



DEVERON CORP.
(FORMERLY DEVERON UAS CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Deveron Corp. ("Deveron" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2020. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2020 and 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of March 31, 2021, unless otherwise indicated.

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

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

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

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Forward-looking statements	Assumptions	Risk factors
Development of Deveron's new business in the data acquisition and data analytics sector will be positive	Financing will be available for the deployment of data acquisition and data analytics sector	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2021 The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital or have adequate profits (defined as revenues less expenses), it may cease to be a reporting issuer	The operating activities of the Company for the twelve-month period ending December 31, 2021, and the costs associated therewith, will be consistent with Deveron's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Deveron	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and changes in environmental; COVID-19 business activity changes and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

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

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

Description of Business

Deveron was incorporated under the laws of the Province of Ontario on March 28, 2011.

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

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

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

Operational Highlights

Corporate

On January 7, 2020, the Company and Huron Tractor Limited ("Huron Tractor") jointly announced a continuation of the collaborative initiative between Huron Tractor and Veritas Farm Management ("Veritas"), a wholly-owned subsidiary of Deveron.

On February 23, 2020, 8,180,172 warrants with an exercise price of \$0.50 expired unexercised.

On February 23, 2020, 417,610 warrants with an exercise price of \$0.35 expired unexercised.

On March 22, 2020, 1,161,714 warrants with an exercise price of \$0.50 expired unexercised.

On March 22, 2020, 54,702 warrants with an exercise price of \$0.35 expired unexercised.

On April 6, 2020, the Company closed of a non-brokered private placement of units ("Units"). The offering was completed at a price of \$0.10 per Unit for gross proceeds of \$655,000 and a total of 6,550,000 Units issued. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.20 per warrant for a period of 18 months after the closing of this first tranche.

On April 16, 2020, the Company closed of a second and final tranche of a non-brokered private placement of Units. The final tranche was completed at a price of \$0.10 per Unit for gross proceeds of \$705,000 and a total of 7,050,000 Units issued. Deveron issued a total of 13,600,000 Units for aggregate gross proceeds of \$1,360,000 in connection with the offering. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.20 per warrant for a period of 18 months after the closing of this second tranche.

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As consideration for the services provided for the private placements, the agents received a cash commission equal to in the aggregate \$42,000 and an aggregate of 420,000 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.20 for a period of 18 months after the private placement.

On May 11, 2020, the Company announced that it has acquired all of the operating assets of Better Harvest Inc. ("Better Harvest"), a Texas, United States based agronomy solutions business.

During the period, the Company applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The credit limit of \$40,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2022 of which \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022. If on December 31, 2022 the loan is not repaid, the Company can exercise the option for a 3-year term extension at an interest rate of 5% on the balance over the term extension period. The Company expects to pay the loan prior to December 31, 2022.

In response to COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to a maximum per employee, to eligible employers based on meeting certain eligibility criteria. The Company has determined that it has qualified for this subsidy. The Company has recognized the government grant as there is reasonable assurance that it will comply with the eligibility criteria and that the subsidy will be received. Included in salaries expense for the year ended December 31, 2020 is \$34,353 relating to the CEWS program in order to reduce the expense that the grant is intended to offset.

During the period, the Company applied for and received loan proceeds in the amount of \$65,628 (US\$49,200) ("PPP Funds") pursuant to the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") in order to enable small businesses to pay employees during the economic slowdown caused by COVID-19 by providing forgivable loans to qualifying businesses for up to 2.5 times their average monthly payroll costs. The amount borrowed by the Company under the PPP is eligible to be forgiven provided that (a) the Company uses the PPP Funds during the 24-week period after receipt thereof, and (b) the PPP Funds are only used to cover payroll costs (including benefits), rent, mortgage interest, and utility costs. The amount of loan forgiveness will be reduced if, among other reasons, the Company does not maintain staffing or payroll levels. Principal and interest payments on any unforgiven portion of the PPP Funds (the "PPP Loan") will be deferred for six months and will accrue interest at a fixed annual rate of 1%. Additionally, the PPP Loan balance will carry a two-year maturity date. There is no prepayment penalty on the PPP Loan. The Company expects the PPP to be forgiven in full as it believes it will meet all the criteria to forgive the loan.

