



Annual Information Form

DEVERON CORP.

For the financial period ended June 30, 2023

Dated as of October 26, 2023

TABLE OF CONTENTS

PRELIMINARY NOTES	1
FORWARD-LOOKING INFORMATION.....	1
CORPORATE STRUCTURE	3
GENERAL DEVELOPMENT OF THE BUSINESS.....	3
DESCRIPTION OF THE BUSINESS.....	14
RISK FACTORS	20
DIVIDENDS AND DISTRIBUTIONS	33
DESCRIPTION OF CAPITAL STRUCTURE.....	34
MARKET FOR SECURITIES	35
ESCROWED SECURITIES.....	36
DIRECTORS AND OFFICERS	37
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	40
INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS.....	40
TRANSFER AGENT AND REGISTRAR.....	40
MATERIAL CONTRACTS	40
EXPERTS AND INTERESTS OF EXPERTS.....	40
ADDITIONAL INFORMATION	41

PRELIMINARY NOTES

This annual information form ("AIF") of Deveron Corp. (the "**Company**" or "**Deveron**") is prepared in the form prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators. All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated. All information in this AIF is as of June 30, 2023, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF, particularly in the sections below entitled "*Description of The Business*" and "*Risk Factors*", contain "forward-looking information" within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans, objectives. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

The forward-looking information contained in this AIF is based on management's opinions, estimates and assumptions in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe to be appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of our ability to expand the Company's network of partnerships in existing and new geographies and verticals and our ability to expand our customer base domestically and internationally; the viability and continuity of our existing commercial partnerships; our ability to build market share; our ability to develop and market additional products and to increase sales from our existing customers through sales of our more premium products; our ability to attract and retain key management and personnel; our anticipated growth prospects; the state of the agricultural industry and global economy; the expected impact and adoption of digital tools by farmers; continued confidence in our products and services; future foreign exchange and interest rates; the impact of competition; changes to trends in the agricultural industry, including verticals in the broader agricultural ecosystem or to global economic factors; changes to laws, rules, regulations and global standards; and our ability to pursue strategic acquisitions are material factors made in preparing the forward-looking information and management's expectations contained in this AIF.

The forward-looking information contained in this AIF represents management's expectations as at October 26, 2023 or as of the specific date of such forward-looking information and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that management considered appropriate and reasonable as of the date such statements are made and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially

different from those expressed or implied by such forward-looking information, including but not limited to those referred to under the heading "*Risk Factors*" in this AIF and those identified in our Management's Discussion & Analysis for the financial period ended June 30, 2023, which is available under our profile on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca.

We caution that the list of risk factors and uncertainties under the heading "*Risk Factors*" is not exhaustive and other factors could also adversely affect our results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information in this AIF and are cautioned not to place undue reliance on such information.

All of the forward-looking information contained in this AIF is expressly qualified by this cautionary statement.

