Marrelli Group was owed $9,220 (December 31, 2014 - $10,326). These amounts are included in accounts payable and accrued liabilities.

iii) For the year ended December 31, 2015, the Company expensed $180,000 (year ended December 31, 2014 - $180,000) to the Chief Executive Officer ("CEO"), under the terms of a consulting agreement. Included in accounts payable and accrued liabilities is $nil (December 31, 2014 - $230) pertaining to reimbursable travel expenses. Included in prepaid expenses is $15,000 pertaining to an advance of salary (December 31, 2014 - $15,000).

iv) For the year ended December 31, 2015, the Company paid $nil (year ended December 31, 2014 - $16,000) to a director of the Company for consulting services, which were capitalized to exploration and evaluation expenditures on the consolidated statements of financial position.

v) At December 31, 2015, $38,500 (December 31, 2014 - $33,000) is owed to directors of the company and is included in accounts payable and accrued liabilities.

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended December 31, 2015 $	**Year Ended December 31, 2014 $**
CEO Remuneration	180,000	180,000
Marrelli Support Services Inc. - CFO and accounting	26,643	26,675
Terry Christopher – consulting fees	nil	16,000
Director fees	5,500	38,500
Share based payments	nil	73,288

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

As of the date of this document, directors with control of less than 10% of the common shares of the Company collectively control 2,134,928 common shares of the company or approximately 9.41% of the total common shares outstanding. To the knowledge of directors and officers of Asher, the remainder of the Company's outstanding common shares are widely held.

Subsequent Events

(i) On January 19, 2016, the Company entered into an amalgamation agreement with 2500527 Ontario Ltd., a wholly-owned subsidiary of Asher ("Asher Subco"), and Drone Delivery Canada Inc. ("DDC") providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition by Asher of all of the issued and outstanding common shares of DDC (the "Transaction"), pursuant to which Asher Subco and DDC will amalgamate and the outstanding securities of DDC will be exchanged, on a one-for-one basis, for securities of the Company. It is intended that following completion of the Transaction former DDC shareholders will hold approximately 87% of the resulting issuer and Asher shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of DDC.

Prior to closing the Transaction, it is anticipated that Asher will apply to list its common shares for trading on the Canadian Securities Exchange (the "CSE") and voluntarily delist its common shares from the TSX Venture Exchange (the "TSXV"). It is expected that Asher will delist from the TSXV concurrently with the listing on the CSE immediately following the completion of the Transaction.

On closing of the Transaction it is anticipated that Asher will change its name to "Drone Delivery Canada Corp.".

Concurrent with closing the Transaction it is expected that Asher will consolidate its common shares on a 4 for 1 basis and complete a debt settlement with certain creditors to settle an aggregate of $185,000 owing by Asher at a deemed price of $0.015 per Asher common share on a pre-consolidated basis ($0.06 on a post-consolidated basis).

(ii) On April 11, 2016, the Company announced that it has retained First Republic Capital Corporation (the "Agent") to act as agent in connection with a best efforts brokered private placement to raise gross proceeds of up to $2,500,000 through the issuance of up to 17,857,142 subscription receipts of the Company (the "Subscription Receipts") at a price of $0.14 per Subscription Receipt (the "Offering"). The gross proceeds of the Offering less certain expenses of the Agent will be held in escrow on behalf of the subscribers by an escrow agent.

In connection with the Offering, the Agent will be entitled to a corporate finance fee in an amount equal to 2% of the aggregate gross proceeds of the Subscription Receipts sold and a sales commission equal to 6% of the aggregate gross proceeds of the Subscription Receipts sold. In addition, as additional compensation, the Company will issue to the Agent corporate finance warrants entitling the Agent to purchase a number of post-consolidation common shares equal to 2% of the aggregate number of Subscription Receipts sold and selling compensation warrants entitling the Agent to purchase a number of post-consolidation common shares equal to 6% of the aggregate number of Subscription Receipts sold, at an exercise price of $0.14 per compensation warrant for 24 months from the date of closing.

Risks and Uncertainties

The Company's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative in nature.

The business of exploration for minerals and mining involves a high degree of risk. A relatively small proportion of properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on any of the mineral properties in which the Company holds interest or intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company has limited experience in the development and operation of mines and has relied on and may continue to rely upon consultants and others for exploration and operating expertise. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to explore and develop its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business and to continue with exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, or mining operations, at its projects.

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. The prices of mineral products have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

The mining industry is intensely competitive. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees, contractors and consultants.

The Company's operations are subject to environmental regulations promulgated by local, provincial and federal government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. Further, the Company's properties are in the exploration stage and are not commercially viable at this time. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of September 30, 2015, the global economy remains in a period of significant economic volatility, although there have been signs of positive economic growth in North American and European markets. Continued volatility is expected in the near term.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company incurred $100,415 of exploration costs during the year ended December 31, 2015. This includes geological of $8,682, laboratory expense of $3,916 and staking fees of $5,817 on the King Mine property and $82,000 on the Lavington Claims. During the year ended December 31, 2015, the Company wrote down the King Mine property by $1,138,981 and Lavington Claims by $771,647.

Disclosure of Outstanding Share Data

The Company's shares trade on the TSX Venture Exchange under the symbol "ACN". The Company is authorized to issue an unlimited number of common shares without par value. On April 21, 2016, there were 24,060,896 common shares issued and outstanding and 2,265,000 stock options outstanding with a weighted average exercise price of $0.17 expiring between 2016 and 2019.

Forward Looking Statements

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, resources, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Selected forward looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
Potential of The Company's properties to contain gold deposits	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development 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 are favourable to the Company; the price of mineral and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold 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 development 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 December 31, 2016 The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital, it may cease to be a reporting issuer	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2016, 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

The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the twelve-month period ending December 31, 2016, 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
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold or silver and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the 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; 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
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of gold will be favourable to the Company	Gold price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions

Sensitivity analysis of financial instruments	Interest rates will not be subject to change in excess of plus or minus 1% The Company's investment portfolio will not be subject to change in excess of plus or minus 100% Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the twelve months ended December 31, 2016, as a result of changes in foreign exchange rates	Changes in debt and equity markets; interest rate and exchange rate fluctuations
The Company will continue to focus its efforts on securing strategic partners for developing a successful gold production facility project	Strategic partners with same goal as the Company will agree to terms favourable to the Company for the development of a gold production facility	Management may not source strategic partners; terms may be unfavourable to the Company
Prices and price volatility for gold	The price of gold will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of gold will be favourable	Changes in debt and equity markets and the spot price of gold; interest rate and exchange rate fluctuations; changes in economic and political conditions

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com.

ASHER RESOURCES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Asher Resources Corporation [the "Company"] are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB").

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the 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 consolidated financial statements and (ii) the 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 by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Independent Auditor's Report

To the Shareholders of Asher Resources Corporation

We have audited the accompanying consolidated financial statements of Asher Resources Corporation, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, and the consolidated statements of loss and comprehensive loss, consolidated of changes in shareholders' equity and consolidated statements of cash flows for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Asher Resources Corporation as at December 31, 2014 and December 31, 2013, and its financial performance and its cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Vancouver, B.C.
April 30, 2015

Chartered Accountants

D+H Group LLP Chartered Accountants
10th Floor, 1333 West Broadway
Vancouver, British Columbia
Canada V6H 4C1
Telephone: 604 731 5881
Facsimile: 604 731 9923
Email: info@dhgroup.ca
www.DHgroup.ca
A B.C. Limited Liability Partnership of Corporations

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS)

As at	December 31, 2014	December 31, 2013
ASSETS		
Current		
Cash	**$ 120,993**	$ 1,263,853
Short-term investments	**728,792**	533,202
Amounts receivable	**59,739**	66,314
Prepaid expenses	**18,164**	39,471
	927,688	1,902,840
Exploration and evaluation assets (Note 3)	**1,810,213**	1,155,792
	$ 2,737,901	$ 3,058,632
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 178,759**	$ 171,871
SHAREHOLDERS' EQUITY		
Capital stock (Note 4)	**2,541,488**	2,475,159
Contributed surplus	**1,923,173**	1,827,738
Deficit	**(1,905,519)**	(1,416,136)
	2,559,142	2,886,761
	$ 2,737,901	$ 3,058,632

Nature of Operations (Note 1)
Commitments (Note 8)

Approved on Behalf of the Board:

"Norman Eyolfson"
Director

"Richard Buzbuzian"
Director

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

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(EXPRESSED IN CANADIAN DOLLARS)

Year Ended December 31,	2014	2013
EXPENSES		
Investor relations	$ **36,810**	$ 215,549
Office and general	**113,597**	91,983
Professional fees	**235,334**	317,963
Share-based payments (Note 4(c))	**73,288**	64,250
Shareholder information	**26,872**	38,771
Travel	**11,649**	69,589
Net loss for the year before the following:	**(497,550)**	(798,105)
Interest income	**17,521**	6,638
Gain (Loss) on foreign exchange	**(9,354)**	562
NET LOSS AND COMPREHENSIVE LOSS	$ **(489,383)**	$ (790,905)
Basic and diluted loss per share (Note 5)	$ **(0.02)**	$ (0.05)
Basic and diluted weighted average number of shares outstanding	**22,938,891**	15,907,584

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

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

	Shares	Common Stock	Capital Surplus	Contributed Deficit	Total
Balance, December 31, 2012	**12,477,755**	**$ 1,691,087**	**$ 453,504**	**$ (625,231)**	**$ 1,519,360**
Shares issued for mineral properties	950,000	319,500	-	-	319,500
Private placement (Note 4(b)(ii),(iii),(iv),(vi))	9,229,808	1,895,406	-	-	1,895,406
Costs of issue (Note 4(b)(ii),(iii),(iv),(vi))	-	(124,850)	-	-	(124,850)
Issuance of warrants (Note 4(b)(ii),(iii),(iv),(vi))	-	(1,251,745)	1,251,745	-	-
Issuance of finders warrants (Note 4(b)(ii),(iii),(iv),(vi))	-	(61,219)	61,219	-	-
Exercise of stock options	20,000	6,980	(2,980)	-	4,000
Share-based payments	-	-	64,250	-	64,250
Net loss for the year	-	-	-	(790,905)	(790,905)
Balance, December 31, 2013	**22,677,563**	**$ 2,475,159**	**$ 1,827,738**	**$ (1,416,136)**	**$ 2,886,761**
Private placement (Note 4(b)(vii))	1,383,333	83,000	-	-	83,000
Costs of issue (Note 4(b)(vii))	-	(1,316)	-	-	(1,316)
Issuance of warrants (Note 4(b)(vii))	-	(15,355)	15,355	-	-
Share-based payments	-	-	80,080	-	80,080
Net loss for the year	-	-	-	(489,383)	(489,383)
Balance, December 31, 2014	**24,060,896**	**$ 2,541,488**	**$ 1,923,173**	**$ (1,905,519)**	**$ 2,559,142**

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

Asher Resources Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN CANADIAN DOLLARS)

Year Ended December 31,	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ **(489,383)**	$ (790,905)
Share-based payment expense	**73,288**	64,250
Accrued interest	**(17,322)**	(6,437)
Net change in non-cash working capital:		
Subscriptions receivable	**-**	17,091
Amounts receivable	**6,575**	(25,697)
Prepaid expenses	**21,307**	(20,178)
Accounts payable and accrued liabilities	**(27,758)**	70,299
	(433,293)	(691,577)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of short-term investments	**(1,000,000)**	-
Proceeds from disposition of short-term investments	**821,732**	-
Exploration and evaluation assets	**(612,983)**	(418,586)
	(791,251)	(418,586)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital, net of issue costs (Note 4(b))	**81,684**	1,774,554
CHANGE IN CASH	**(1,142,860)**	664,391
CASH, BEGINNING OF YEAR	**1,263,853**	599,462
CASH, END OF YEAR	$ **120,993**	$ 1,263,853

SUPPLEMENTARY CASH FLOW INFORMATION:

	2014	2013
Shares issued for property	$ **-**	$ 319,500
Accounts payable and accrued liabilities related to exploration and evaluation assets	$ **84,098**	$ 49,452

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

1. NATURE OF OPERATIONS

Asher Resources Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 2, 2011. Up to February 28, 2012 the Company's common shares were listed, as a capital pool company ("CPC"), on the TSX Venture Exchange (the "Exchange"). On February 29, 2012, the Company received final Exchange approval on its October 20, 2011 option agreement (the "Option Agreement") with Aurion Resources Ltd. (the "Optionor") to earn up to a 100% interest in certain mining claims (the "Lavington Claims" or the "Property"), located in the Vernon Hills area, Vernon Mining Division, British Columbia and became a Tier 2 Mining Issuer under Exchange policies, trading under the symbol ACN.

The transaction contemplated by the Option Agreement constituted the Company's Qualifying Transaction under Exchange Policy 2.4. This was an arm's length Qualifying Transaction. Shareholder approval was not required; however, acceptance by the Exchange of the transactions represented by the Option Agreement and any related matter was required.

The head office of the Company is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

On January 17, 2013, the Company incorporated Asher Resources US Inc. in Nevada, a wholly owned subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the years ended December 31, 2014 and 2013, using significant accounting policies outlined below.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 30, 2015.

(b) Basis of Preparation

The consolidated financial statements are presented in Canadian dollars. The consolidated financial statements are prepared on the historical cost basis or the fair value basis for certain financial instruments.

The preparation of consolidated financial statements requires the use of estimates and the exercise of judgment in applying the Company's accounting policies.