On July 7, 2020, the Company announced that it will be collaborating with Terramera, a global AgTech leader, using drones and data across multiple sites throughout North America for the 2020 growing season. The project will provide Terramera access to the Company's turnkey drone data network.

On August 26, 2020, 19,250 warrants were exercised at a price of \$0.20 per unit for gross proceeds of \$3,850.

On September 14, 2020, 937,500 warrants with an exercise price of \$0.50 expired unexercised.

On December 23, 2020, the Company closed a non-brokered private placement of Units at a price of \$0.35 per Unit for gross proceeds of \$5,785,228 and a total of 16,529,222 Units issued. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant

entitles the holder thereof to purchase one common share at an exercise price of \$0.45 per warrant for a period of 2 years after closing.

As consideration for the services provided for the private placements, the agents received a cash commission equal to in the aggregate \$276,062 and an aggregate of 701,664 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.35 for a period of 2 years after the private placement.

Company Update

There are almost 1 billion acres of farmland in North America, and it is estimated that, currently, data and technology are applied in making input decisions on only 30% of this total area under cultivation.

Science and technology can have a significant role to play in improving farm outcomes; including yields, profitability and climate impact.

Deveron is a growing company focused on the North American agriculture market that provides:

- Data collection services via soil sampling, drones, and other methods
- Data insights to better manage inputs like fertilizer, seed, water and other crop protection that is based on highly localized data and farm variability

Deveron provides these services directly through:

- Our online presence at www.deveronuas.com
- Our growing network of local agronomists and partner channels
- Our digital affiliations with multi-national input companies

Deveron is focused on removing the subjective decision making of farming and making it easier for any grower, using any brand of input or equipment, to use data to make more profit on the farm.

Acquisition of Better Harvest

On May 11, 2020, the Company acquired all the operating assets of Better Harvest Inc. ("Better Harvest"), a Texas based agronomy solutions business. Better Harvest provides unbiased agronomic advice, nitrogen management solutions and optimization of irrigation programs for growers representing over 100,000 acres.

The allocation of the purchase price is as follows:

	Amount (\$)
Purchase price allocation	
Cash payment	229,515
Additional cash payment accrued (i)	139,100
Total consideration	368,615
Allocation of purchase price	
Cash	23,582
Accounts receivable and other assets	46,968
Inventory	14,088
Property, plant and equipment	74,864
Amounts payable and other liabilities	(230,885)
Goodwill	439,998
Better Harvest net assets received	368,615

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

Trends and Economic Conditions

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

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal and provincial governments have not introduced measures which significantly impede the operational activities of the Company. As well, there has been no significant affect on our US operations. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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

Major Shareholder and Related Party Transactions

Major shareholder

At December 31, 2020, Greencastle Resources Ltd. ("Greencastle") owned and/or exercised control over 10,804,500 common shares (December 31, 2019 - 10,554,005 common shares) of Deveron, representing approximately 15.8% (December 31, 2019 - 27.7%) of the issued and outstanding common shares of the Company. The remaining 84.2% (December 31, 2019 - 72.3%) of the shares are widely held, which includes various small holdings which are owned by directors of Deveron. These holdings can change at any time at the discretion of the owner.