CORPORATE STRUCTURE

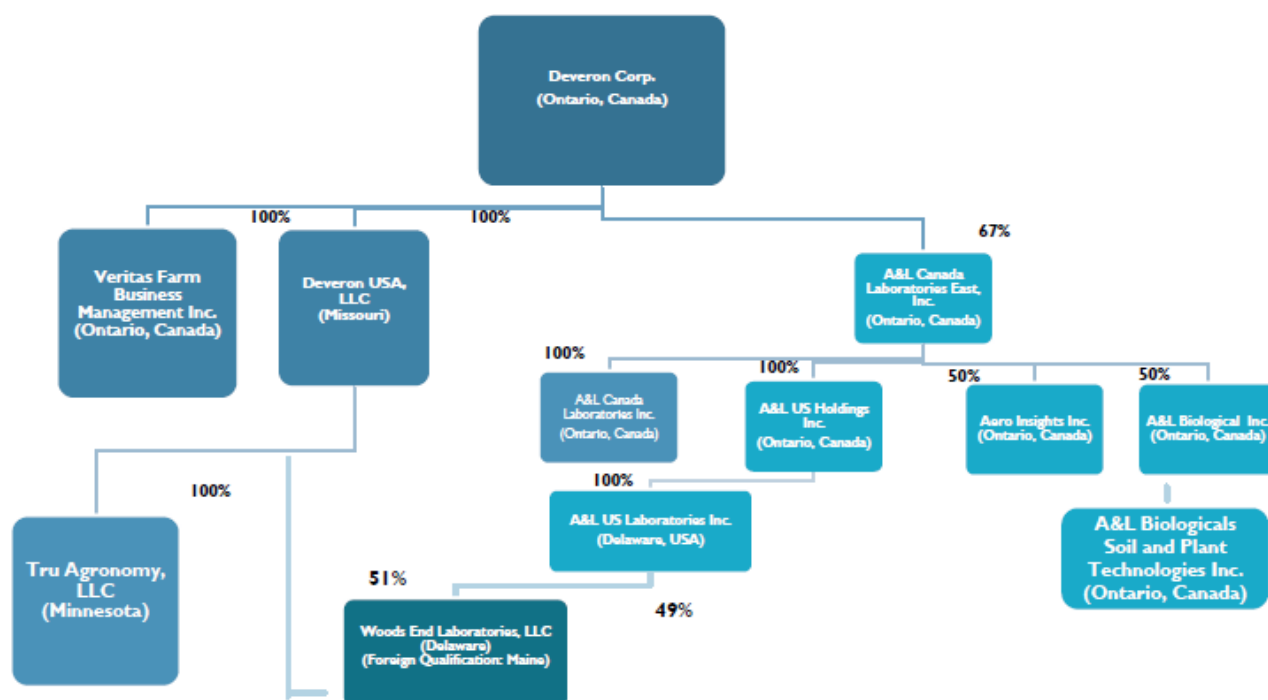
Name, Address and Incorporation

The Company was incorporated as Deveron Resources Ltd. under the laws of the Province of Ontario on March 28, 2011. Effective July 14, 2016, by articles of amendment, the Company changed its name to Deveron UAS Corp. Effective August 31, 2020, by articles of amendment, the Company changed its name to Deveron Corp. The Company's registered and head office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The common shares of the Company (each, a "**Common Share**") are listed for trading on the TSX Venture Exchange ("**TSXV**") under the symbol "FARM".

Inter-corporate Relationships

Set out below is the corporate structure of the Company and its subsidiaries, including the corporate jurisdiction and the percentage of shares of the subsidiary owned, controlled or directed by the Company.



Note:

- (1) The Company and A & L Canada Laboratories Inc. created a joint venture under the name "Woods End" which owns 100% of the assets of Woods End Laboratories and was funded on a pro-rata basis with the Company owning 51% and A & L Canada Laboratories Inc. owning 49%

GENERAL DEVELOPMENT OF THE BUSINESS

Deveron is an agriculture technology company that uses data and insights to help farmers and large agriculture enterprises increase yields, reduce costs, and improve farm outcomes. The

Company employs a digital process that leverages data collected on farms across North America to drive unbiased interpretation of production decisions, ultimately recommending how to optimize input use. Our team of agronomists, soil lab technicians and data scientists build products that recommend ways to better manage fertilizer, seed, fungicide, and other farm inputs. Additionally, we have a national network of data technicians that are deployed to collect various types of farm data, from soil to drone. Our geographic focus is the US and Canada where one billion acres are actively farmed annually.

Three Year History

Year ended December 31, 2020.

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 Business Management Inc., a wholly owned subsidiary of the Company.

On April 6, 2020 and April 16, 2020, the Company closed the first and second tranches of 6,550,000 and 7,050,000 units of the Company, respectively, at a price of \$0.10 per unit for gross proceeds of \$1,360,000. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. Each warrant entitled the holder to acquire one Common Share at an exercise price of \$0.20 per Common Share. 3,275,000 of the warrants had an expiry date of October 6, 2021, and 3,525,000 of the warrants had an expiry date of October 16, 2021. As consideration for the services provided for the private placements the finders received a cash commission equal to \$42,000 and an aggregate of 420,000 compensation warrants. Each compensation warrant entitled the holder thereof to purchase one Common Share at an exercise price of \$0.20 per Common Share until October 16, 2021.

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

On June 18, 2020, the Company and A&L Canada Laboratories announced the launch of a national plant tissue testing service to agriculture advisors and producers.

On July 7, 2020, the Company announced that it will be collaborating with Terramera, a global agriculture technology leader, using UAVs and data across multiple sites throughout North America for the 2020 growing season.

On December 23, 2020, the Company closed a non-brokered private placement of 16,529,222 units at a price of \$0.35 per unit for gross proceeds of \$5,785,228. Each unit consisted 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 Common Share until December 23, 2022. As consideration for the services provided for the private placement, the Company paid finder's fees of \$276,062 and issued 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 per Common Share until December 23, 2022.