(c) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, Asher Resources US Inc. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(d) Income Taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Share-based Payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share award reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

- Exercise price
- Expected volatility
- Risk-free interest rate
- Expected life of the award
- Current market price of the underlying shares
- Expected forfeitures

(f) Exploration and Evaluation Assets

The Company considers its exploration and development costs to have the characteristics of property, plant and equipment. As such, the Company defers all exploration costs including acquisition costs, field exploration and supervisory costs and feasibility and environmental study costs relating to specific properties until those properties are brought into production at which time they will be amortized on a units-of-production basis, based on recoverable, proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value.

The recovery of costs of exploration and evaluation assets and deferred exploration is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration development and future profitable production or proceeds from disposition of such properties. Management's estimates of recoverability of the Company's investment in various projects have been based on current conditions.

(g) Financial Instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash and short-term investments (consisting of various guaranteed investment certificates and money market funds) are classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. These include amounts receivable.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2014 and 2013 the Company has not classified any financial assets as available for sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At December 31, 2014 and 2013 the Company has not classified any financial liabilities as fair value through profit or loss.

Capital Stock

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

(h) Short-term Investments

Short-term investments consist of guaranteed investment certificates at various rates held with a Canadian chartered bank and money market funds, with original maturities of one year or less and are cashable.

(i) Revenue Recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

(j) Related Parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

(k) Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the allocation of proceeds received on sale of units to the underlying common shares and share purchase warrants issued as private placement units. The fair value of the share purchase warrants issued in private placements is determined by an option pricing model (see note 2(e)), calculated on the announcement date. The balance, if any, is allocated to the attached common shares.

(l) Flow-through Shares

The Company has adopted an accounting policy whereby flow-through share proceeds are allocated between the offering of the common shares and the premium associated with the sale of income tax benefits when the common shares are offered, if any. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and reversed in the statement of comprehensive loss as the Company spends flow-through share proceeds.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Share-based Payments

Management is required to make certain estimates when determining the fair value of stock option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based payments in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options. For the year ended December 31, 2014, the Company recognized $73,288 of share-based payment expense (year ended December 31, 2013 - $64,250).

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of a similar company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments (Continued)

Critical Judgments Used in Applying Accounting Policies (Continued)

i) Income taxes and recovery of deferred tax assets

The 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

ii) Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs of disposal. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate net present value. The Company assesses its mineral properties for impairment in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources. As at December 31, 2014, there were no indications of impairment.

The Company determines its recoverable amount by determining the higher of the value in use and the fair value less costs of disposal. The Corporation considered recent transactions with the industry, long term views of commodity prices, externally evaluated resource volumes, and discount rates specific to the cash generating unit ("CGU"). In computing the recoverable amount, future cash flows were adjusted for risks specific to the CGU and discounted using a post tax discount rate.

(n) Loss Per Share

Basic loss per share is computed by dividing loss for the year by the weighted number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method whereby the weighted average number of common shares used in the basic loss per share calculation is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued at the beginning of the year. Potential common shares represent the common shares issuable upon the exercise of stock options or warrants. Potential common shares are excluded from the calculation if their effect is anti-dilutive.

(o) Impairment

Financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment (Continued)

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(p) Foreign Currencies

The functional currency of the Company is the Canadian Dollar. The functional currency of the subsidiary Asher Resources US Inc. is the US dollar. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot rate at the date of the initial transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

The financial results and position of the US subsidiary are translated as follows: (i) assets and liabilities are translated at the period end exchange rates prevailing at the reporting date; and (ii) income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of the US subsidiaries are recognized in other comprehensive loss. These differences are recognized in loss and comprehensive loss in the period in which the operation is disposed.

(q) Future Accounting Pronouncement

The following standard has been issued but not yet adopted in these consolidated financial statements. The Company does not expect to early adopt this standard. The Company's assessment of the impact of this new standard and interpretation is set out below.

i) IFRS 9, Financial Instruments ("IFRS 9") was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. IFRS 9 has an effective date of January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of this standard on its financial statements.

ii) IFRS 11, Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

(EXPRESSED IN CANADIAN DOLLARS)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Future Accounting Pronouncement (Continued)

iii) IAS 1, Presentation of Financial Statements ("AS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

3. EXPLORATION AND EVALUATION ASSETS

Year Ended December 31,		2014		2013
Lavington Claims				
Balance, beginning of year	**$**	**433,853**	$	89,353
Option payments		**-**		344,500
Drilling		**103,857**		-
Geological		**148,437**		-
Claims		**3,500**		-
Balance, end of year	**$**	**689,647**	$	433,853
King Mine				
Balance, beginning of year	**$**	**721,939**	$	296,900
Drilling		**169,275**		180,128
Geological		**146,741**		131,035
Laboratory expense		**43,899**		66,098
Option payment		**-**		27,677
Staking fees		**38,712**		20,101
Balance, end of year	**$**	**1,120,566**	$	721,939
Total, end of year	**$**	**1,810,213**	$	1,155,792

Lavington Claims

On February 29, 2012, the Company received final Exchange approval of its October 20, 2011 Option Agreement with Aurion Resources Ltd, as amended on October 10, 2013. Pursuant to the Option Agreement, the Company can earn up to a 100% interest in certain mining claims, located in the Vernon Hills area, Vernon Mining Division, British Columbia by paying cash and issuing shares to the Optionor as follows:

i) $25,000 upon execution of the Option Agreement (paid);
ii) $15,000 and 62,500 common shares on February 28, 2012 (paid; 62,500 common shares issued with an ascribed fair value of $21,250);
iii) $25,000 and 50,000 common shares on February 28, 2013 (paid; 50,000 common shares issued with an ascribed fair value of $13,500);
iv) 650,000 common shares by October 31, 2013 (650,000 common shares issued with an ascribed fair value of $221,000); and
v) Incur a minimum of $200,000 in exploration expenditures on the property by June 30, 2014 (incurred).

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Lavington Claims (Continued)

The Optionor and the underlying owner of the Property (Cazador Resources Ltd., an arm's length party) have each retained two percent (2%) net smelter return royalties, for a total royalty burden of 4%, half of which may be purchased by the Company paying $1,000,000 to each of the Optionor and Cazador Resources Ltd. ($2,000,000 in total) within the time allowed. After exercise of the option, an advance royalty payment of $40,000 will become payable to Cazador annually on October 12, 2014. The October 12, 2014 payment has been deferred to October 12, 2015.

The Company was also required to make the payments to Cazador Resources Ltd. required in order to keep the underlying agreement in force during the currency of the option. The remaining underlying option payments consisted of $25,000 and 25,000 common shares on or before October 12, 2012 (paid; 25,000 shares issued, with an ascribed fair value of $6,000) and 250,000 common shares on or before October 31, 2013 (250,000 common shares issued with an ascribed fair value of $85,000).

The Company has a 100% legal and beneficial interest in the Lavington Property.

King Mine

On March 20, 2012 and as amended, the Company signed a definitive option agreement, to acquire a 100% interest in the King Mine property (the "King Mine"), a prospective mineral property consisting of 42 lode claims, located in Mineral County, Nevada, USA from ProJem Venture Inc. ("Projem"), a private Nevada corporation.

In order to exercise the option, the Company has agreed to make the following cash payments and issue shares to Projem in the amounts and within the time periods described below:

i) US $15,000 (CDN $14,894) upon execution of the option agreement (paid);
ii) 50,000 common shares on April 10, 2012 (50,000 common shares issued with an ascribed fair value of $20,000);
iii) US $20,000 (CDN $20,744, CDN $22,388) on each of March 20, 2013 and 2014 (paid; paid);
iv) US $60,000 (CDN $63,816) on March 20, 2016;
v) US $40,000 (CDN $42,544) on March 20, 2017; and
vi) US $1,345,000 (CDN $1,430,542) on March 20, 2018.

Projem has retained a three percent (3%) net smelter return royalty, half of which may be purchased by the Company paying US $1,500,000 (CDN $1,601,400) within the time allowed.

(EXPRESSED IN CANADIAN DOLLARS)

4. CAPITAL AND OTHER EQUITY

(a) **Authorized**

Unlimited number of common shares, without par value.

(b) **Issued**

	Shares	Amount
Balance, December 31, 2012	**12,477,755**	**$ 1,691,087**
Private placement (ii),(iii),(iv),(vi)	9,229,808	1,895,406
Costs of issue (ii),(iii),(iv),(vi)	-	(124,850)
Issuance of warrants (ii),(iii),(iv),(vi)	-	(1,251,745)
Issuance of finders warrants (ii),(iii),(iv),(vi)	-	(61,219)
Shares issued for mineral properties (i),(v)	950,000	319,500
Exercise of stock options	20,000	6,980
Balance, December 31, 2013	**22,677,563**	**$ 2,475,159**
Private placement (vii)	1,383,333	83,000
Costs of issue (vii)	-	(1,316)
Issuance of warrants (vii)	-	(15,355)
Balance, December 31, 2014	**24,060,896**	**$ 2,541,488**

i) On February 25, 2013, 50,000 shares were issued with an ascribed fair value of $13,500, as required by the Lavington option.

ii) On March 19, 2013, the Company closed the second tranche of a private placement financing for aggregate gross proceeds of $247,220 through the sale of 888,878 units and 100,000 flow-through shares. Each unit consisted of one common share and one purchase warrant. Each purchase warrant is exercisable to purchase one additional common share at $0.35 for a period of five years. In addition, 30,400 finders warrants were issued with an exercise price of $0.35, expiring March 19, 2018. Cash costs of issue associated with this tranche were $12,159.

No premium was associated with the flow-through common shares.

The resulting 888,878 warrants were assigned a fair value of $179,553 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 122.92%, risk free interest rate 1.31%, and an expected life of five years.

The resulting 30,400 finders warrants were assigned a fair value of $6,141 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 122.92%, risk free interest rate 1.31%, and an expected life of five years.

iii) On April 22, 2013, the Company issued 1,349,930 common shares in connection with a private placement consisting of 1,349,930 units, closing subsequently on August 23, 2013, for aggregate gross proceeds of $269,986. Each unit consists of one common share and one purchase warrant. Each purchase warrant is exercisable to purchase one additional common share at $0.30 for a period of two years. In addition, 60,000 finders warrants were issued under the same terms. Cash costs of issue associated with this placement were $19,860.

The resulting 1,349,930 warrants were assigned a fair value of $182,241 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 127.00%, risk free interest rate 1.20%, and an expected life of two years.

The resulting 60,000 finders warrants were assigned a fair value of $8,100 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 127.00%, risk free interest rate 1.20%, and an expected life of two years.

4. CAPITAL AND OTHER EQUITY (Continued)

(b) Issued (Continued)

iv) On September 30, 2013, the Company closed a private placement financing consisting of 3,435,000 units and 1,000,000 flow-through shares for aggregate gross proceeds of $887,000. Each unit consisted of one common share and one purchase warrant. Each purchase warrant is exercisable to purchase one additional common share at $0.30 for a period of two years. In addition, 190,400 finders warrants were issued under the same terms. Cash costs of issue associated with this placement were $57,575.

No premium was associated with the flow-through common shares.

The resulting 3,435,000 warrants were assigned a fair value of $601,125 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 127.48%, risk free interest rate 1.22%, and an expected life of two years.

The resulting 190,400 finders warrants were assigned a fair value of $33,320 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 127.48%, risk free interest rate 1.22%, and an expected life of two years.

v) On October 30, 2013, 900,000 shares were issued with an ascribed fair value of $306,000, as required by the Lavington option.

vi) On November 20, 2013, the Company closed a private placement financing consisting of 2,456,000 units for aggregate gross proceeds of $491,200. Each unit consisted of one common share and one purchase warrant. Each purchase warrant is exercisable to purchase one additional common share at $0.30 for a period of two years. In addition, 102,000 finders warrants were issued. Each finders warrant is exercisable to purchase one additional common share at $0.20 for a period of two years. Cash costs of issue associated with this placement were $35,256.

The resulting 2,456,000 warrants were assigned a fair value of $288,826 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 125.37%, risk free interest rate 1.10%, and an expected life of two years.

The resulting 102,000 finders warrants were assigned a fair value of $13,658 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 125.37%, risk free interest rate 1.10%, and an expected life of two years.

vii) On October 23, 2014, the Company closed a private placement financing consisting of 1,383,333 flow-through units for aggregate gross proceeds of $83,000. Each unit consisted of one flow-through common share and one half share purchase warrant. Each share purchase warrant is exercisable to purchase one additional common share at $0.10 for a period of one year. Cash costs of issue associated with this placement were $1,316. No premium was associated with the flow-through common shares.

The resulting 691,667 warrants were assigned a fair value of $15,355 using a valuation method based on the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 161.06%, risk free interest rate 1.00%, and an expected life of one year. No finder's fees were paid on this transaction.

(EXPRESSED IN CANADIAN DOLLARS)

4. CAPITAL AND OTHER EQUITY (Continued)

(c) Stock Options

As at December 31, 2014, 2,265,000 options were issued and outstanding, all fully vested and exercisable.