The Company's major shareholder does not have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, other than Greencastle, which owns or controls, directly or indirectly, approximately 15.8% (December 31, 2019 - 27.7%) of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related party transactions

During the year ended December 31, 2020, the Company incurred professional fees of \$42,267 (year ended December 31, 2019 - \$32,627) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the Chief Financial Officer of Deveron. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2020, Marrelli Support is owed \$8,956 (December 31, 2019 - \$2,659) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2020, the Company incurred professional fees of \$8,526 (year ended December 31, 2019 - \$8,667) to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2020, DSA is owed \$737 (December 31, 2019 - \$1,643) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2020, the Company incurred professional fees of \$5,884 (year ended December 31, 2019 - \$5,821) to DSA Filing Services Limited ("Filing"), an organization of which Mr. Marrelli controls. These services were incurred in the normal course of operations for reporting issuer filing services. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2020, Filing is owed \$186 (December 31, 2019 - \$588) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2020, the Company incurred professional fees of \$3,360 (year ended December 31, 2019 - \$384) to Marrelli Press Release Services Limited ("Press Release"), an

organization of which Mr. Marrelli controls. These services were incurred in the normal course of operations for press release services. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2020, Press Release is owed \$nil (December 31, 2019 - \$316) and this amount is included in amounts payable and other liabilities.

During the year ended December 31, 2020, the Company also incurred legal fees of \$33,174 (year ended December 31, 2019 - \$31,929) to Irwin Lowy LLP for legal services. Chris Irwin is the controlling party of Irwin Lowy LLP and a director of Deveron. Included in the December 31, 2020 amounts payable and other liabilities is \$23,780 due to Irwin Lowy LLP (December 31, 2019 - \$nil).

During the year ended December 31, 2020, salaries and benefits of \$22,500 (year ended December 31, 2019 - \$22,500) were paid to directors of the Company.

During the year ended December 31, 2020, salaries and benefits of \$300,000 (year ended December 31, 2019 - \$200,000) were paid to the Chief Executive Officer ("CEO") and director of the Company. Included in the December 31, 2020 amounts payable and other liabilities is \$nil due to the CEO and director of the Company (December 31, 2019 - \$11,360).

During the year ended December 31, 2020, salaries and benefits of \$37,500 (year ended December 31, 2019 - \$47,500) were paid to a director of its parent company, Greencastle.

During the year ended December 31, 2020, the Company incurred rent expense of \$30,450 (year ended December 31, 2019 - \$24,350) to Greencastle which is included in office and general in the consolidated financial statements of comprehensive loss.

During the year ended December 31, 2020, the Company incurred corporate advisory service expense of \$nil (year ended December 31, 2019 - \$9,000) to Greencastle which is included in office and general in the consolidated statements of comprehensive loss.

Included in December 31, 2020 amounts payable and other liabilities is \$7,500 due to Greencastle (December 31, 2019 - \$nil) for rent payable.

During the year ended December 31, 2020, the Company incurred share based payment expenses to officers, directors and key management personnel of \$41,473 (2019 - \$177,773).

Outlook

For the immediate future, the Company intends to develop the data acquisition and analytics business. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. See "Cautionary Note Regarding Forward-Looking Statements", "Trends" and COVID-19 in "Events After The Reporting Period" and "Risk Factors".

The Company may need to secure additional financing to meet its ongoing obligations; however, there is no assurance that the Company will be able to do so. See "Cautionary Note Regarding Forward-Looking Statements", "Trends and Economic Conditions" and COVID-19 Risks in "Risk Factors".

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company as at December 31, 2020, 2019 and 2018 and for the years then ended.

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Total revenues	\$2,869,453	\$2,055,437	\$500,626
Total loss	\$(1,761,554)	\$(1,937,398)	\$(1,479,416)
Net loss per share – basic	\$(0.04)	\$(0.05)	\$(0.04)
Net loss per share – diluted	\$(0.04)	\$(0.05)	\$(0.04)
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2018
Total assets	\$9,373,572	\$3,855,407	\$4,901,616
Total non-current financial liabilities	\$308,344	\$ 215,575	\$22,624
Distribution of cash dividends	\$nil	\$nil	\$nil