During 2020, the Company applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account. The credit limit of \$60,000 had no interest until December 31, 2020. On January 1, 2021, the operating line of credit converted to a 2-year non-interest term loan, to be repaid by December 31, 2022 of which \$20,000 of the loan will be forgiven if \$40,000 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.

In April 2020, the Company participated in the Government of Canada's Canada Emergency Wage Subsidy ("**CEWS**") program. CEWS provides a wage subsidy on eligible remuneration, subject to a maximum per employee, to eligible employers based on meeting certain eligibility criteria. During the financial year ended December 31, 2021, the Company received \$263,720 (December 31, 2020 - \$207,000) relating to the CEWS program.

During the fiscal year ended December 31, 2020, the Company applied for and received loan proceeds in the amount of \$07,000 ("**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 PPP Loan was forgiven in full in June 2021.

Year ended December 31, 2021.

On February 19, 2021, the Company completed the acquisition (the "**Farm Dog Acquisition**") of all the assets, properties, rights and interests of Agro Technologies LLC ("**Farm Dog**"), an agricultural data platform company, which helps farmers, agronomists and agribusinesses record, organize and leverage on-farm information to make better decisions, pursuant to an asset purchase agreement dated February 19, 2021. As consideration for the Farm Dog Acquisition, the Company agreed to issue an aggregate of 294,118 Common Shares (196,078 Common Shares have been issued as of the date hereof), and a cash payment of US\$100,000. In connection with the Farm Dog Acquisition, the Company's wholly-owned subsidiary Deveron USA, LLC ("**Deveron USA**") entered into an employment agreement with Liron Brish ("**Brish**") whereby Brish was retained as an employee of Deveron USA (the "**Employment Agreement**"). Based on the achievement of certain milestones, and pursuant to the Employment Agreement, the Company has agreed to pay US\$600,000 as follows: (i) US\$100,000 issuable in Common Shares in the event that Farm Dog adds 3,000,000 unique acres within 3 years of the closing date of the Farm Dog Acquisition, being February 18, 2024; and (ii) US\$250,000 issuable in Common Shares and US\$250,000 in cash in the event that Farm Dog generates an additional CAD\$5,000,000 in revenue by the end of 2022.

On April 6, 2021, the Company announced that it had formed a joint venture with A&L, and together they acquired the assets of Woods End Laboratories ("**Woods End**"), a US based leader in agricultural soil health testing. The Company and A&L created a joint venture under the name "Woods End", which owns 100% of the assets of Woods End, and was funded on a pro-rata basis with the Company owning 51% and A&L owning 49%. The Company and A&L have agreed to purchase the assets of Woods End for US\$2,250,000 payable on closing, excluding customary holdback provisions, and working capital adjustments.

On May 26, 2021, the Company completed the acquisition (the "**Tana Acquisition**") of Tana Ag Solutions Group LLC ("**Tana Ag**"), an Oklahoma based digital agronomy company focused on soil health and yield improvement, pursuant to a definitive agreement dated May 14, 2021. As consideration for the Tana Acquisition, the Company agreed to issue an aggregate of 166,005 Common Shares over a period of two years (of which 55,335 Common Shares have been issued as at the date hereof), and cash payments in the aggregate of US\$65,000 over a period of two years. Pursuant to the terms of the Tana Acquisition, if all milestones are met, the Company has agreed to pay an additional US\$909,440. Based on the achievement of certain milestones, the

remaining US\$909,440 would be payable as follows: (i) US\$125,000 in cash and issue such number of Common Shares equal to US\$132,880 in the event that during the 12-month period (the first earn-out period), following the execution of the Tana Definitive Agreement, Tana Ag exceeds gross revenue for the prior 12-month period by at least US\$1,000,000; (ii) US\$150,000 in cash and issue such number of Common Shares equal to US\$156,800 in the event that during the 12-month period following the first earn-out period (the second earn-out period), Tana Ag exceeds gross revenue for the prior 12-month period by at least US\$1,000,000; and (iii) US\$150,000 in cash and issue such number of Common Shares equal to US\$194,760 in the event that during the 12-month period following the second earn-out period, Tana Ag exceeds gross revenue for the prior 12-month period by at least US\$1,000,000.