	Number of Stock Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2012	**930,000**	**$0.24**
Granted (i)	250,000	$0.25
Exercised	(20,000)	$0.20
Cancelled	(15,000)	$0.28
Balance, December 31, 2013	**1,145,000**	**$0.24**
Granted (ii)	1,120,000	$0.10
Balance, December 31, 2014	**2,265,000**	**$0.17**

Expiry Date	Number Outstanding	Exercise Price	Weighted Average Contractual Life (years)
August 11, 2016	450,000	$0.20	1.61
December 13, 2016	310,000	$0.28	1.95
March 14, 2017	135,000	$0.28	2.20
January 29, 2018	250,000	$0.25	3.08
January 8, 2019	1,120,000	$0.10	4.02
	2,265,000	$0.17	3.05

i) On January 29, 2013, the Company granted 250,000 stock options with an exercise price of $0.25 to a director of the Company, expiring January 29, 2018. The options were assigned a fair value of $64,250 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 124.77%, risk free interest rate 1.51%, and an expected life of 5 years. The options vested immediately upon grant. For the year ended December 31, 2013, the impact on share-based payments on the consolidated statements of loss and comprehensive loss was $64,250.

ii) On January 9, 2014, the Company granted 1,120,000 stock options with an exercise price of $0.10 to certain directors, officers and a consultant of the Company, expiring January 8, 2019. The options were assigned a fair value of $80,080 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 147.31%, risk free interest rate 1.87%, and an expected life of 5 years. The options vested immediately upon grant. For the year ended December 31, 2014, the impact on share-based payments on the consolidated statements of loss and comprehensive loss was $73,288. For the year ended December 31, 2014, the impact on exploration and evaluation assets on the consolidated statements of financial position was $6,792.

(EXPRESSED IN CANADIAN DOLLARS)

4. CAPITAL AND OTHER EQUITY (Continued)

(d) Warrants

As at December 31, 2014, 9,204,275 warrants were issued and outstanding, as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2012	**1,840,951**	**$0.32**
Issued (Note 4(b)(ii),(iii),(iv),(vi))	8,512,608	$0.31
Expired	(470,951)	$0.31
Balance, December 31, 2013	**9,882,608**	**$0.31**
Issued (Note 4(b)(vii))	691,667	$0.10
Expired	(1,370,000)	$0.35
Balance, December 31, 2014	**9,204,275**	**$0.29**

Expiry Date	Number Outstanding	Exercise Price	Weighted Average Contractual Life (years)
August 23, 2015	60,000	$0.30	0.64
August 23, 2015	1,349,930	$0.30	0.64
September 19, 2015	190,400	$0.30	0.72
September 19, 2015	3,435,000	$0.30	0.72
October 22, 2015	691,667	$0.10	0.81
November 20, 2015	2,456,000	$0.30	0.89
November 20, 2015	102,000	$0.20	0.89
March 19, 2018	30,400	$0.35	3.22
March 19, 2018	888,878	$0.35	3.22
	9,204,275	**$0.29**	**1.01**

5. LOSS PER SHARE

The effect of potentially dilutive securities has been excluded from the computation of diluted weighted average number of shares outstanding, as they are anti-dilutive to the basic loss per share.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, short-term investments, amounts receivable and accounts payable and accrued liabilities.

(EXPRESSED IN CANADIAN DOLLARS)

6. FINANCIAL INSTRUMENTS (Continued)

The carrying amounts shown in the statement of financial position are as follows:

As at December 31,	2014	2013
Cash	$ 120,993	$ 1,263,853
Short-term investments	728,792	533,202
Amounts receivable	59,739	66,314
Accounts payable and accrued liabilities	178,759	171,871

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments recorded at fair value.

For amounts receivable, subscriptions receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash, and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Risk Management Disclosures

The Company is exposed to risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company’s risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to these risks. The principal financial risks to which the Company is exposed are described below.

(a) **Financial Risks**

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, currency risk, and price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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, short-term investments and amounts receivable. Amounts receivable consists primarily of harmonized taxes receivable from the Government of Canada. Funds in trust consist of cash balances maintained in trust by the Company's legal counsel. Cash is held with reputable Canadian chartered banks, the balances of which are closely monitored by management. Management believes that the credit risk with respect to financial instruments included in cash, funds in trust and amounts receivable, is minimal. As at December 31, 2014, no receivables were past due or considered impaired.

6. FINANCIAL INSTRUMENTS (Continued)

(a) Financial Risks (Continued)

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2014, the Company had a cash and short-term investment balance of $849,785 to settle current liabilities of $178,759. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances, short-term investments and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company's exposure to foreign currency transactions is nominal. The Company does not enter into arrangements to hedge its foreign currency risk as it is not material to the Company's financial statements.

iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them.

Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(b) Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

6. FINANCIAL INSTRUMENTS (Continued)

Risk Management Disclosures (Continued)

(b) **Capital Management (Continued)**

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company considers its capital to be equity, which comprises capital stock, contributed surplus and deficit, which at December 31, 2014, totalled $2,559,142.

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 Venture Exchange ("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 December 31, 2014, the Company believes it is compliant with Policy 2.5.

(c) **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 holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate against the Canadian Dollar would affect the reported loss and comprehensive loss for the year ended December 31, 2014 by approximately $1,200 (December 31, 2013 - $nil).

(ii) The Company's cash and short-term invesments are subject to interest rate fluctuations. As at December 31, 2014, sensitivity to a plus or minus 1% change in interest rates would affect reported loss and comprehensive loss for the year ended December 31, 2014 by approximately $8,500 (December 31, 2013 - $18,000).

7. RELATED PARTY DISCLOSURES

i) On January 29, 2013, the Company granted 250,000 stock options with an exercise price of $0.25 to a director, expiring on January 29, 2018. The options were assigned a fair value of $64,250 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 124.77%, risk free interest rate 1.51%, and an expected life of 5 years. The options vested immediately upon grant.

On January 9, 2014, the Company granted 1,025,000 stock options with an exercise price of $0.10 to certain directors and officers of the Company, expiring on January 8, 2019. The options were assigned a fair value of $73,288 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 147.31%, risk free interest rate 1.87%, and an expected life of 5 years. The options vested immediately upon grant.

ii) During the year ended December 31, 2014, the Company paid $26,675 (2013 - $28,650) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

a) Robert D.B. Suttie, vice president of Marrelli Support, to act as Chief Financial Officer ("CFO");
b) Bookkeeping and office support services; and
c) Regulatory filing services.

The Marrelli Group was also reimbursed for out of pocket expenses. As of December 31, 2014, the Marrelli Group was owed $10,326 (2013 - $9,360). These amounts are included in accounts payable and accrued liabilities. These amounts were settled subsequent to the year-end.

(EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY DISCLOSURES (Continued)

iii) For the year ended December 31, 2014, the Company expensed $180,000 (2013 - $225,000) to the Chief Executive Officer ("CEO"), under the terms of a consulting agreement. Included in accounts payable and accrued liabilities is $Nil pertaining to salary (2013 - $30,000) and $230 (2013 - $818) pertaining to reimbursable travel expenses. Included in prepaid expenses is $15,000 pertaining to an advance of salary (2013 - $Nil).

iv) For the year ended December 31, 2014, the Company paid $16,000 (2013 - $Nil) to a director of the Company for consulting services, which were capitalized to exploration and evaluation expenditures on the consolidated statements of financial position.

v) During the year ended December 31, 2013, a director participated in the March 19, 2013 private placement, purchasing 50,000 flow-through common shares for gross proceeds of $12,500.

vi) During the year ended December 31, 2013, directors and a spouse of a director of the Company participated in the September 19, 2013 private placement, purchasing 150,000 units and 200,000 flow-through common shares for gross proceeds of $70,000.

vii) During the year ended December 31, 2014, directors participated in the October 23, 2014 private placement, purchasing 550,000 flow-through units for gross proceeds of $33,000.

viii) At December 31, 2014 $33,000 (2013 - $33,000) is owed to directors of the company and is included in accounts payable and accrued liabilities.

Remuneration of the officers and directors of the Company was as follows:

Year Ended December 31,		2014		2013
CEO remuneration	**$**	**180,000**	$	225,000
Marrelli Support Services Inc.				
- CFO and accounting	**$**	**26,675**	$	28,650
Terry Christopher - consulting fees	**$**	**16,000**	$	-
Director Fees	**$**	**38,500**	$	33,000
Share based payments	**$**	**73,288**	$	64,250

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

At December 31, 2014, directors with control of less than 10% of the common shares of the Company collectively control 2,134,928 common shares of the company or approximately 9.41% of the total common shares outstanding. To the knowledge of directors and officers of Asher, the remainder of the Company's outstanding common shares are widely held.

8. COMMITMENTS

The Company is committed to incur, on a best efforts basis on or before January 31, 2016, $83,000 in qualifying resource expenditures pursuant to its October 2013 private placement for which flow-through proceeds have been received.

(EXPRESSED IN CANADIAN DOLLARS)

9. INCOME TAXES

The significant components of the Company's net deferred income tax assets and liabilities are as follows:

Deferred Income Taxes	2014	2013
Non-capital losses	**$ 428,300**	$ 314,300
Exploration and evaluation assets	**(56,300)**	(56,300)
Share issue costs	**50,900**	72,800
Unrecognized deferred tax assets	**(422,900)**	(330,800)
	$ -	$ -

Deferred tax assets in respect of losses and other temporary differences are recognized when it is more likely than not that they will be recovered against profits in future periods. No deferred tax assets have been recognized as this criterion has not been met.

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the period. The Company's effective tax rate for the period ended December 31, 2014 was 25.00% (December 31, 2013 - 25.00%).

	2013	2012
Loss before recovery of income taxes	**$ (489,383)**	$ (790,905)
Expected income tax recovery	**$ 122,300**	$ 197,700
Non-deductible items	**(21,000)**	(17,600)
Share issue costs	**300**	(17,200)
Change in tax benefits not recognized	**(101,600)**	(162,900)
Income tax recovery reflected in the statements of loss and comprehensive loss	**$ -**	$ -

As at December 31, 2014, the Company has estimated non-capital losses of $1,257,000 for Canadian income tax purposes that may be carried forward to reduce taxable income of future years. The non-capital losses expire by 2033.

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to a reader to assess material changes in the financial condition and results of operations as at and for the year ended December 31, 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of Asher Resources Corporation ("Asher" or the "Company") for the years ended December 31, 2014 and 2013 and the notes thereto ("Statements"). Readers are encouraged to review the Statements in conjunction with this document.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on February 2, 2011. Up to February 28, 2012 the Company's common shares were listed, as a capital pool company ("CPC"), on the TSX Venture Exchange (the "Exchange"). On February 29, 2012, the Company received final Exchange approval on its October 20, 2011 option agreement (the "Option Agreement") with Aurion Resources Ltd. (the "Optionor") to earn up to a 100% interest in certain mining claims (the "Lavington Claims" or the "Property"), located in the Vernon Hills area, Vernon Mining Division, British Columbia and became a Tier 2 Mining Issuer under Exchange policies, trading under the symbol ACN.

The transaction contemplated by the Option Agreement constituted the Company's Qualifying Transaction under Exchange Policy 2.4. This was an arm's length Qualifying Transaction. Shareholder approval was not required; however, acceptance by the Exchange of the transactions represented by the Option Agreement and any related matter was required.

Highlights

- On October 23, 2014, the Company closed a private placement financing consisting of 1,383,333 flow-through units for aggregate gross proceeds of $83,000. Each unit consisted of one flow-through common share and one half purchase warrant. Each purchase warrant is exercisable to purchase one additional common share at $0.10 for a period of one year.

- On January 9, 2014, the Company granted 1,120,000 stock options with an exercise price of $0.10 to certain directors, officers and a consultant of the Company, expiring January 8, 2019. The options were assigned a fair value of $80,080 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 147.31%, risk free interest rate 1.87%, and an expected life of 5 years. The options vested immediately upon grant.

- During the first half of 2014, the Company completed its three-hole Phase I program drilling program on the Lavington property. Results are as follows:

  <u>Hole L14-01</u>

  Hole L14-01 was collared approximately 35 meters SSE of historic hole 90-07 and drilled at a bearing of 028 degrees, a dip of -45 degrees and to a depth of 245.7 meters into the south side of the Lavington Main Zone. Beginning at the overburden-bedrock contact at 19 metres from surface to a depth of 79 metres (60 metres core length) the hole intersected an average grade of 0.49 g/t gold. This included a six meter intercept reporting 1.16 g/t gold and two more two meter intercepts returning greater than one g/t gold.

Hole L14-01 highlights include at and near surface intersections:
- o 60 meters grading 0.49 g/t gold;
- o Including 28 meters of 0.58 g/t gold; and
- o Including six meters of 1.16 g/t gold.

Hole L14-02

This hole was collared 440 metres north of and drilled towards hole L14-01, due south, at a dip of -45 and to a depth of 507.8 meters. Multiple mineralized zones were encountered over a 280 meter horizontal including the Lavington Main Zone (LMZ) from 409 to 505 metres. A new zone north of the Lavington main zone returned 112 meters grading 0.173 g/t gold, including 22 meters grading 0.297 g/t gold. The Lavington main zone hosts 94.5 m grading 0.227 g/t gold including 24.5 m grading 0.617 g/t gold and 0.051% copper and two meters grading 1.6 g/t gold and 0.09% copper. The LMZ here also hosts multigram silver values.

Hole L14-02 highlights include:
- o 32 meters grading 0.515 g/t gold and 0.054% copper; and
- o Including 24.5 meters grading 0.617 g/t gold and 0.051% copper.

Hole L14-03

Hole L14-03 was collared 450 meters west of and drilled towards hole L14-02, due south, at a dip of -45 and to a depth of 233.5 meters under holes 89-01 (in part) and 90-06. This hole intersected anomalous gold from the collar. Encountered was a 77.4 m intersection grading 0.128 g/t gold including six meters grading 0.286 g/t gold and 0.039% copper within what is probably the LMZ.

Hole L14-03 highlights include:
- o 48 meters grading 0.157 g/t gold 0.032% copper; and
- o Including six meters grading 0.286 g/t gold 0.039% copper.

For more detailed information on drilling assay results, please see the press release dated June 29, 2014, available at www.sedar.com.