- The net loss for the year ended December 31, 2020, consisted primarily of (i) share-based payments of \$106,795; (ii) salaries and benefits of \$2,198,560; (iii) shareholder relations of \$85,137; (iv) business development of \$54,250; (v) depreciation of \$183,553; (vi) professional fees of \$153,746; and (vii) other working capital expenditures incurred to maintain the operations of the Company which was offset by (i) net drone and agronomic services of \$2,869,453 and (ii) interest income of \$14,155.
- The net loss for the year ended December 31, 2019, consisted primarily of (i) share-based payments of \$497,801; (ii) salaries and benefits of \$1,640,130; (iii) shareholder relations of \$78,524; (iv) business development of \$53,306; (v) depreciation of \$163,598; (vi) professional fees of \$112,487; and (vii) other working capital expenditures incurred to maintain the operations of the Company which was offset by (i) net drone and agronomic services of \$1,212,030 and (ii) interest income of \$39,718.
- The net loss for the year ended December 31, 2018, consisted primarily of (i) share-based payments of \$356,731; (ii) salaries and benefits of \$668,822; (iii) shareholder relations of \$214,380; (iv) business development of \$261,277; (v) depreciation of \$231,034; (vi) professional fees of \$103,880; and (vii) other working capital expenditures incurred to maintain the operations of the Company which was offset by (i) net drone and agronomic services of \$144,194; (ii) gain on long-term investments of \$507,131; (iii) interest income of \$36,339; and (iv) discontinued operations income of \$50,000.
- As the Company has no significant recurring revenue from its drone operation at present, its ability to fund its operations is dependent upon securing financing. See "Cautionary Note Regarding Forward-Looking Statements", "Trends and Economic Conditions" and COVID-19 Risks in Risk Factors".

Selected Quarterly Information

Three Months Ended	Total Revenue (\$)	Profit or Loss		Total Assets (\$)
		Total (\$)	Basic and Diluted Income (Loss) Per Share (\$) ⁽⁹⁾	
2020-December 31	752,432	(697,192) ⁽¹⁾	(0.01)	9,373,572
2020-September 30	709,734	(571,802) ⁽²⁾	(0.01)	4,337,150
2020-June 30	1,123,867	76,223 ⁽³⁾	(0.00)	4,790,994
2020-March 31	283,420	(568,783) ⁽⁴⁾	(0.01)	3,418,102
2019-December 31	584,492	(541,205) ⁽⁵⁾	(0.01)	3,855,407
2019-September 30	642,408	(411,607) ⁽⁶⁾	(0.01)	4,410,870
2019-June 30	727,973	(101,667) ⁽⁷⁾	(0.00)	4,367,315
2019-March 31	100,564	(882,919) ⁽⁸⁾	(0.02)	4,450,366

Notes:

- (1) The Company's net loss totaled \$697,192 for the three months ended December 31, 2020, with basic and diluted loss per share of \$0.01. Activities for the three months ended December 31, 2020, principally involved salaries and benefits of \$558,430; business development of \$14,601; shareholder relations of \$6,774 pertaining to regulatory filing fees and consulting fees; professional fees of \$5,819, representing costs incurred for general legal, accounting and audit services; travel of \$43,393; depreciation of \$30,834; office and general of \$728,210; bad debts of \$77,108 and cost of services of \$352,696 which was offset by data services revenues of \$752,432; and interest income of \$447.
- (2) The Company's net loss totaled \$571,802 for the three months ended September 30, 2020, with basic and diluted income per share of \$0.01. Activities for the three months ended September 30, 2020, principally involved share-based payments of \$12,428; salaries and benefits of \$475,481; business development of \$17,094; shareholder relations of \$39,544 pertaining to regulatory filing fees and consulting fees; professional fees of \$46,357, representing costs incurred for general legal, accounting and audit services; interest expenses of \$5,956; travel of \$29,910; depreciation of \$46,629; office and general of \$342,198; equipment maintenance of \$2,593 and cost of services of \$268,397 which was offset by data services revenue of \$709,734; and interest income of \$5,051.
- (3) The Company's net income totaled \$76,223 for the three months ended June 30, 2020, with basic and diluted loss per share of \$0.00. Activities for the three months ended June 30, 2020, principally involved share-based payments of \$12,293; salaries and benefits of \$469,047; business development of \$5,020; shareholder relations of \$26,607 pertaining to regulatory filing fees and consulting fees; professional fees of \$59,151, representing costs incurred for general legal, accounting and audit services; interest expenses of \$2,533; travel of \$25,047; depreciation of \$55,622; office and general of \$152,900; equipment maintenance of \$1,166 and cost of services of \$198,236 which was offset by drone income of \$1,123,867 and interest income of \$376.
- (4) The Company's net loss totaled \$568,783 for the three months ended March 31, 2020, with basic and diluted loss per share of \$0.01. Activities for the three months ended March 31, 2020, principally involved share-based payments of \$69,646; salaries and benefits of \$397,633; business development of \$17,535; shareholder relations of \$12,212 pertaining to regulatory filing