On June 25, 2021, the Company announced it has appointed Joelle Faulkner as a director of the Company. Joelle is a multi-generational farmer and the Founder and CEO of Area One Farms, a financial solution provider in the agricultural space. A Rhodes Scholar and Fulbright Scholar, Joelle obtained degrees in Engineering, Business and Law from Western University, Oxford University and Stanford University. She has been named as one of Canada's Top 40 Under 40, Canadian Private Equity Summit's Emerging Leader award, and Canada's Top 100 Most powerful Women: Future Leaders.

On August 16, 2021 and August 24, 2021, the Company closed the first and second tranches of 11,397,430 and 1,229,620 units of the Company, respectively, at a price of \$0.65 per unit for gross proceeds of \$8,207,583. Each unit consisted of one Common Share and one-half of one whole Common Share purchase warrant. Each whole warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.85 per Common Share. 5,698,715 of the warrants expire on August 16, 2023 and 614,810 warrants expire on August 24, 2023.

On August 31, 2021, the Company completed the acquisition (the "**Stealth Ag Acquisition**") to acquire all of the assets of Stealth Ag, Inc. ("**Stealth Ag**"), a digital agronomy company, pursuant to an asset purchase agreement (the "**Stealth Definitive Agreement**"). As consideration for the Stealth Ag Acquisition, the Company agreed to: (i) pay Stealth Ag an initial cash payment of US\$800,000 upon signing of the Stealth Definitive Agreement, repaid Stealth Ag's lender (Southeast bank) USD \$106,526 and an aggregate of US\$150,000 on each of the first two anniversaries of the signing of the Stealth Definitive Agreement; and (ii) issue such number of Common Shares equal to US\$175,000 at a price of \$0.86 per Common Share upon receipt of the approval of the TSXV for the Stealth Ag Acquisition and an additional number of Common Shares equal to US\$187,500 at a price of \$0.86 per Common Share on each of the first two anniversaries of the signing of the Stealth Definitive Agreement; and (iii) pay First Southeast Bank (the "**Lender**") US\$106,525.81 representing the amount due by Stealth Ag to the Lender upon signing of the Stealth Definitive Agreement. Under the terms of the Stealth Ag Acquisition if certain milestones are met, Deveron has agreed to pay an additional US\$270,000 as follows: (i) US\$40,000 in cash and issue such number of Common Shares equal to US\$40,000 in the event that during the 12-month period (the first earn-out period), commencing January 1, 2021, Stealth Ag exceeds gross revenue of US\$1,000,000 ("**2022 Revenue Earnout**"); (ii) US\$50,000 in cash and issue such number of Common Shares equal to US\$50,000 in the event that during the 12-month period following the first earn-out period (the second earn-out period), Stealth Ag gross revenue equals or exceeds USD \$1,250,000 ("**2023 Revenue Earnout**"); and (iii) issue such number of Common Shares equal to US\$90,000 in the event that Stealth Ag adds 400,000 unique acres to Farm Dog during the 24-month period following execution of the Stealth Definitive Agreement.

On September 21, 2021, the Company announced the launch of its agricultural carbon service platform which provides a scalable and streamlined process of collecting, analyzing and sharing in-field soil carbon data to support the development of carbon programs.

On September 24, 2021, the Company announced that it placed 48th on The Globe and Mail's 2021 ranking of Canada's Top Growing Companies published in the October issue of the Report on Business magazine.

On October 14, 2021, the Company announced that it had signed a four-year enterprise agreement to support the first phase of the United States Department of Agriculture ("**USDA**") \$10 million Conservation Reserve Program, valued at \$1,800,000. The Company agreed to provide \$930,000 in collection service as well as \$870,000 in soil analytics across 600 sites throughout Wisconsin, Arkansas and Michigan. The soil analytics will be provided by the Company's 51% owned, Woods End. The contract, signed on September 29, 2021, provides the USDA access to the Company's new platform which provides a scalable and streamlined process for collecting, analyzing, and sharing in-field soil carbon data. The soil data will be used to support the USDA's Conservation Reserve Program that is being run in partnership with Michigan State University, University of Arkansas at Pine Bluff and the University of Wisconsin.

On October 19, 2021, the Company announced that it had signed a four-year enterprise agreement, with an initial two-year statement of work valued at \$3.14 million, with a global leader in the agricultural industry. The contract initially covers nine states in 2021 with an expansion to 17 states in 2022, with an annual value of \$1.25 million and \$1.89 million, respectively.