- During the second half of 2014, the Company completed its Phase II drilling program on the King Mine property. Results are as follows:

Hole KM-12

Hole KM-12 with an azimuth of 270° and dip of -60° and depth of 277 meters was collared 224 meters due east of previous drill hole KM-5. It was targeting increased anomalous copper and molybdenum values encountered deep in drill hole KM-5 which was terminated in a fault zone prior to reaching its target depth. Drill hole KM-12 intersected strongly silicified andesitic rocks with up to 10% pyrite and several narrow zones (1.5 to 3 meter length) of anomalous gold values in the 0.1 to 0.2 g/t range. Zones of anomalous copper (+0.01%) were intersected between 157 meters and 195 meters (38 meters) grading 0.02% and 207 meters to 267 meters (59 meters) grading 0.02%. Zinc values which are common in the system were all less than the anomalous threshold of 0.02%.

Hole KM-13

Hole KM-13, with an azimuth of 191° and dip of -60° to a final depth of 305 meters, was drilled from the prior KM-6 pad site to test a weak magnetic feature on the southeast side of the main magnetic low which defines to the overall porphyry system. The drill hole intersected propylitically altered andesite with 3% to 6% sulphide minerals. The drill hole returned multiple zones of highly anomalous copper with intersections grading 0.075% copper over 116 meters, including 0.42% copper over 6.7 meters, 49 meters grading 0.043% copper and 41 meters grading 0.024% copper. Anomalous zinc was encountered over lengths of 36.6 meters grading 0.031% zinc and 27.4 meters grading 0.024% zinc. Erratic gold values in the 0.1 to 0.2 g/t range were present. A single gold assay grading 0.74 g/t over 1.5 meters was intersected in the drill hole.

Hole KM-14, East Gold Zone

Hole KM-14 with an azimuth of 225° and dip of -70° to a final depth of 122 meters was collared 65 meters northeast and 20 meters topographically above the previous KM-3 / KM-4 drill pad where intersections of 3.72 g/t gold over 7.62 meters and 3.26 g/t gold over 9.15 meters were encountered. The drill hole was designed to further test the area of old, shallow, historic workings, surface gold values and the KM-3 and KM-4 intercepts. The drill hole intersected variably silicified and altered andesite with 1% to 8% fine disseminated sulphide minerals. Anomalous god was intersected over 15.2 meters assaying 0.82 g/t gold, including 4.7 meters assaying 2.00 g/t gold. Narrow zones, 6.1 meters to 15.2 meters, of 100 to 250 ppm copper. The drill hole also carried anomalous zinc over 44.2 meters grading 0.026% zinc.

Hole KM-15, East Gold Zone

Hole KM-15 with an azimuth of 225° and dip of -45° to a final depth of 107 meters was collared at the same pad site as KM-14, 65 meters northeast and 20 meters topographically above the previous KM-3 / KM-4 drill pad where intersections of 3.72 g/t gold over 7.62 meters and 3.26 g/t gold over 9.15 meters were encountered. The drill hole was designed to further test the area of old, shallow, historic workings, surface gold values and the KM-3 and KM-4 intercepts. The drill hole intersected variably silicified and altered andesite with 1% to 8% fine disseminated sulphide minerals. The drill hole intersected seveal gold zones, 9.1 meters grading 0.74 g/t gold, including 1.52 meters grading 3.36 g/t gold, 2.2 meters grading 1.22 g/t gold, and 4.6 meters grading 1.20 g/t gold. Anomalous copper was intersected over 27.5 meters grading 0.031% Copper. Anomalous zinc was intersected over a 65.5 meter length grading 0.053% zinc.

Hole KM-16

Hole KM-16 with an azimuth of 015° and dip of -60° and drilled to a depth of 244 meters and located on the southwestern edge of the circular magnetic footprint of the porphyry system. The hole was targeted on an irregular shaped magnetic low based on the 3D interpretive magnetic model and deemed to be magnetite destructive alteration associated with the porphyry mineralizing event. It intersected variably silicified and hornfelsed (inner propylitic alteration) andesite throughout with 1% to 10% fine disseminated pyrite. No significant mineralization was encountered. Best gold assays returned 6.1 meters grading 0.151 g/t gold and a single assay of 1.52 meters grading 0.116 g/t gold. Copper values were weakly anomalous with a section of 86.9 meters grading 0.012% copper. Zinc values were all below anomalous thresholds of 0.02%.

Hole KM-17, East Gold Zone

Hole KM-17 with an azimuth of 180° and dip of -70° was drilled to a depth of 122 meters from the KM-14/KM-15 pad site. It intersected variably silicified and altered andesite as in KM-14/KM-15 with Two gold zones were encountered. An intersection of 9.1 meters grading 0.20 g/t gold, including 3.1 meters grading 0.32 g/t gold, and a second intersection of 4.6 meters grading 0.71g/t gold. Anomalous copper was intersected over a 53.4 meter length averaging 0.048% copper. Anomalous zinc was intersected over a 45.7 meter length averaging 0.033% zinc.

Hole KM-18, East Gold Zone

Hole KM-18 with an azimuth of 180° and dip of -45° was drilled to a depth of 106.7 meters from the KM-14/KM-15 pad site. It intersected variably silicified and altered andesite as in KM-14/KM-15 with 1% to 4% finely disseminated sulphide minerals. Drilling intersected an upper zone of mineralization with 47.3 meters grading 0.51 g/t gold, including 12.2 meters grading 1.24 g/t gold, 1.52 meters grading 1.00 g/t gold and 1.52 meters grading 1.15 g/t gold. A deeper gold zone was intersected over 4.5 meters grading 0.90 g/t gold. Zones of anomalous copper were encountered over 47.3 meters grading 0.051% copper and 27.4 meters grading 0.027% copper. Zones of anomalous zinc were encountered over 47.3 meters grading 0.078% zinc and 45.7 meters grading 0.031% zinc.

Hole KM-19, East Gold Zone

Hole KM-19 with an azimuth of 045° and dip of -45° was drilled to a depth of 91.5 meters. The drill hole was collared on the KM-3 / KM-4 pad site and intersected moderately chloritic and sericitic andesite with 2% to 6% sulphide minerals below 48.8 meters. A mineralized zone over 9.2 meters graded 0.134 g/t gold, 0.045% copper, 0.023% lead and 0.034% zinc, including 3.1 meters grading 0.26 g/t gold at the very end of the drill hole. Anomalous zinc averaging 0.031% was present from the collar to the bottom of the hole a length of 91.5 meters.

Mineral Properties

The King Mine

The King Mine Project was acquired for its two-target potential; the high-grade gold structures exposed at surface and the bulk-tonnage porphyry copper-gold potential. Completed work on the project to date includes lithologic and alteration mapping, rock sampling, induced polarization survey, ground magnetic survey, petrographic analysis and a recently completed 11 hole reverse circulation drilling program.

The near surface high-grade gold structure was tested in the recent drill program and returned significant intersections including 3.26 g/t Au over 9.1 metres in hole KM-04. This gold bearing structure was also drill tested in several other locations, however, it appears based on the information from KM-03 and KM-04 that the gold zone is dipping towards the east, not vertical as originally postulated, and thus the drill holes may have drilled under the gold bearing structure. This gold zone has been mapped and exposed intermittently for 1700 metres along surface and remains mostly untested.

The King Mine is a bulk-tonnage copper-gold porphyry target and the recent technical review, including in the geological, geochemical, alteration and geophysical data with the recent drill hole data shows a potentially untested porphyry target. The untested target is defined by a large magnetic low having dimensions of 1000 by 800 metres and is coincident with a well-defined structural zone, a pyritic halo and significant alteration zone. The alteration zone is mainly phyllic, however, a heavily altered outcrop was identified as a potassicly altered diorite in a petrographic analysis. The pyritic halo, which was tested in the recent drilling showed high levels of Zn and Pb, which are often associated with pyrite halos of porphyries. An attempt was made in the recent drill program to test the northern end of the magnetic low with KM-5, however, the hole was lost in a fault and well short of its intended target depth. This drill hole, however, displayed increasing copper and molybdenum at the bottom of the hole, which could be expected as you approach a porphyry target, and provides strong evidence the coincident dataset could represent an as yet un-drilled porphyry body.

Presently, the company is completing its data review and will then design its next drill program to test additional sites along the 1700 metre near surface high-grade gold structure and the porphyry target. The magnetic data is presently being re-processed to ascertain the best targets to drill for the porphyry and to determine the number of holes required in this next phase.

Acquisition and Commitments Associated with the King Mine Project

On March 20, 2012 and as amended, the Company signed a definitive option agreement to acquire a 100% interest in the King Mine property (the "King Mine"), a prospective mineral property consisting of 42 lode claims, located in Mineral County, Nevada, USA from ProJem Venture Inc. ("Projem"), a private Nevada corporation.

In order to exercise the option, the Company has agreed to make the following cash payments and issue shares to Projem in the amounts and within the time periods described below:

i) US $15,000 (CDN $14,894) upon execution of the option agreement (paid);
ii) 50,000 Shares on April 10, 2012 (50,000 common shares issued, with an ascribed fair value of $20,000);
iii) US $20,000 (CDN $20,744, CDN $22,388) on each of March 20, 2013 and 2014 (paid; paid);
iv) US $60,000 (CDN $63,816) on March 20, 2016;
v) US $40,000 (CDN $42,544) on March 20, 2017; and
vi) US $1,345,000 (CDN $1,430,542) on March 20, 2018.

All shares issued are subject to a four month hold period. Projem has retained a three percent (3%) net smelter return royalty, half of which may be purchased by the Company paying US $1,500,000 (CDN $1,601,400) within the time allowed.

For additional information, readers are encouraged to read the Company's press releases for supplementary information at www.sedar.com.

<u>Lavington Claims</u>

On February 29, 2012, the Company received final Exchange approval of its October 20, 2011 Option Agreement with Aurion Resources Ltd, as amended on October 10, 2013. Pursuant to the Option Agreement, the Company can earn up to a 100% interest in certain mining claims, located in the Vernon Hills area, Vernon Mining Division, British Columbia by paying cash and issuing shares to the Optionor as follows:

i) $25,000 upon execution of the Option Agreement (paid);
ii) $15,000 and 62,500 common shares on February 28, 2012 (paid; 62,500 common shares issued with an ascribed fair value of $21,250);

iii) $25,000 and 50,000 common shares on February 28, 2013 (paid; 50,000 common shares issued with an ascribed fair value of $13,500);
iv) 650,000 common shares by October 31, 2013 (650,000 common shares issued with an ascribed fair value of $221,000); and
v) Incur a minimum of $200,000 in exploration expenditures on the property by June 30, 2014. (incurred)

The Optionor and the underlying owner of the Property (Cazador Resources Ltd., an arm's length party) have each retained two percent (2%) net smelter return royalties, for a total royalty burden of 4%., half of which may be purchased by the Company paying $1,000,000 to each of the Optionor and Cazador Resources Ltd. ($2,000,000 in total) within the time allowed. After exercise of the option, an advance royalty payment of $40,000 will become payable to Cazador annually on October 12, 2014. The October 12, 2014 payment has been deferred to October 12, 2015.

The Company is also required to make the payments to Cazador Resources Ltd. required in order to keep the underlying agreement in force during the currency of the option. The remaining underlying option payments will consist of $25,000 and 25,000 common shares on or before October 12, 2012 (paid; 25,000 shares issued, with an ascribed fair value of $6,000) and 250,000 common shares on or before October 31, 2013 (250,000 common shares issued with an ascribed fair value of $85,000). The Company has a 100% legal and beneficial interest in the Lavington Property.

The bulk of the known mineralization on the property occurs within a 2.5 kilometre by 200-400 metre wide "siliceous-sericitic-pyritic" "shear" zone. The zone was defined by strong gold, arsenic, copper, zinc, and lead in soil values. Within this zone, 8 widely spaced holes were drilled with hole # 7 producing the most significant intersection (all intersections are drilled width) 0.543 g/t Au over 34 m, within a larger interval of 125 metres averaging 0.307 g/t gold. This mineralization is partially undercut by the bottom of hole 2 which returned 0.253 g/t gold over 46 metres. Holes 2, 5, 6, 7 and 8 were terminated in the Lavington mineralized zone and in gold–copper mineralization. The best know mineralization is also associated with a discreet IP anomaly.

The Company completed the three-hole Phase I program, which undercut many of the historic drill holes. An eastward step out drill hole along strike tested a yet un-drilled section of the IP anomaly coincident with a multi-element soil anomaly and known rock mineralization. Rresults from the recently completed 970 metre exploration drilling program indicate long intervals of gold mineralization in the small part of the Lavington property tested. Additionally, drilling with the HQ diameter tools matched or exceeded the results of the historic drilling. The deeper holes stepping back further from the historic drilling indicate that other previously undiscovered zones are present and open at depth and to the north, east and west providing opportunity to further advance efforts at Lavington.

The Lavington property, which Asher has recently expanded to 3,139.26 hectares, encompasses a 3 by 8 kilometre area hosting multiple and extensive gold showings of greater than 100 ppb gold in soil and rock samples. Many of these areas were first discovered in the late 1980's and never received additional exploration making Lavington a very under explored and an attractive gold-copper porphyry exploration target.