fees and consulting fees; professional fees of \$29,594, representing costs incurred for general legal, accounting and audit services; interest expenses of \$12,691; travel of \$14,769; depreciation of \$50,468; office and general of \$154,448; and cost of services of \$103,208 which was offset by drone income of \$139,786 and interest income of \$8,281.

- (5) The Company's net loss totaled \$541,205 for the three months ended December 31, 2019, with basic and diluted loss per share of \$0.01. Activities for the three months ended December 31, 2019, principally involved salaries and benefits of \$357,733; business development of \$8,618; shareholder relations of \$13,648 pertaining to regulatory filing fees and consulting fees; professional fees of \$26,093, representing costs incurred for general legal, accounting and audit services; travel of \$26,317; depreciation of \$37,820; office and general of \$118,909; bad debts of \$133,040; interest expense of \$242 and cost of services of \$405,802 which was offset by data services revenues of \$584,492; and interest income of \$2,525.
- (6) The Company's net loss totaled \$411,607 for the three months ended September 30, 2019, with basic and diluted income per share of \$0.01. Activities for the three months ended September 30, 2019, principally involved share-based payments of \$157,218; salaries and benefits of \$508,010; business development of \$15,824; shareholder relations of \$9,972 pertaining to regulatory filing fees and consulting fees; professional fees of \$27,328, representing costs incurred for general legal, accounting and audit services; interest expenses of \$8,826; travel of \$35,118; depreciation of \$48,831; office and general of \$74,769; equipment maintenance of \$5,524 and cost of services of \$186,959 which was offset by data services revenue of \$642,408; gain on acquisition of Atlas of \$11,933; and interest income of \$12,431.
- (7) The Company's net loss totaled \$101,667 for the three months ended June 30, 2019, with basic and diluted loss per share of \$0.00. Activities for the three months ended June 30, 2019, principally involved share-based payments of \$48,620; salaries and benefits of \$372,404; business development of \$15,302; shareholder relations of \$14,937 pertaining to regulatory filing fees and consulting fees; professional fees of \$28,615, representing costs incurred for general legal, accounting and audit services; interest expenses of \$3,987; travel of \$15,543; depreciation of \$18,330; office and general of \$103,088; equipment maintenance of \$1,145 and cost of services of \$219,915 which was offset by drone income of \$727,973 and interest income of \$12,246.
- (8) The Company's net loss totaled \$882,919 for the three months ended March 31, 2019, with basic and diluted loss per share of \$0.02. Activities for the three months ended March 31, 2019, principally involved share-based payments of \$291,963; salaries and benefits of \$401,983; business development of \$13,562; shareholder relations of \$39,967 pertaining to regulatory filing fees and consulting fees; professional fees of \$30,451, representing costs incurred for general legal, accounting and audit services; interest expenses of \$4,015; travel of \$26,944; depreciation of \$58,617; office and general of \$96,671; and cost of services of \$30,731 which was offset by drone income of \$3,332 and interest income of \$12,516.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of operations