On November 9, 2021, the Company announced that it had signed a \$105,000 enterprise contract with a leader in the agricultural technology space. The contract is in support of the client's carbon program that covers Ohio, Indiana, and Illinois.

Year ended December 31, 2022.

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

On January 21, 2022, the Company completed the acquisition (the "**Agronomic Acquisition**") of the assets of Agronomic Solutions, LLC ("**Agronomic Solutions**") pursuant to an asset purchase agreement (the "**Agronomic Agreement**") dated September 8, 2021. As consideration for the acquisition, the Company agreed to: (i) pay Agronomic Solutions an initial cash payment of US\$425,000 upon signing of the Agronomic Agreement and an aggregate of US\$425,000 on each of the first two anniversaries of the signing of the Agronomic Agreement; and (ii) issue such number of Common Shares equal to US\$141,667 at a price of \$0.68 per Common Share upon receipt of the approval from the TSXV and an additional number of Common Shares equal to US\$141,667 at a price of \$0.68 per Common Share on each of the first two anniversaries of the signing of the Agronomic Agreement.

On February 25, 2022, the Company closed an overnight marketed public offering of 16,428,573 units at a price of \$0.70 per unit for total gross proceeds of \$11,500,000 (the "**February 2022 Offering**"). Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at an exercise price of \$0.90 per Common Share until February 25, 2024. As consideration for their services provided in connection with the February 2022 Offering, Raymond James Ltd. received a cash commission in the amount of \$731,500.08 and 1,045,000 agent's warrants of the Company. Each agent's warrant entitles the holder thereof to acquire Common Share at an exercise price of \$0.70 until February 25, 2024.

On March 9, 2022, the Company announced that it has closed a non-brokered private placement through the issue of 857,143 units at a price of \$0.70 per unit, for gross proceeds of \$600,000.

Each unit is comprised of one Common Share and one-half of one Common Share purchase warrant. Each warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.90 per Common Share until March 9, 2024.

On March 11, 2022, the Company announced that it has entered into a definitive agreement dated March 10, 2022 (the "**Agri-Labs Agreement**") to acquire the assets of Agri-Labs, Inc. ("**Agri-Labs**"), a soil lab and agronomy company that services Indiana, Michigan, and Ohio (the "**Agri-Labs Acquisition**"). Agri-Labs conducts approximately 45,000 soil tests annually and provides clients with sampling services and prescription recommendations across 100,000 acres. The Agri-Labs Acquisition supports Deveron with its mission to vertically integrate the soil collection and analysis process and adds a leading local agriculture service provider to Deveron's national soil network and greater access to the 39.7 million acres of farmland in Indiana, Michigan, and Ohio. As consideration for the Agri-Labs Acquisition, Deveron has agreed to: (i) pay Agri-Labs an initial cash payment of US\$420,000 on March 10, 2022, the date of the signing of the Agri-Labs Agreement and US\$210,000 on each of the first two anniversaries of the signing of the Agri-Labs Agreement; and (ii) issue such number of Common Shares equal to US\$180,000 at a price of \$0.61 per Common Share upon receipt of the approval of the TSXV and an additional number of Common Shares equal to US\$90,000 at a price of \$0.61 per Common Share on each of the first two anniversaries of the date of the signing of the Agri-Labs Agreement.

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

On May 2, 2022, the Company announced that the Company has entered into a share purchase agreement dated May 2, 2022 (the "**A&L Purchase Agreement**") with certain vendor shareholders (the "**A&L Vendors**") of A&L Canada Laboratories East, Inc. ("**A&L**") to acquire a 67% equity interest in A&L (the "**A&L Acquisition**"), with an option to purchase the remaining 33% following the three-year anniversary of the closing of the A&L Acquisition. Pursuant to the A&L Purchase Agreement, the total consideration payable to the A&L Vendors was \$50.3 million (the "**A&L Purchase Price**") payable as to (i) \$42.8 million in cash and (ii) \$7.5 million in Common Shares. In connection with funding the A&L Acquisition, the Company further announced (i) the proposed filing of a shelf prospectus supplement for subscription receipts of the Company (the "Proposed Subscription Receipts Offering") and (ii) the provision of a commitment letter from Toronto-Dominion Bank ("**TD Bank**") structuring certain credit facilities (the "**Proposed A&L Credit Facilities**"). The Proposed A&L Credit Facilities, to be governed by a credit agreement to be entered into (the "**A&L Credit Agreement**"), to be provided by TD Bank to A&L as follows: (i) a revolving credit facility available for working capital and general corporate purposes (the "**A&L Revolving Credit Facility**"); and (ii) a term loan (the "**A&L Term Loan**"). Pursuant to the A&L Credit Agreement, the Proposed A&L Credit Facilities will be secured against A&L. In connection with the A&L Acquisition, A&L would loan the amount of the A&L Term Loan to the Company in order for the Company to partially fund the A&L Acquisition.