Selected Annual Information

	Year Ended Dec. 31, 2014 $	Year Ended Dec. 31, 2013 $	Year Ended Dec. 31, 2012 $
Interest income	$17,521	$6,638	$4,476
Expenses	($497,550)	($798,105)	($503,000)
Net Loss	($489,383)	($790,905)	($499,458)
Net Loss per share, basic and diluted	($0.02)	($0.05)	($0.05)

The Company reported a net loss and comprehensive loss of $489,383 (2013 - $790,905), comprised primarily of $73,288 (2013 - $64,250) in stock-based compensation, administrative expenses of $424,262 (2013 - $733,855) including investor relations of $36,810 (2013 - $215,549), management fees of $180,000 (2013 - $225,000), travel of $11,649 (2013 - $69,589), office rent of $19,200 (2013 - $14,000), accounting and audit fees of $42,649 (2013 - $41,637), a $9,354 loss (2013 - $562 gain) on expenses settled in US currency, and foreign exchange from private placement proceeds received and held in US dollars, and various sundry consumable expenses. This was partially offset by interest income of $17,521 (2013 - $6,638) from invested funds.

Summary of Quarterly Results

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Company's financial statements.

	Three Months Ended Dec. 31, 2014	Three Months Ended Sept. 30, 2014	Three Months Ended Jun. 30, 2014	Three Months Ended Mar. 31, 2014
Expenses	$143,522	$85,286	$100,725	$168,017
Net loss and comprehensive loss	($141,561)	($84,964)	($95,686)	($167,172)
Total assets	$2,737,901	$2,748,658	$2,936,106	$2,912,914
Net loss per share, basic and diluted	($0.00)	($0.00)	($0.01)	($0.01)
Cash, funds in trust and short-term investments,end of period	$849,785	$1,065,192	$1,350,211	$1,610,259

Expressed in Canadian Dollars

	Three Months Ended Dec. 31, 2013	Three Months Ended Sept. 30, 2013	Three Months Ended Jun. 30, 2013	Three Months Ended Mar. 31, 2013
Expenses	$320,388	$136,810	$125,278	$215,629
Net loss and comprehensive loss	($318,496)	($134,956)	($124,170)	($213,283)
Total assets	$3,058,632	$2,527,963	$1,827,099	$1,715,855
Net loss per share, basic and diluted	($0.02)	($0.01)	($0.01)	($0.01)
Cash, funds in trust and short-term investments, end of period	$1,797,055	$1,881,924	$1,114,200	$1,089,498

- The Company incurred a loss of $141,561 for the three months ended December 31, 2014. The Company earned $3,001 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $1,040. General expenses of $143,522 include office rent of $4,800, accounting and audit fees of $14,877, management fees of $45,000, shareholder information of $2,840 and various sundry consumable expenses.

- The Company incurred a loss of $84,964 for the three months ended September 30, 2014. The Company earned $3,733 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $3,411. General expenses of $85,286 include office rent of $4,800, accounting and audit fees of $8,540, management fees of $45,000, shareholder information of $7,991 and various sundry consumable expenses.

- The Company incurred a loss of $95,686 for the three months ended June 30, 2014. The Company earned $3,803 of net interest earned on invested proceeds from its financing, and saw a gain on foreign exchange of $1,236. General expenses of $100,725 include office rent of $4,800, accounting and audit fees of $10,106, management fees of $45,000, shareholder information of $7,339, investor relations expenses of $3,017 and various sundry consumable expenses.

- The Company incurred a loss of $167,172 for the three months ended March 31, 2014. The Company earned $6,984 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $6,139. General expenses of $94,729 include office rent of $4,800, accounting and audit fees of $9,125, management fees of $45,000, shareholder information of $8,702, investor relations expenses of $10,058 and various sundry consumable expenses.

- The Company incurred a loss of $318,496 for the three months ended December 31, 2013. The Company earned $1,623 of net interest earned on invested proceeds from its financing, and saw a gain on foreign exchange of $270. General expenses of $320,388 include office rent of $4,800, accounting and audit fees of $15,964, management fees of $90,000, shareholder information of $11,686, investor relations expenses of $124,356, travel expenses of $10,390 and various sundry consumable expenses.

- The Company incurred a loss of $134,956 for the three months ended September 30, 2013. The Company earned $1,823 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $31. General expenses of $136,810 include office rent of $3,200, accounting and audit fees of $9,656, management fees of $45,000, shareholder information of $6,076, investor relations expenses of $54,362, travel expenses of $6,770 and various sundry consumable expenses.

- The Company incurred a loss of $124,170 for the three months ended June 30, 2013. The Company earned $1,605 of net interest earned on invested proceeds from its financing, and saw a loss on foreign exchange of $497. General expenses of $125,278 include office rent of $3,000, accounting and audit fees of $11,343, management fees of $45,000, legal fees of $9,399, shareholder information of $6,076, investor relations expenses of $8,575, general consulting fees of $6,000, travel expenses of $25,077 and various sundry consumable expenses.

- The Company incurred a loss of $213,283 for the three months ended March 31, 2013. The Company earned $1,587 of net interest earned on invested proceeds of its financing, and saw a gain on foreign exchange of $759. General expenses of $151,379 include office rent of $3,000, accounting and audit fees of $4,674, management fees of $45,000, legal fees of $6,434, shareholder information of $12,640, investor relations expenses of $28,256, general consulting fees of $18,000, travel expenses of $27,351 and various sundry consumable expenses.

Results of Operations

Three months ended December 31, 2014, compared with three months ended December 31, 2013

The Company reported a net loss for the three months ended December 31, 2014 of $141,561 compared to net loss of $318,496 during the three months ended December 31, 2013. The variance of $176,935 is primarily driven by decreases in investor relations, management fees, office and general and travel.

Administrative expenses decreased to $143,522 for the three months ended December 31, 2014 from $320,388 in the comparative three months ended December 31, 2013.

Significant variances within office and administration were as follows:

i) During the three months ended December 31, 2014, $23,065 was incurred for investor relations, compared with $124,356 for the three months ended December 31, 2013, as the Company had a more extensive program in the comparative period to establish its corporate presence and expand its shareholder base.
ii) Management fees decreased to $45,000 for the three months ended December 31, 2014, compared to $90,000 for the three months ended December 31, 2013. The decrease of $45,000 was due to a bonus of $45,000 paid in 2013.
iii) General administrative expenses decreased slightly to $49,293 for the three months ended December 31, 2014, compared to $51,699 for the three months ended December 31.
iv) Travel expenses decreased to $937 for the three months ended December 31, 2014, compared to $10,390 for the three months ended December 31, 2013, as management initiatives to promote the Company and capitalize upon financing opportunities required significant executive travel in the comparative period.

Year ended December 31, 2014, compared with year ended December 31, 2013

The Company reported a net loss for the year ended December 31, 2014 of $489,383 compared to net loss of $790,905 during the year ended December 31, 2013. The variance of $301,522 is primarily driven by a decrease in investor relations, travel, management fees and general consulting, partially offset by increases in share-based payments.

Administrative expenses decreased to $424,262 for the year ended December 31, 2014 from $733,855 in the comparative year ended December 31, 2013.

Significant variances within office and administration were as follows:

i) During the year ended December 31, 2014, $36,810 was incurred for investor relations, compared with $215,549 for the year ended December 31, 2013, as the Company had a more extensive program in the comparative period to establish its corporate presence and expand its shareholder base.
ii) Travel expenses decreased to $11,649 for the year ended December 31, 2014, compared to $69,589 for the year ended December 31, 2013, as management initiatives to promote the Company and capitalize upon financing opportunities required significant executive travel in the comparative period.
iii) Management fees decreased to $180,000 for the year ended December 31, 2014, compared to $225,000 for the year ended December 31, 2013. The decrease of $45,000 was due to a bonus of $45,000 paid in 2013.
iv) General consulting decreased to $1,500 for the year ended December 31, 2014, compared to $24,000 for the year ended December 31, 2013, driven by a reduction of external financial and liquidity consultants.
v) Interest income increased to $17,521 during the year ended December 31, 2014, compared to $6,638 in the comparative period, driven by an increase in the Company's invested liquid assets.
vi) Share-based payments increased from $64,250 during the year ended December 31, 2013 to $73,288 during the year ended December 31, 2014, with the increase driven by the grant of 1,120,000 stock options in the current period as compared with 250,000 issued in the comparative period.
vii) During the year ended December 31, 2014, a loss on foreign exchange of $9,354 was incurred, compared with a gain of $562 in the comparable period, reflective of the increased USD expenditure on the Company's King Mine property.

Liquidity and Capital Resources

The Company reported working capital as at December 31, 2014 of $748,929 (December 31, 2013 - $1,730,969), and cash and short-term investment balance of $849,785 (December 31, 2013 - $1,797,055).

The cash on hand as at December 31, 2014, is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

The Company has no credit facilities with financial institutions. Accordingly, its financial instruments consist of cash, funds held in trust, short-term investments, and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates their carrying values because of their short term nature.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity or debt financing for growth. The Company may need additional capital, and may raise additional funds should its Board deem it advisable.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based Payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options. For the year ended December 31, 2014 the Company recognized $73,288 of stock-based compensation expense (year ended December 31, 2013 – $64,250).

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of a similar company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not

expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs of disposal. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate net present value. The Company assesses its mineral properties for impairment in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources. As at December 31, 2014, there were no indications of impairment.

The Company determines its recoverable amount by determining the higher of the value in use and the fair value less costs of disposal. The Corporation considered recent transactions with the industry, long term views of commodity prices, externally evaluated resource volumes, and discount rates specific to the cash generating unit ("CGU"). In computing the recoverable amount, future cash flows were adjusted for risks specific to the CGU and discounted using a post-tax discount rate.

New Accounting Policies

There were no accounting policies adopted during the year ended December 31, 2014.

<u>Future Accounting Pronouncement</u>

The following standard has been issued but not yet adopted in these financial statements. The Company does not expect to early adopt this standard. The Company's assessment of the impact of this new standard and interpretation is set out below.

i) IFRS 9, Financial Instruments ("IFRS 9") was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. IFRS 9 has an effective date of January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of this standard on its financial statements.

ii) IFRS 11, Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

iii) IAS 1, Presentation of Financial Statements ("AS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

Financial Instruments

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

For amounts receivable, subscriptions receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Property and Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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, short-term investments and amounts

receivable. Amounts receivable consists primarily of harmonized taxes receivable from the Government of Canada. Cash is held with reputable Canadian chartered banks, the balances of which are closely monitored by management. Management believes that the credit risk with respect to financial instruments included in cash and amounts receivable is minimal. As at December 31, 2014, no receivables were past due or considered impaired.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2014, the Company had a cash and short-term investment balance of $748,929 to settle current liabilities of $178,639. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity’s functional currency. The Company's exposure to foreign currency transactions is nominal. The Company does not enter into arrangements to hedge its foreign currency risk as it is not material to the Company's financial statements.

iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious metals. Prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them.

Commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and,

(ii) To maximize shareholder return through enhancing the share value.

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, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising capital stock, contributed surplus, and deficit, which at December 31, 2014, totalled $2,559,142 (December 31, 2013 - $2,886,761). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2014. The Company is not subject to externally imposed capital requirements.

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 Venture Exchange (“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 December 1, 2014, the Company believes it is compliant with Policy 2.5.

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 holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate against the Canadian Dollar would affect the reported loss and comprehensive loss for the year ended December 31, 2014 by approximately $1,200 (December 31, 2013 - $nil).

(ii) The Company's cash and short-term invesments are subject to interest rate fluctuations. As at December 31, 2014, sensitivity to a plus or minus 1% change in interest rates would affect reported loss and comprehensive loss for the year ended December 31, 2014 by approximately $8,500 (December 31, 2013 - $18,000).

Related Party Transactions

i) On January 29, 2013, the Company granted 250,000 stock options with an exercise price of $0.25 to a director, expiring on January 29, 2018. The options were assigned a fair value of $64,250 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 124.77%, risk free interest rate 1.51%, and an expected life of 5 years. The options vested immediately upon grant.

On January 9, 2014, the Company granted 1,025,000 stock options with an exercise price of $0.10 to certain directors and officers of the Company, expiring on January 8, 2019. The options were assigned a fair value of $73,288 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 147.31%, risk free interest rate 1.87%, and an expected life of 5 years. The options vested immediately upon grant.

ii) During the year ended December 31, 2014, the Company paid $26,675 (2013 - $28,650) to Marrelli Support Services Inc. (“Marrelli Support”) and DSA Corporate Services Inc. (the “DSA”), together known as the “Marrelli Group” for:

a) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer (“CFO”);
b) Bookkeeping and office support services; and
c) Regulatory filing services.

The Marrelli Group is also reimbursed for out of pocket expenses. As of December 31, 2014, the Marrelli Group was owed $10,326 (2013 - $9,360). These amounts are included in accounts payable and accrued liabilities. These amounts were settled subsequent to the year-end.

iii) For the year ended December 31, 2014, the Company expensed $180,000 (2013 - $225,000) to the Chief Executive Officer (“CEO”), under the terms of a consulting agreement. Included in accounts payable and accrued liabilities is $Nil pertaining to salary (2013 - $30,000) and $230 (2013 - $818) pertaining to reimbursable travel expenses. Included in prepaid expenses is $15,000 pertaining to an advance of salary (2013 - $Nil).

iv) For the year ended December 31, 2014, the Company paid $16,000 (2013 - $Nil) to a director of the Company for consulting services, which were capitalized to exploration and evaluation expenditures on the consolidated statements of financial position.

v) During the year ended December 31, 2013, a director participated in the March 19, 2013 private placement, purchasing 50,000 flow-through common shares for gross proceeds of $12,500.

vi) During the year ended December 31, 2013, directors and a spouse of a director of the Company participated in the September 19, 2013 private placement, purchasing 150,000 units and 200,000 flow-through common shares for gross proceeds of $70,000.

vii) During the year ended December 31, 2014, directors participated in the October 23, 2014 private placement, purchasing 550,000 flow-through units for gross proceeds of $33,000.

viii) At December 31, 2014 $33,000 (2013 - $33,000) is owed to directors of the company and is included in accounts payable and accrued liabilities.