Three months ended December 31, 2020, compared with three months ended December 31, 2019

Deveron's net loss totaled \$697,192 for three months ended December 31, 2020, with basic and diluted loss per share of \$0.01. This compares with a loss of \$541,205 with basic and diluted loss per share of \$0.01 for the three months ended December 31, 2019. The increase of \$155,987 in net loss was principally due to the following:

- Data collection and data analytics revenues increased by \$167,940 for the three months ended December 31, 2020, compared to the three months ended December 31, 2019. The increase is attributable to the new business of the Company since the acquisition of Better Harvest.
- Professional fees decreased by \$20,274 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. The decrease is attributable to a decrease in corporate activity requiring external professional support.
- Office and general decreased by \$155,283 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019 and consisted of costs such as advertising and promotion, supplies, internet, rent and bank service charges.
- Salaries and benefits increased by \$348,389 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. The increase is attributable to the Company hiring a higher number of employees during the current period compared to the comparative period.
- Travel expenses increased by \$17,076 for three months ended December 31, 2020 compared to the three months ended December 31, 2019. The increase is attributable to higher corporate activity requiring travel by management and employees.
- Depreciation increased by \$87,967 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. Depreciation is recorded on computer equipment, drones, vehicles and right-of-use assets acquired during the current and prior years.
- Business development increased by \$5,983 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. The increase is attributable to increased research done by the Company which required external business development support.
- Share-based payments decreased by \$12,428 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.
- Bad debts decreased by \$101,396 for the three months ended December 31, 2020 compared to the three months ended December 31, 2019. This decrease is primarily attributable to the write off of World Class Extractions in the previous year.
- All other expenses related to general working capital expenditures.

Deveron Corp.
Management's Discussion and Analysis
Year Ended December 31, 2020
Dated: March 31, 2021

Year ended December 31, 2020, compared with year ended December 31, 2019

Deveron's net loss totaled \$1,761,554 for year ended December 31, 2020, with basic and diluted loss per share of \$0.04. This compares with a net loss of \$1,937,398 with basic and diluted loss per share of \$0.05 for the year ended December 31, 2019. The decrease of \$175,844 in net loss was principally due to the following:

- Data collection and data analytics revenues increased by \$814,016 for the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase is attributable to the new business of the Company since the acquisition of Better Harvest.
- Professional fees increased by \$41,259 for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase is attributable to increased corporate activity requiring external professional support.
- Office and general increased by \$728,210 for the year ended December 31, 2020 compared to the year ended December 31, 2019 and consisted of costs such as advertising and promotion, supplies, internet, rent and bank service charges.
- Salaries and benefits increased by \$558,430 for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase is attributable to the Company hiring a higher number of employees during the current period compared to the comparative period.
- Travel expenses increased by \$9,197 for year ended December 31, 2020 compared to the year ended December 31, 2019. The increase is attributable to higher corporate activity requiring travel by management and employees.
- Depreciation increased by \$19,955 for the year ended December 31, 2020 compared to the year ended December 31, 2019. Depreciation is recorded on computer equipment, drones, vehicles and right-of-use assets acquired during the current and prior years.
- Business development increased by \$944 for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase is attributable to higher research done by the Company which required external business development support.
- Share-based payments decreased by \$391,006 for the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease is due to the timing of expensing the estimated fair value of stock options granted in prior and current periods. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.
- Bad debts decreased by \$55,932 for the year ended December 31, 2020 compared to the year ended December 31, 2019. This decrease is primarily attributable to the write off of World Class Extractions in the prior year.
- All other expenses related to general working capital expenditures.