On May 10, 2022, the Company announced an amendment dated May 10, 2022 to the A&L Acquisition Agreement (the "**Amended A&L Acquisition Agreement**") restructuring the A&L Purchase Price. Pursuant to the Amended A&L Acquisition Agreement, A&L Purchase Price remained \$50.3 million, but payable as to \$34.8 million in cash, (ii) \$8 million in promissory notes and (iii) \$7.5 million in Common Shares. The Company further announced the withdrawal of the Proposed Subscription Receipts Offering and that, in connection with funding the A&L Acquisition, it intends to complete a non-brokered private placement (the "**May 2022 Debenture Financing**") of a minimum of \$5 million and a maximum of \$10 million in unsecured convertible debentures at a price of \$1,000 per debenture (the each a "**Debenture**").

On May 18, 2022, the Company announced the closing of the May 2022 Debenture Financing for gross proceeds of \$10 million. The Debentures will mature three years following the closing date of the May 2022 Debenture Financing and will provide interest at a rate of 7% per annum, payable annually in arrears in cash or in Common Shares at the option of the Company. In connection with the May 2022 Debenture Financing, certain arm's length finders received an aggregate of \$470,200 in cash finder's fee commissions and an aggregate of 818,012 finder's warrants, with each finder's warrant being exercisable to acquire one Common Share at an exercise price of \$0.50 for a period of 24 months after the closing date of the May 2022 Debenture Financing.

On May 24, 2022, the Company announced the closing of the A&L Acquisition. Under the terms of the A&L Acquisition, the total consideration paid to the A&L Vendors was comprised of: (i) \$37.8 million in cash; (ii) \$4.9 million in unsecured promissory notes which bear an interest of 7% payable on maturity and mature three years after the date of issue thereof and (iii) \$7.5 million payable in 13,688,182 Common Shares at a deemed issue price of \$0.55 per Common Share. The Company financed the cash component of the A&L Purchase Price through: (i) the A&L Term Loan in the amount of \$28.3 million; (ii) the proceeds from the May 2022 Debenture Financing; and (iii) the Company's treasury cash.

On June 29, 2022, the Company announced the granting of an aggregate of 388,637 stock options exercisable at a price of \$0.55 per Common Share and expiring on June 29, 2027 to certain officers, directors and employees of the Company.

On July 6, 2022, the Company announced that in connection with the Agri-Labs Acquisition, it has made its initial milestone payment required to be made by the Company under the Agri-Labs Agreement consisting of \$US420,000 in cash and \$457,500 satisfied through the issue of an aggregate of 750,000 Common Shares at a deemed price of \$0.61 per Common Share. The Common Shares issued to Agri-Lab are subject to contractual resale restrictions providing that such Common Shares may not be transferred except as follows: (i) as to 50% on the date which is four months and a day after the date of issue; (ii) as to 25% on July 6, 2023; and (iii) as to 25% on July 6, 2024.

On July 29, 2022, the Company announced that in connection with the Stealth Ag Acquisition, Stealth Ag has exceeded gross revenues of US\$1,000,000 during the fiscal year ending December 31, 2021. As a result of Stealth Ag achieving this milestone, the Company has made the one-time payment required to be made by the Company under the Stealth Definitive Agreement consisting of US\$140,000 satisfied through the issue of an aggregate of 330,909 Common Shares at a deemed price of \$0.55 per Common Share.

On July 29, 2022, the Company announced that at the annual special meeting of its shareholders on June 28, 2022, shareholders approved the Company's stock option plan (the "**Stock Option Plan**") as amended.

On August 26, 2022, the Company announced the granting of an aggregate of 2,000,000 stock options exercisable at a price of \$0.56 per Common Share and expiring on August 26, 2028 to an officer of the Company. The stock options vest as to: (i) 300,000 stock options on the date the stock options are granted (the "**Grant Date**"); (ii) 300,000 stock options on the first anniversary of the Grant Date; (iii) 400,000 stock options on the secondary anniversary of the Grant Date; (iv) 300,000 stock options when the weighted average share price of the Common Shares stays above \$1.00 for a period of 30 trading days; (v) 300,000 stock options when the weighted average share price of the Common Shares stays above \$2.00 for a period of 30 trading days; and (vi) 400,000 stock options when the weighted average share price of the Common Shares stays above \$3.00 for a period of 30 trading days.