Expressed in Canadian Dollars

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended December 31, 2014 $	Year Ended December 31, 2013 $
CEO Remuneration	180,000	225,000
Marrelli Support Services Inc. - CFO and accounting	26,675	28,650
Terry Christopher – consulting fees	16,000	Nil
Director fees	38,500	33,000
Share based payments	73,288	64,250

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

At December 31, 2014, directors with control of less than 10% of the common shares of the Company collectively control 2,134,928 common shares of the company or approximately 9.41% of the total common shares outstanding. To the knowledge of directors and officers of Asher, the remainder of the Company's outstanding common shares are widely held.

Risks and Uncertainties

The Company's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative in nature.

The business of exploration for minerals and mining involves a high degree of risk. A relatively small proportion of properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on any of the mineral properties in which the Company holds interest or intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company has limited experience in the development and operation of mines and has relied on and may continue to rely upon consultants and others for exploration and operating expertise. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to explore and develop its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business and to continue with exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, or mining operations, at its projects.

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. The prices of mineral products have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

The mining industry is intensely competitive. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees, contractors and consultants.

The Company's operations are subject to environmental regulations promulgated by local, provincial and federal government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. Further, the Company's properties are in the exploration stage and are not commercially viable at this time. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Commitments

The Company is committed to incur, on a best efforts basis, $83,000 in qualifying resource expenditures pursuant to its October 2013 private placement for which flow-through proceeds have been received. The Company must incur the balance of qualifying resource expenditures before January 31, 2016.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of December 31, 2014, the global economy remains in a period of significant economic volatility, although there have been signs of positive economic growth in North American and European markets. Continued volatility is expected in the near term.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company incurred $654,421 of exploration costs during the year ended December 31, 2014. This includes geological of $148,437, drilling of $103,857 and claims of $3,500 on the Lavington Claims property, and drilling of $169,275, geological of $146,741, laboratory expense of $43,899 and staking fees of $38,712 on the King Mine property.

Expressed in Canadian Dollars

Disclosure of Outstanding Share Data

The Company's shares trade on the TSX Venture Exchange under the symbol "ACN". The Company is authorized to issue an unlimited number of common shares without par value. On April 30, 2015, there were 24,060,896 common shares issued and outstanding, 2,265,000 stock options outstanding with a weighted average exercise price of $0.17 expiring between 2016 and 2019, and 9,204,275 warrants with a weighted average exercise price of $0.29, expiring between 2015 and 2018.

Forward Looking Statements

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, resources, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Selected forward looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
Potential of The Company's properties to contain gold deposits	Financing will be available for future exploration and development of The Company's properties; the actual results of The Company's	Gold price volatility; uncertainties involved in interpreting geological data and confirming title to

	exploration and development activities will be favourable; operating, exploration and development 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 are favourable to The Company; the price of mineral and applicable interest and exchange rates will be favourable to The Company; no title disputes exist with respect to the Company's properties	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 development 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 December 31, 2015 The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital, it may cease to be a reporting issuer	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2015, 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
The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the twelve-month period ending December 31, 2015, 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

Plans, costs, timing and capital for future exploration and development of The Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for The Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to The Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to The Company; the price of gold or silver and/or other applicable metals will be favourable to The Company; no title disputes exist with respect to The Company's properties	Gold price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the 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; 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
Management's outlook regarding future trends	Financing will be available for The Company's exploration and operating activities; the price of gold will be favourable to The Company	Gold price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Sensitivity analysis of financial instruments	Interest rates will not be subject to change in excess of plus or minus 1% The Company's investment portfolio will not be subject to change in excess of plus or minus 100% Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the twelve months ended December 31, 2015, as a result of changes in foreign exchange rates	Changes in debt and equity markets; interest rate and exchange rate fluctuations

The Company will continue to focus its efforts on securing strategic partners for developing a successful gold production facility project	Strategic partners with same goal as The Company will agree to terms favourable to The Company for the development of a gold production facility	Management may not source strategic partners; terms may be unfavourable to The Company
Prices and price volatility for gold	The price of gold will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of gold will be favourable	Changes in debt and equity markets and the spot price of gold; interest rate and exchange rate fluctuations; changes in economic and political conditions

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com.

SCHEDULE "B"
FINANCIAL STATEMENTS OF DRONE

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

dhgroup.ca
t 604.731.5881
f 604.731.9923

April 28, 2016

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Nova Scotia Securities Commission

Dear Sirs:

Re: Asher Resources Corporation (the "Company")

We refer to the information circular of the Company dated April 28, 2016 relating to the annual and special meeting to be held on May 19, 2016.

Asher Resources Corporation

We consent to being named and to the use, through incorporation by reference, in the above-mentioned information circular of our auditor's report dated April 18, 2016 to the shareholders of the Company on the following financial statements:

§ Consolidated statements of financial position as at December 31, 2015 and December 31, 2014;
§ Consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for each of the years ended December 31, 2015 and December 31, 2014 and a summary of significant accounting policies and other explanatory information.

Drone Delivery Canada Inc.

We consent to being named, and to the use in the above-mentioned information circular, of our auditor's report dated April 27, 2016 to the directors of the Company on the following financial statements:

§ Statements of financial position as at December 31, 2015 and December 31, 2014;
§ Statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the year ended December 31, 2015 and the period from incorporation on August 8, 2014 to December 31, 2014 and a summary of significant accounting policies and other explanatory information.

We report that we have read the information circular and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audits of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the information circular as these terms are described in the CPA Canada Handbook – Assurance.

Yours truly,

"D&H Group LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

Drone Delivery Canada Inc.

Financial Statements

December 31, 2015 and 2014

(Expressed in Canadian Dollars)

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

dhgroup.ca
t 604.731.5881
f 604.731.9923

Independent Auditor's Report

To the Board of Directors of Drone Delivery Canada Inc.

We have audited the accompanying financial statements of Drone Delivery Canada Inc., which comprise the statements of financial position as at December 31, 2015 and December 31, 2014, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended December 31, 2015 and the period from incorporation on August 8, 2014 to December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Drone Delivery Canada Inc. as at December 31, 2015 and December 31, 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and the period from incorporation on August 8, 2014 to December 31, 2014 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Vancouver, B.C.
April 27, 2016

Chartered Professional Accountants

Drone Delivery Canada Inc.

Statements of Financial Position

(Expressed in Canadian Dollars)

	December 31, 2015 $	December 31, 2014 $
Assets		
Current assets		
Cash	393,905	1,412
GST/HST receivable	35,333	-
	429,238	1,412
Equipment (Note 3)	51,837	-
	481,075	1,412
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	197,798	94,920
Loan (Note 6)	52,479	-
	250,277	94,920
Shareholders' equity		
Share capital (Note 4)	916,865	1,412
Share subscriptions (Note 4)	19,746	-
Share-based payments reserve (Note 4)	36,127	
Deficit	(741,940)	(94,920)
	230,798	(93,508)
	481,075	1,412

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

Nature of operations (Note 1)

These financial statements were approved for issue by the Board of Directors on April 27, 2016 and are signed on its behalf by:

Approved by the Board ***"Tony Di Benedetto"*** **, Director** ***"Paul Di Benedetto"*** **, Director**

Drone Delivery Canada Inc.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended December 31, 2015 $	Period from incorporation on August 8, 2014, to December 31, 2014 $
Operating expenses		
Advertising and promotion	1,843	-
Amortization of equipment	10,760	-
Consulting (Note 8)	105,000	-
Freight and delivery	798	-
Interest and bank charges	2,495	-
Office	2,552	-
Professional fees	22,000	-
Service fees (Note 8)	175,000	94,920
Supplies	30,560	-
Share-based compensation (Note 4)	296,012	-
	647,020	94,920
Net and comprehensive loss for the period	647,020	94,920

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

Drone Delivery Canada Inc.

Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of shares	Common shares $	Share subscriptions received $	Share-based payments reserve $	Deficit $	Total $
Balance on incorporation, August 8, 2014	14,125,000	1,412	-	-	-	1,412
Net loss for the period	-	-	-	-	(94,920)	(94,920)
Balance at December 31, 2014	14,125,000	1,412	-	-	(94,920)	(93,508)
Shares issued on debt settlement	18,500,000	370,000	-	-	-	370,000
Shares issued	24,460,714	633,000	-	-	-	633,000
Share issue costs	-	(51,420)	-	-	-	(51,420)
Broker warrants	-	(36,127)	-	36,127	-	-
Share subscriptions received	-	-	19,746	-	-	19,746
Net loss for the period	-	-	-	-	(647,020)	(647,020)
Balance at December 31, 2015	57,085,714	916,865	19,746	36,127	(741,940)	230,798

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

Drone Delivery Canada Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2015 $	Period from incorporation on August 8, 2014 to December 31, 2014 $
Cash flows from (used in) operating activities		
Net loss for the period	(647,020)	(94,920)
Amortization of equipment	10,760	-
Interest accrued on loan payable (Note 6)	2,479	-
Share-based compensation	296,012	-
Changes in non-cash working capital		
Decrease (increase) in		
GST/HST receivable	(34,033)	-
Increase (decrease) in		
Accounts payable and accrued liabilities	357,561	94,920
	(14,241)	-
Cash flows from (used in) financing activities		
Loan received (Note 6)	50,000	-
Shares issued for cash	336,988	1,412
Shares subscriptions received	19,746	-
	406,734	1,412
Increase in cash during the period	392,493	1,412
Cash, beginning of period	1,412	-
Cash, end of period	393,905	1,412

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

Supplemental cash flow information (Note 10)

1. Nature of operations

Drone Delivery Canada Inc. (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on August 8, 2014.

The Company is a developmental technology company with a focus on designing, developing and implementing a commercially viable drone delivery system within the Canadian geography.

The Company's principal office is located at:

6175 Highway 7, Unit 10
Vaughan, Ontario L4H 0P6

2. Significant accounting policies

Basis of presentation
These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the financial statements. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

Statement of compliance
These financial statements have also been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ('IFRIC").

Functional currency
The Company's functional currency, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar.

Equipment
Equipment is recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the equipment using the declining balance method at rates of 20% to 55%.

Critical judgments and sources of estimation uncertainty
The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Significant accounting policies - continued

Critical judgments
The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(a) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(b) Depreciation expense is allocated based on assumed useful life of the equipment. Should the useful life differ from the initial estimate, an adjustment would be made to the statement of comprehensive loss.

Cash and cash equivalents
Cash includes cash in bank and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. At December 31, 2015 and 2014, the Company did not have any cash equivalents.

Income taxes
Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

Accounts payable and accrued liabilities
Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Payables are classified as other financial liabilities and are initially measured at fair value and are subsequently measured at amortized cost using the effective interest method.

2. Significant accounting policies - continued

Financial instruments

Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables and at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss). Cash is classified as fair value through profit or loss ("FVTPL").

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. The Company has not classified any financial assets as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has not classified any financial assets as available for sale.

Transaction costs associated with financial assets at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and the loan are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss). The Company has not classified any financial liabilities as FVTPL.

Share capital
Common shares issued by the Company are classified as equity. Costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Cash received for common shares yet to be issued is recorded as share subscriptions received when a legal obligation to issue the shares exists.

New standards and interpretations not yet adopted
The following is an overview of accounting standard changes that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its financial statements.

(a) IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories.

(Expressed in Canadian Dollars)

2. Significant accounting policies - continued

(b) IFRS 15 - *Revenue from Contracts with Customers*. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - *Revenue*, IAS 11 - *Construction Contracts*, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

3. Equipment

	Lab	Office	Total
			$
Cost:			
Balance, December 31, 2014	-	-	-
Additions	5,648	56,949	62,597
Balance, December 31, 2015	5,648	56,949	62,597
Accumulated depreciation:			
Balance, December 31, 2014	-	-	-
Depreciation	672	10,088	10,760
Balance, December 31, 2015	672	10,088	10,760

	Lab	Office	Total
			$
Carrying value:			
Balance, December 31, 2014	-	-	-
Balance, December 31, 2015	4,976	46,861	51,837

4. Share capital

(a) Authorized
At December 31, 2015, the Company's authorized share capital consisted of an unlimited number of common and special shares without par value.

(b) Reconciliation of changes in share capital

(i) On August 8, 2014 the Company issued 14,125,000 common shares at a price of $ 0.0001 per common shares for $ 1,412. Key management and directors of the Company subscribed to all of the common shares in the shares issuance.

(Expressed in Canadian Dollars)

4. Share capital - continued

(ii) On November 24, 2015 the Company issued 18,500,000 in an exchange for debt. The chief executive officer, chief technology officer and corporations controlled by them subscribed for 14,000,000 shares in exchange for $ 280,000 in debt included in accounts payable and accrued labilities. A corporation controlled by the Vice President of Business Development subscribed for 4,500,000 shares in exchange for $ 90,000 in debt included in accounts payable and accrued liabilities.

On November 24, 2015 the Company issued 14,875,000 common shares at an estimated fair value of $ 0.02 per share. The Company received $ 1,488 cash and recognized $ 296,012 in share-based compensation. Key management and directors of the Company subscribed to 1,625,000 common shares in the shares issuance.