Deveron's total assets at December 31, 2020 were \$9,373,572 (December 31, 2019 - \$3,855,407) against total liabilities of \$1,114,448 (December 31, 2019 - \$736,336). The increase in total assets of \$5,518,165 resulted from cash received from private placements. The Company does have sufficient current assets to pay its existing liabilities of \$1,114,448 at December 31, 2020.

Cash Flow

At December 31, 2020, the Company had cash and cash equivalents of \$6,217,046. The increase in cash of \$4,939,142 from the December 31, 2019 cash balance of \$1,277,904 was a result of cash outflow in operating activities of \$1,680,514, cash outflow in investing activities of \$382,616 and cash inflow of \$7,002,272 from financing activities. Operating activities were affected by depreciation of \$183,553, share-based payments of \$106,795, interest expense of \$20,910, gain on disposition of property, plant and equipment of \$1,720, gain on foreign exchange of \$104,267, and net change in non-cash working capital balances of \$124,231 because of an increase in amounts receivable and other assets of \$47,785, a decrease in amounts payable and other liabilities of \$42,625, a decrease in unearned revenue of \$2,048 and a decrease in lease payments of \$117,023. Investing activities were affected by the acquisition Better Harvest Inc., as well as the purchase of property, plant and equipment, which was offset by proceeds from sale of property, plant and equipment for a total of \$382,616. Financing activities were affected by the issue of common shares for private placements of \$7,145,227, proceeds from loans for \$183,880, the proceeds on the exercise of warrants for \$3,850, cash acquired from the acquisition of Better Harvest Inc. of \$23,582 and offset by share issue costs of \$354,267.

Liquidity and Financial Position

The Company expects to be financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Cautionary Note Regarding Forward-Looking Statements", "Trends and Economic Conditions" and COVID-19 Risks in "Risk Factors".

As at December 31, 2020, the Company had a working capital of \$6,233,699 (December 31, 2019 – working capital of \$1,502,702). The Company's continuing operations are dependent on its ability to secure equity and/or debt financing.

In the following 12-month period, the business objective of Deveron is to grow out customer base by establish credibility and gain market awareness of the service offering to growers in Canada and select other operating regions in the United States. Deveron intends to do this by accomplishing the following business objectives:

- (a) Continue development and deployment of the data acquisition network to provide on demand data services to the agricultural industry across Canada and select strategic regions in the United States;
- (b) Continue marketing campaign of service offering through current sales network;
- (c) Continue to work with current and future partners on data integration and feasibility studies; and
- (d) Build infrastructure for processing and storing data.

The Company will have sufficient cash to fund its operations for the twelve months ended December 31, 2021.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Share Capital

As at the date of this MD&A, the Company had a total of 88,221,583 common shares issued and outstanding. An additional 19,942,025 common shares are subject to issuance pursuant to the following: 3,775,000 stock options and 16,167,025 outstanding warrants. Each stock option will be exercisable to acquire one common share at a prices that range from \$0.30 to \$0.37 per common share with expiry dates ranging from March 24, 2022 to November 22, 2022. Each warrant will be exercisable to acquire one common share at prices that range from \$0.20 to \$0.45 per common share with expiry dates ranging from October 6, 2021 to December 23, 2022.

Capital Management

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2020, totaled an equity of \$8,259,124 (December 31, 2019 - \$3,119,071).

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

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting capital spending. The capital structure is reviewed by management and the Board on an ongoing basis.

There were no changes in the Company's objective, process, policies and approach to capital management during the year ended December 31, 2020 and 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

Financial Instruments

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada and trades receivable. Sales tax receivable are in good standing as of December 31, 2020. Management believes that the credit risk with respect to these amounts receivable is minimal. As at December 31, 2020, the provision for amounts receivable is \$83,976 (December 31, 2019 - \$145,846).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2020, the Company had cash and cash equivalents of \$6,217,046 (December 31, 2019 - \$1,277,904) to settle current liabilities of \$806,104 (December 31, 2019 - \$520,761). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company obtained its financing through the equity market. Negative trend in the general equity market. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity.