On September 20, 2022, the Company announced the entering into between Frontier Labs Inc. ("**Frontier Labs**") and the Company of a letter of intent dated September 20, 2022 (the "**Frontier**

Labs LOI") pursuant to which the Company will acquire all of the assets of Frontier Labs (the "**Frontier Labs Acquisition**"). Frontier Labs is a soil lab and agronomy company, based in Iowa, that services Iowa and Minnesota. The proposed Frontier Labs Acquisition continues the Company's strategy to vertically integrate the soil collection and analysis process within its ecosystem, while adding local relationships in one of the United States largest agricultural regions. Pursuant to the terms of the Frontier Labs LOI, the Company agreed to: (i) pay Frontier Labs an initial cash payment of US\$825,000 upon completion of the Frontier Labs Acquisition and US\$412,500 cash payments on each of the first two anniversaries of the date on which the Frontier Labs Acquisition is completed (the "**Frontier Labs Payments Effective Date**"); and (ii) issue such number of Common Shares as is equal to US\$275,000 upon receipt of the approval of the TSXV and an additional number of Common Shares equal to US\$137,500 on each of the first two anniversaries of the Frontier Labs Payments Effective Date (collectively the "**Frontier Labs Purchase Price**").

On September 20, 2022, the Company announced it had closed a non-brokered private placement with a European long only impact fund, Coeli Circulus, through the issue of 3,000,000 Common Shares at a price of \$0.50 per Common Share, for gross proceeds of \$1,500,000.

On September 23, 2022, the Company announced it placed 27th on the Globe and Mail's 2022 Report on Business ranking of Canada's Top Growing Companies.

On October 4, 2022, the Company announced the entering into with Frontier Labs of a definitive agreement dated October 4, 2022 (the "**Frontier Labs Agreement**") in connection with the Frontier Labs Acquisition for the Frontier Labs Purchase Price. Under the terms of the Frontier Labs Agreement, the Company may be required to make three additional milestone payments in the event that the gross earnings before interest, taxes, depreciation and amortization ("**EBITDA**") attributable to the Frontier Labs business for the period from October 4, 2022 to October 4, 2023, and the following two anniversaries of the date of the Frontier Labs Agreement exceeds the gross EBITDA of the prior twelve month period, then, Frontier Labs will be entitled to receive an amount equal to 25% of the excess amount (the "**EBITDA Earnout**") in cash, and such number of Common Shares that is equal to the EBITDA Earnout divided by the market price of the Common Shares on October 4, 2023 to the maximum of 280,000 Common Shares.

On October 5, 2022, the Company announced it had closed a non-brokered private placement through the issue of 5,400,000 Common Shares at a price of \$0.50 per Common Share for gross proceeds of \$2,700,000 (the "**October 2022 Private Placement**"). In connection with the October 2022 Private Placement, the Company paid certain eligible persons a cash commission of an aggregate of \$77,000, equal to 7% of the gross proceeds of the October 2022 Private Placement and issued a total of 154,000 non-transferable broker's warrants equal to 7% of the number of Common Shares issued under the October 2022 Private Placement. Each broker warrant entitles the holder to purchase one Common Share for a period of two years after the closing of the October 2022 Private Placement at a price of \$0.50 per Common Share.

On October 12, 2022, the Company announced that it has been named as a key partner in a multiyear US \$7.5 million initiative of the United States Department of Agriculture ("USDA"), with its current enterprise client, AgriCapture. The partnership, which is focused on Arkansas, Mississippi, Missouri, Louisiana, Texas, and California, provides AgriCapture access to the Company's carbon services platform for infield collection, lab analysis, and digitization of soil carbon data. The Company has agreed to provide US\$2 million in collection service and soil analytics for the initiative.