(iii) On December 18, 2015 the Company issued 9,585,714 common shares at a price of $ 0.035 per common share for $ 335,500. The Company accrued a broker commission of $ 17,920 and issued broker warrants which entitle the holder to purchase 512,000 common shares at a price of $ 0.10 per share on or before December 18, 2016. The estimated fair value of the broker warrants, estimated using the Black-Scholes option pricing model is $ 36,127. The following assumptions were used; a frisk free interest rate of 0.51%,; an estimated volatility of 115%, an expected life of 1 year; and expected dividend yield of 0%; and an estimated forfeiture rate of 0%.

In association with the private placement the Company accrued for a finders' fee of $ 33,500. Included in the finders' fees is $ 18,425 to the President of the Company.

(iv) As at December 31, 2015 the Company received 19,746 in share subscriptions for a private placement which closed subsequent to December 31, 2015. See Note 11(b).

(c) Warrants

	Warrants #	Weighted average exercise price $
Warrants		
2015		
Opening balance	-	-
Issued	512,000	0.10
Ending balance - December 31, 2015	512,000	0.10

5. Financial instruments and risk management

a) Fair value
IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

§ Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

§ Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

§ Level 3 - applies to assets or liabilities for which there are unobservable market data.

The carrying value of accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments. Pursuant to IFRS 7, the fair value of cash is measured on a recurring basis based on Level 1 inputs.

b) Credit risk
Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments is remote.

6. Loan payable

On July 3, 2015 the Company received a loan of $ 50,000 from a corporation controlled by a director. The loan is due on demand, is unsecured, and bears interest at 10% per annum. As at December 31, 2015, the loan had accrued interest of $ 2,479.

7. Capital risk management

The Company manages, as capital, the components of shareholders' equity and its cash. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure, and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow or adjust the amount of cash. The Company does not anticipate the payment of dividends in the foreseeable future.

8. Related party disclosures

Related parties include the Board of Directors, officers and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions are as follows:

a) As at December 31, 2015 included in accounts payable and accrued liabilities is $ 18,425 payable to President of the Company for finder's fees in connection with the private placement. Note 4(b)(ii).

(Expressed in Canadian Dollars)

8. Related party disclosures - continued

b) During the year ended December 31, 2015, the Company incurred $ 175,000 plus HST (2014 - $ 94,920) in service fees, to a corporation controlled by a director, for developing the business operations strategy of the Company. On November 24, 2015, $ 280,000 included in accounts payable and accrued liabilities was exchanged for common shares. Note 4(b)(ii). As at December 31, 2015, $ 12,670 (2014 - $ 94,920) remains unpaid and is included in accounts payable and accrued liabilities.

During the year ended December 31, 2015, the Company incurred $ 90,000 plus HST (2014 - Nil) in consulting fees, to a corporation controlled by the VP of Business Development, for developing the business operations strategy of the Company. On November 24, 2015, $ 90,000 included in accounts payable and accrued liabilities were exchanged for common shares. Note 4(b)(ii). As at December 31, 2015 (2014 - $ Nil), $ 11,700 remains unpaid and is included in accounts payable and accrued liabilities.

c) As at December 31, 2015, $ 100,009 (2014 - $ Nil) is included in accounts payable and accrued liabilities to the chief executive officer and chief technology officer for expense and equipment purchase reimbursements.

d) See also Note 4(b)(i), Note 4(b)(ii), Note 6, Note 11(a) and Note 11(b)

9. Income taxes

The significant components of the Company's deferred income taxes are as follows as at December 31:

	2015 $	2014 $
Deferred income tax asset		
Non-capital losses	115,446	25,154
Share issue costs	10,901	-
Valuation allowance	(126,347)	(25,154)
Deferred income tax asset	-	-

(Expressed in Canadian Dollars)

9. Income taxes - continued

The following reconciles income taxes at statutory combined federal and provincial income tax rates to the effective income taxes for the years ended December 31:

	2015 $	2014 $
Expected income taxes (recovery) at statutory income tax rate less rate reduction (2015 - 26.5%; 2014 - 26.5%)	(171,460)	(25,154)
Increase (decrease) attributable to:		
Share issue costs	13,626	-
Share-based compensation	78,443	
Unrecognized share issue costs carryforward	(10,901)	-
Unrecognized non-capital losses	90,292	25,154
Income taxes	-	-

10. Supplemental cash flow

During fiscal 2015 and 2014 non-cash activities were conducted by the Company as follows:

	2015 $	2014 $
Operating activities		
Share issues – share-based compensation	(296,012)	-
Accounts payable and accrued liabilities	(255,983)	-
	(551,945)	-
Investing activities		
Equipment	(62,597)	-
	(62,597)	-
Financing activities		
Share issue costs	(51,420)	-
Settlement of accounts payable and accrued liabilities for shares	370,000	-
Shares issued – share-based compensation	296,012	-
Broker warrants	(19,746)	-
Share capital	19,746	-
	614,542	-

11. Events after the reporting period

(a) On January 1, 2016, the Company entered into an office lease agreement with a corporation controlled by a director to lease office space at $ 57,000 to $ 60,750 per year. The lease commences January 1, 2016 and expires on January 1, 2021.

(b) On January 5, 2016, the Company closed the second tranche of its private placement financing consisting of 1,464,171 common shares for aggregate gross proceeds of $ 51,246.

On January 7, 2016, the Company closed the third tranche of its private placement financing consisting of 1,000,000 common shares for aggregate gross proceeds of $ 35,000.

On February 24, 2016, the Company closed the fourth and final tranche of its private placement financing consisting of 1,000,000 common shares for aggregate gross proceeds of $ 35,000.

In connection with the closing of the private placement the Company issued an additional 34,285 broker warrants entitling the holder to purchase 34,285 common shares at a price of $ 0.10 per share on or before January 5, 2017. The Company also paid $ 1,200 in broker commissions and additional finders' fees of $ 12,174 in association with the private placement. Included in the finders' fees is $ 6,695 to the President of the Company.

(c) On January 19, 2016, the Company and Asher Resources Corporation entered into an amalgamation agreement whereby the Company would become a reporting issuer listed on the Canadian Securities Exchange. It is intended that following completion of the transaction former Company shareholders will hold approximately 87% of the resulting issuer and Asher Resources Corporation shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of the Company.

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to a reader to assess material changes in the financial condition and results of operations as at and for the years ended December 31, 2015 and 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of Drone Delivery Canada Inc. ("DDC" or the "Company") for the years ended December 31, 2015 and 2014 and the notes thereto ("Statements"). Readers are encouraged to review the Statements in conjunction with this document.

Description of Business

DDC is a private company incorporated under the Business Corporations Act (Ontario) on August 8, 2014, and is a pioneering technology firm based out of Vaughan, Ontario, Canada with a focus on designing, developing and implementing a commercially viable drone delivery logistics system within the Canadian geography. Its management team is composed of highly seasoned technology professionals who have successfully built, owned and operated technology ventures in the Canadian marketplace since the 1990's that also possess strong capital markets experience.

The technology DDC is seeking to develop and deploy is disruptive and will re-define the traditional shipping / delivery market model. DDC is a pioneering logistics company employing the use of drones to a new business era. Drones will be able to deliver products faster, easier and cheaper allowing retailers, service organizations and government agencies to expand their revenue base and grow their respective bottom lines. Regulatory bodies have begun legislating commercial drone use and DDC will work with such bodies to develop such technology as it unfolds.

DDC's business premise is focused on the development of a Canadian based drone logistics platform to provide logistic services to retailers, service organizations and government agencies. At present, delivery drone technology cannot currently be purchased as an off-the-shelf solution, therefore DDC has been focused on developing proprietary technology which meets and exceeds potential Canadian government requirements. Furthermore, DDC will patent various technology elements which it has and currently is developing. DDC's service premise is to provide two methodologies of drone delivery; Depot to Depot and Depot to Consumer.

DDC is working with the various Canadian government agencies to design and develop its drone logistics platform to adhere to existing and up and coming UAV / drone legislation which is expected to emerge by the first quarter of 2018. Through DDC's engagement with its development partners and various industry organizations, DDC's management and engineering teams will continue to sculpt its platform to adhere to necessary government requirements.

The Company's principal office is located at: 6175 Highway 7, Unit 10, Vaughan, Ontario L4H 0P6.

Expressed in Canadian Dollars

Highlights

On January 19, 2016, the Company entered into an amalgamation agreement with Asher Resources Corporation ("Asher"), a Canadian public company trading on the TSX Venture exchange trading under the symbol ACN, and 2500527 Ontario Ltd., a wholly-owned subsidiary of Asher ("Asher Subco providing for, subject to the completion of satisfactory due diligence by both parties and other conditions, the acquisition by Asher of all of the issued and outstanding common shares of DDC (the "Transaction"), pursuant to which Asher Subco and DDC will amalgamate and the outstanding securities of DDC will be exchanged, on a one-for-one basis, for securities of Asher. It is intended that following completion of the Transaction former DDC shareholders will hold approximately 87% of the resulting issuer and Asher shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of DDC on the facilities of the Canadian Securities Exchange.

Selected Annual Information

	Year Ended Dec. 31, 2015 $	Year Ended Dec. 31, 2014 $
Interest income	$ -	$ -
Expenses	($ 647,020)	($ 94,920)
Net Loss	($ 647,020)	($ 94,920)

The Company reported a net loss and comprehensive loss of $647,020 (2014 - $nil), comprised primarily of $296,012 (2014 - $nil) in share-based compensation, service fees of $175,000 (2014 - $94,920) expensed to a company controlled by a director for developing business operations, business development management fees of $105,000 (2014- $nil), legal, accounting and other professional fees of $22,000 (2014 - $nil), amortization of equipment of $10,760 (2014 - $nil), supplies expense of $30,560 (2014 - $nil) and various expenses of a general nature of $7,688 (2014 - $nil).

Summary of Quarterly Results

The Company did not commence operations until the fourth quarter of 2015, at which time it began incurring the costs in accordance with its strategic business plan. Prior to Q4 2015, operations were limited to a strategic business development salary paid to a director of the Company. Accordingly, a summary of quarterly results is not presented herewith.

Liquidity and Capital Resources

The Company reported working capital as at December 31, 2015 of $178,961 (December 31, 2014 – a working capital deficiency of $93,508), and cash and short-term investment balance of $393,905 (December 31, 2014 - $1,412).

The cash on hand as at December 31, 2015, will not be sufficient to meet the Company's liquidity requirements for the next twelve months. Accordingly, the Company has undertaken a number of financing initiatives which will serve to augment liquidity until the close of the proposed transaction with Asher.

On December 18, 2015 the Company issued 9,585,714 common shares at a price of $0.035 per common share for $ 335,500. The Company accrued a broker commission of $17,920 and issued broker warrants which entitle the holder to purchase 512,000 common shares at a price of $0.10 per share on or before December 18, 2016. In association with the private placement the Company accrued for a finders' fee of $33,500. Included in the finders' fees is $18,425 to the President of the Company.

Subsequent to December 31, 2015, the Company successfully closed the following financing initiatives:

i) On January 5, 2016, the Company closed the second tranche of its private placement financing consisting of 1,464,171 common shares for aggregate gross proceeds of $51,246.

ii) On January 7, 2016, the Company closed the third tranche of its private placement financing consisting of 1,000,000 common shares for aggregate gross proceeds of $35,000.

iii) On February 24, 2016, the Company closed the fourth and final tranche of its private placement financing consisting of 1,000,000 common shares for aggregate gross proceeds of $35,000.

In connection with the closing of the private placement the Company issued an additional 34,285 broker warrants entitling the holder to purchase 34,285 common shares at a price of $0.10 per share on or before January 5, 2017. The Company also paid $1,200 in broker commissions and additional finders' fees of $12,174 in association with the private placement. Included in the finders' fees is $ 6,695 to the President of the Company.

Additionally, the Company has been successful in closing shares-for-debt arrangements throughout the fiscal year as follows:

iv) On November 24, 2015 the Company issued 18,500,000 in an exchange for debt. The chief executive officer, chief technology officer and corporations controlled by them subscribed for 14,000,000 shares in exchange for $280,000 in debt included in accounts payable and accrued labilities. A corporation controlled by the Vice President of Business Development subscribed for 4,500,000 shares in exchange for $90,000 in debt included in accounts payable and accrued liabilities.

v) On November 24, 2015 the Company issued 14,875,000 common shares at an estimated fair value of $0.02 per share. The Company received $1,488 cash and recognized $296,012 in share-based compensation. Key management and directors of the Company subscribed to 1,625,000 common shares in the shares issuance.

The Company has no credit facilities with financial institutions. Accordingly, its financial instruments consist of cash, short-term investments, amounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates their carrying values because of their short term nature.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity or debt financing for growth. The Company may need additional capital, and may raise additional funds should the board of directors of the Company (the "Board of Directors") deem it advisable.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based Payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of a similar company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

b) Depreciation expense is allocated based on assumed useful life of the equipment. Should the useful life differ from the initial estimate, an adjustment would be made to the statement of comprehensive loss.

New Accounting Policies

There were no accounting policies adopted during the year ended December 31, 2015.

Future Accounting Pronouncements

The following is an overview of accounting standard changes that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its financial statements.

i) IFRS 9 - Financial Instruments. This standard partially replaces IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories.

ii) IFRS 15 - Revenue from Contracts with Customers. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - Revenue, IAS 11 - Construction Contracts, and a number of revenuerelated interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Instruments

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

For amounts receivable, subscriptions receivable, accounts payable and accrued liabilities, the amount is deemed to reflect the fair value, due to their short-term nature.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's fair value of cash and short-term investments under the fair value hierarchy are measured using level 1 inputs.