Market risk

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

Interest rate risk

The Company has cash balances. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts. As at December 31, 2020, the Company did not have any surplus cash in high yield savings accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. The Company is not exposed to interest rate risk.

Foreign currency risk

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

Price risk

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

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and amounts receivable and amounts payable and other liabilities that are denominated in USD. As at December 31, 2020, had the USD weakened/strengthened by 10% against the CAD with all other variables held constant, the Company's consolidated statements of comprehensive loss for the year ended December 31, 2020 would have been approximately \$17,048 higher/lower as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments. Similarly, as at December 31, 2020, shareholders' equity would have been approximately \$17,048 higher/lower had the USD weakened/strengthened by 10% against the CAD as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments.

Risk Factors

Deveron operates in evolving markets, which makes it difficult to evaluate its business and future prospects.

Deveron cannot accurately predict the extent to which demand for its services will increase, if at all. The challenges, risks and uncertainties frequently encountered by companies in rapidly evolving markets could impact Deveron's ability to do the following:

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

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

Deveron expects to incur research and development costs and devote resources to identifying and commercializing new services, which could significantly reduce its profitability and may never result in revenue to Deveron.

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

Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn has caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and development of Deveron's new business in the data acquisition and data analytics sector. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet our capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while we currently have sources of liquidity, such as cash balances, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave us unable to react in a manner consistent with our historical practices.

Market Risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact our financial condition.

Climate Change

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change.

Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company.

Based on risk assessments conducted by the Company, climate change is not an immediate material risk faced by the Company. However, as time goes on, it will likely have an impact on how the Company conducts its business.

Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSXV, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the 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, results of operations and cash flows of the Company, as of the date of and for the periods presented.

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

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in

additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Events After The Reporting Period

- i) On January 26, 2021, the Company announced the launch of a fixed wing imagery pilot program for the 2021 season. The program is available in south western Ontario, an agricultural market of 8 million acres of farmland. The key focus of the pilot program is to provide growers with a cost effective means to make crop protection decisions and help increase yield.
- ii) On February 22, 2021, the Company announced that it had acquired FD Agro Technologies LLC ("Farm Dog"), an award winning agriculture data platform company that helps farmers, agronomists and agrobusinesses records, organize and leverage on-farm information to make better decisions. On March 5, 2021, the Company announced that it had acquired Farm Dog. As consideration for the transaction, the Company will issue an aggregate of 294,118 common shares in the capital of the Company (the "Common Shares") at a price of \$0.64 per Common Share over a period of two years and a cash payment of US\$100,000. All securities issued pursuant to the transaction will be subject to a statutory hold period of four months and one day from the issuance therefore, as applicable, in accordance with applicable securities law.
- iii) On March 12, 2021, the Company announced that it has appointed Craig Hogan, CPA, CA as VP Finance.

Additional Disclosure for Entities without Significant Revenue

	Year Ended December 31, 2020 (\$)	Year Ended December 31, 2019 (\$)
Operating expenses		
Salaries and benefits	2,198,560	1,640,130
Share-based payments	106,795	497,801
Business development	54,250	53,306
Depreciation	183,553	163,598
Shareholder relations	85,137	78,524
Office and general	1,121,647	393,437
Professional fees	153,746	112,487
Travel	113,119	103,922
Equipment maintenance	5,318	7,764
Interest expense	20,910	17,070
Bad debts	77,108	133,040
Interest income	(14,155)	(39,718)
Gain on disposition of property, plant and equipment	(1,720)	nil
Gain on acquisition of Atlas	nil	(11,933)
Gain on foreign exchange translation	(104,267)	nil
Total	4,000,001	3,149,428

Additional Information

Additional information concerning the Company is available on Sedar at www.sedar.com.