Property and Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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 amounts receivable. Amounts receivable consists primarily of harmonized taxes receivable from the Government of Canada. Cash is held with reputable Canadian chartered banks, the balances of which are closely monitored by management. Management believes that the credit risk with respect to financial instruments included in cash and amounts receivable is minimal. As at December 31, 2015, no receivables were past due or considered impaired.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or as a result of conditions specific to the Company. As at December 31, 2015, the Company had a cash balance of $393,905 to settle current liabilities of $250,277. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and debt bearing interest at a fixed rate of 10% The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company's exposure to foreign currency transactions is nominal. The Company does not enter into arrangements to hedge its foreign currency risk as it is not material to the Company's financial statements.

Capital Management

The Company manages its capital with the following objectives:

(i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) To maximize shareholder return through enhancing the share value.

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, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, share subscriptions, share-based payments reserve and deficit, which at December 31, 2015, totalled $230,798 (December 31, 2014 - $93,508). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015.

Related Party Transactions

Related parties include the Board of Directors, officers and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions are as follows;

a) As at December 31, 2015 included in accounts payable and accrued liabilities is $18,425 payable to the President of the Company for finders' fees in connection with the private placement.

b) During the year ended December 31, 2015, the Company incurred $175,000 plus HST (2014 - $94,920) in service fees, to a corporation controlled by a director, for developing the business operations strategy of the Company. On November 24, 2015, $280,000 included in accounts payable and accrued liabilities were exchanged for common shares. See Note 4(b)(ii) of the December 31, 2015 audited financial statements. As at December 31, 2014, $12,670 (2014 - $94,920) remains unpaid and is included in accounts payable and accrued liabilities.

   During the year ended December 31, 2015, the Company incurred $90,000 plus HST (2014 - Nil) in management fees, to a corporation controlled by the VP of Business Development, for developing the business operations strategy of the Company. On November 24, 2015, $90,000 included in accounts payable and accrued liabilities were exchanged for common shares. See note 4(b)(ii) of the December 31, 2015 audited financial statements. As at December 31, 2015, $11,700 remains unpaid and is included in accounts payable and accrued liabilities.

c) As at December 31, 2015, $100,009 is included in accounts payable and accrued liabilities to the chief executive officer and chief technology officer for expense and equipment purchase reimbursements.
.
d) See also Note 4(b)(i), Note 4(b)(ii), Note 6, Note 11(a) and Note 11(b) of the December 31, 2015 audited financial statements.

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

Subsequent Events

a) In January and February 2016, the Company closed three tranches of a private placement raising $121,246 in gross proceeds (*see page 2, "Liquidity and Capital Resources)*

b) On January 1, 2016 the Company entered into an office lease agreement with a corporation controlled by a director to lease office space at $57,000 to $60,750 per year. The lease commences January 1, 2016 and expires on January 1, 2021.

c) On January 19, 2016, the Company and Asher entered into the Amalgamation Agreement whereby the Company would become a reporting issuer listed on the Canadian Securities Exchange. It is intended that following completion of the transaction former Company shareholders will hold approximately 87% of the resulting issuer and Asher shareholders will hold approximately 13% of the resulting issuer and the resulting issuer will continue as a technology company and carry on the business of the Company.

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to explore and develop its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business and to continue with exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out development of its projects.

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not have a historical track record of operating upon which investors may rely.

Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Aviation Risks

A significant portion of the DDC business is based on the operation and flight of unmanned aerial vehicles, or "drones". The operation of any aerial vehicle may pose a risk or hazard to those both in the air and on the ground. Furthermore, the Company acknowledges that this is an evolving area of business and activity and that the regulatory environment for drones has not yet fully developed. As such, in the event policy changes occur respecting the operation of drones, there is a risk the Company may find itself to be in non-compliance with these new regulations. While the Company has taken measures it deems appropriate to mitigate the risks associated with these activities, and while the Company will strive to keep abreast on all new regulatory changes associated with drones, there is no assurance that an incident involving one of these drones, or our non-compliance with this evolving area of law and regulation, would not create a significant liability for the Company in the future.

Current Global Financial Conditions and Trends

Securities of technology companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of Companies in the technology sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business. As of December 31, 2015, the economy remains in a period of significant economic volatility, although there have been signs of positive economic growth in North American and European markets. Continued volatility is expected in the near term.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this document, the Company had 60,549,885 common shares and 546,285 warrants outstanding,

Forward Looking Statements

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to requirements for additional capital, government regulation of its operations, environmental risks, or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations;; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Additional Information

Additional information relating to the Company is available on the Company's website www.dronedeliverycanada.com

SCHEDULE "C"
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
OF THE ISSUER AS AT DECEMBER 31, 2015

Drone Delivery Canada Inc.

Unaudited Pro Forma

Consolidated Financial Statements

December 31, 2015

(Expressed in Canadian Dollars)

Drone Delivery Canada Inc.

Unaudited Pro Forma Consolidated Statement of Financial Position

December 31, 2015

(Expressed in Canadian dollars)

	Asher Resources Corporation $	Drone Delivery Canada Inc. $	Pro Forma Adjustments $	Note 5	Pro Forma Consolidated $
Assets					
Current assets					
Cash	20,914	393,905	2,235,000	(f)	2,649,819
Short-term investments	485,101	-			485,101
Amounts receivable	40,572	35,333			75,905
Prepaid expenses	18,861	-			18,861
	565,448	429,238			3,229,686
Equipment	-	51,837			51,837
	565,448	481,075			3,281,523
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	263,628	197,798	(185,000)	(d)	276,426
Loan	-	52,479			52,479
	263,628	250,277			328,905
Shareholder's equity					
Capital stock	2,541,488	916,865	(2,541,488)	(a)	3,993,996
			842,131	(e)	
			2,235,000	(f)	
Share subscriptions	-	19,746			19,746
Contributed surplus	1,923,173	36,127	(1,923,173)	(b)	36,127
				(e)	
Deficit	(4,162,841)	(741,940)	4,162,841	(c)	(1,097,251)
			(355,311)	(e)	
	301,820	230,798			2,925,618
	565,448	481,075			3,281,523

Drone Delivery Canada Inc.

Unaudited Pro Forma Consolidated Statement of Loss and Comprehensive Loss

Year ended December 31, 2015

(Expressed in Canadian dollars)

	Asher Resources Corporation $	Drone Delivery Canada Inc. $	5(d) $	Pro Forma Consolidated $
Expenses				
Amortization of equipment	-	10,760		10,760
Consulting	-	105,000		105,000
Office and general	92,122	7,688		99,810
Professional fees	223,097	22,000		245,097
Shareholder information	18,554	-		18,554
Travel	82	-		82
Investor relations	5,053	-		5,053
Service fees	-	175,000		175,000
Supplies	-	30,560		30,560
Transaction costs	-	-	355,311	355,311
Share-based compensation	-	296,012		296,012
	(338,908)	(647,020)		(1,341,239)
Other items				
Impairment of exploration and evaluation assets	(1,910,628)	-		(1,910,628)
Interest income	7,003	-		7,003
Loss on foreign exchange	(14,789)	-		(14,789)
	(1,918,414)	-		(1,918,414)
Net loss and comprehensive loss	(2,257,322)	(647,020)		(3,259,653)
Basic and diluted loss per share				-

1. Basis of presentation

Asher Resources Corporation (the "Company") and Drone Delivery Canada Inc. ("DDC") entered into an amalgamation agreement (the "Amalgamation Agreement") on January 19, 2016, providing for the acquisition by the Company of all of the issued and outstanding shares of DDC (the "Transaction").

Pursuant to the Amalgamation Agreement, DDC and 2500527 Ontario Ltd. (a subsidiary of the Company) will amalgamate. The Company expects to acquire all of the issued and outstanding common shares of DDC in exchange for post-consolidation common shares of the Company of a 1:1 basis. All convertible securities of DDC will be exchanged for equivalent securities of the Company which will thereafter entitle the holders to acquire securities of the Company in lieu of securities of DDC based on the same terms and subject to the same conditions as the existing convertible securities. It is expected that the Company will change its names to Drone Delivery Canada Corp. A requirement of the Amalgamation Agreement is that the Company complete a consolidation of its common shares on a 1 for 4 basis.

It is expected that the resulting entity will be owned approximately 91% by DDC shareholders and 9% by the Company shareholders. As a result, the Transaction has been accounted for as a business combination with DDC being identified as the acquirer. The resulting consolidated financial statements are presented as a continuance of DDC.

The unaudited pro forma consolidated statement of financial position of the Company as at December 31, 2015, and the statements of loss and comprehensive loss for the year ended December 31, 2015 (the "pro forma financial statements"), has been prepared by management based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the Transaction between the Company and DDC on the basis of the assumptions and adjustments described in notes 2, 3, 4 and 5.

The pro forma financial statements have been derived from:

(a) the audited consolidated financial statements of the Company as at, and for the year ended, December 31, 2015, and
(b) the audited financial statements of DDC as at, and for the year ended, December 31, 2015.

It is management's opinion that the pro forma financial statements include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with DDC's accounting policies, except as otherwise disclosed. The pro forma financial statements are not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on December 31, 2015.

The pro forma financial statements should be read in conjunction with the historical financial statements and notes thereto of the Company and DDC included elsewhere in this Circular.

2. Significant accounting policies

The pro forma financial statements have been compiled using the significant accounting policies, as set out in the audited financial statements of DDC as at and for the period ended December 31, 2015. Management has determined that no material pro forma adjustments are necessary to conform the Company's accounting policies to the accounting policies used by DDC in the preparation of its audited financial statements.

3. The proposed transaction:

(a) The Company completes a 1:4 share consolidation. All share and per-share amounts have been restated accordingly.
(b) The Company settles certain outstanding liabilities of $ 185,000 in exchange for 3,083,333 common shares ($ 0.06 per share).
(c) The Company acquires 100% of the issued common shares of DDC in exchange for 60,549,885 common shares of the Company issued to former DDC shareholders and the Company issue share purchase warrants in exchange for 546,285 share purchase warrants held by former DDC warrant holders.
(d) The Company completes a private placement of up to 17,857,142 subscription receipts for proceeds of up to $ 2,500,000 ($ 0.14 per subscription receipt) less estimated transaction costs of $ 265,000. The agent will receive up to 1,428,571 share purchase warrants exercisable into common shares for 24 months at $ 0.14 per share.
(e) Upon completion of the proposed transaction, the former shareholders of DDC will become the controlling shareholders of the Company. This type of share exchange, referred to as a reverse merger with recapitalization, deems DDC to be the acquirer for accounting purposes.
(f) Completion of the Transaction is subject to regulatory and shareholder approval.

4. Accounting for reverse merger with recapitalization

The transaction has been presented, in the pro forma financial statements, as a reverse merger with recapitalization in accordance with IFRS 2, which results in the following:

- DDC is deemed to be the acquirer and the Company the acquiree for accounting purposes.
- DDC is the continuing entity after the date of closing.
- Accordingly, DDC's balances are accounted for at cost and the Company is accounted for as if it were acquired as at the date of closing.
- Since the Company's operations do not constitute a business, the transaction has been accounted for as a reverse acquisition that is not a business combination.
- Therefore, the Company's share capital, deficit and contributed surplus is eliminated, the consideration transferred by the Company will be allocated to share capital and transactions costs will be expensed.
- The capital structure recognized in the consolidated financial statements will be that of the Company, but the dollar amount of the issued share capital in the pro forma financial statements immediately prior to acquisition will be that of DDC, plus the value of shares issued by the Company to acquire DDC plus any shares issued by the Company prior to or as part of the transaction.

(Expressed in Canadian dollars)

5. Pro forma assumptions and adjustments

The pro forma financial statements reflect the following assumptions and adjustments:

(a) A reduction in share capital of $ 2,541,488 to eliminate the Company's historical share capital.
(b) An adjustment to $ 4,162,841 to eliminate the Company's historical deficit.
(c) An adjustment of $ 1,923,173 to eliminate the Company's historical contributed surplus.
(d) A reduction of accounts payable and accrued liabilities of $ 185,000 and an increase in capital stock of $ 185,000.
(e) Since the Company's operations do not constitute a business, the consideration transferred by the Company will be allocated to share capital and transaction costs will be charged to expense. An increase in share capital of $ 842,131 has been allocated based on the following:

	$
Consideration transferred (6,015,224 shares at a price of $ 0.14 per share)	842,131
Cash	20,914
Short-term investments	485,101
Amounts receivable	40,572
Prepaid expenses	18,861
Exploration and evaluation assets	-
Accounts payable and accrued liabilities	(78,628)
Transaction costs	355,311
	842,131

(f) An increase in cash and share capital in the amount of $2,500,000 less estimated issuance costs of $ 265,000.

6. Pro forma share capital

	#	$
The Company's common shares outstanding – December 31, 2015	24,060,896	2,541,488
Effect of 1:4 share consolidation	(18,045,672)	-
	6,015,224	2,541,488
Shares for debt settlement	3,083,333	185,000
Common shares issued to DDC's shareholders	60,549,885	842,131
Adjustment to give effect to the transaction	-	(1,809,623)
Shares issued in relation to the private placement net of issue costs	17,857,142	2,235,000
Pro forma share capital - December 31, 2015	87,505,584	3,993,996

CERTIFICATE OF
DRONE DELIVERY CANADA CORP.
(FORMERLY ASHER RESOURCES CORPORATION)

Pursuant to a resolution duly passed by its Board of Directors, Drone Delivery Canada Corp., formerly Asher Resources Corporation, hereby applies for the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating Drone Delivery Canada Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 8th day of June, 2016.

"Tony Di Benedetto" (Signed)	*"Robert Suttie" (Signed)*
Chief Executive Officer	Chief Financial Officer
"Richard Buzbuzian" (Signed)	*"Chris Irwin" (Signed)*
Director	Director