On October 18, 2022, the Company announced that the Company has expanded its four-year US\$1.8 million enterprise agreement dated September 29, 2021 (the "**USDA Agreement**") supporting the USDA by US\$900,000. This represents an organic growth of 50% on the contract and increases the total value to US\$2.7 million. The Company has agreed to provide an additional

US\$464,500 in collection service as well as US\$435,500 in soil analytics and has expanded the scope of the contract to include Kansas, Oklahoma, Texas, Colorado, Montana, Idaho, and Washington. The soil analytics will be provided by the Company's vertically integrated lab network. The USDA Agreement provides the USDA access to the Company's new platform which provides a scalable and streamlined process for collecting, analyzing, and sharing in-field soil carbon data. The soil data will be used to support the USDA's Conservation Reserve Program that is being run in partnership with the Michigan State University, the University of Arkansas at Pine Bluff and the University of Wisconsin.

On November 1, 2022, the Company announced the closing of the Frontier Labs Acquisition.

On November 17, 2022, the Company announced the appointment of Tim Close as a member of the board of directors of the Company (the "**Board**").

On November 23, 2022, the Company announced the granting of an aggregate of 300,000 stock options exercisable at a price of \$0.475 per Common Share and expiring on November 23, 2027 to a director and an employee of the Company.

On December 1, 2022, the Company announced it had implemented a significant cost optimization program driven by a strategic refocusing on the North American soil testing market and the synergies created from its recent acquisitions.

On December 23, 2022, the Company announced that Jim Pirie, a director of the Company, will be retiring from the Board of effective January 1, 2023.

On December 23, 2022, the Company announced the granting of an aggregate of 2,900,000 stock options exercisable at a price of \$0.46 per Common Share and expiring on December 23, 2027 to directors and employees of the Company.

Financial period-ended June 30, 2023.

On February 15, 2023, the Company announced that the Company received proceeds of an aggregate of \$2,385,128 from the exercise of 5,359,839 outstanding warrants to purchase Common Shares at an exercise price of \$0.45 per Common Share and an aggregate of \$245,575 from the exercise of 701,644 broker's warrants to purchase Common Shares with an exercise price of \$0.35 per Common Share.

On February 15, 2023, the Company announced that A&L Biologicals, a subsidiary of the Company through which the Company acquired A&L, has been granted a registration from the Pesticide Management Regulatory Agency (PMRA) for A&L's most recent biological product, Cuc-GUARD. Cuc-Guard acts as a vaccine for target crops to prevent the infection and spread of the green mottle mosaic virus, which can be prevalent in the production of greenhouse cucumbers. Efficacy data indicates that, when applied preventatively, Cuc-Guard provides protection from the pathogen and improves both crop quality and yield. Cuc-Guard is the second of several biological products to be developed by the team at A&L Biologicals.

On March 14, 2022, the Company announced that it has signed two new enterprise contracts totaling \$9.5 million. Focusing on tissue sampling and pesticide analysis, the first contract has a total value of \$4 million spread over two years. The second contract is for three years totaling \$5.5 million in revenue, of which \$2.7 million is expected to be recognized in 2023. This project utilizes the Company's vertically integrated soil ecosystem of data collectors and soil labs to measure agricultural carbon in soil. This project will primarily focus on the Midwest region in the United States as well as expand into new territories of pastureland in states such as Montana and Wyoming.

March 24, 2023, the Company announced that it settled an aggregate amount of \$103,265 of indebtedness owed by the Company to an arm's length creditor of the Company to settle various earn-out payment terms of a previous acquisition, through the issue of an aggregate of 295,053 Common Shares at a deemed price of \$0.35 per Common Share (the "**March 2023 Debt Settlement**").

On April 14, 2023, the Company announced a non-brokered private placement (the "**April 2023 Private Placement**") of up to 4,838,710 Common Shares at a price of \$0.31 per Common Share for aggregate gross proceeds of up to \$1.5 million. Additionally, the Company announced it has conditionally agreed with TD Bank to partially restructure the \$28.3 million A&L Term Loan used in connection with the A&L Acquisition by issuing a new 25-year mortgage for \$6.8 million on the properties associated with A&L. TD Bank has valued the properties at \$9.1 million. The \$6.8 million mortgage will be used to reduce the 10-year, \$28.3 million A&L Term Loan.

On April 25, 2023, the Company announced that the April 2023 Private Placement had been increased to an aggregate of up to 16,774,194 Common Shares at a price of \$0.31 per Common Share for aggregate gross proceeds of up to \$5,200,000. The Company intends to enter into subscription agreements with each subscriber under the April 2023 Private Placement and have the distribution of the Common Shares issuable under the April 2023 Private Placement will be qualified pursuant to a shelf prospectus supplement to the short form base shelf prospectus dated November 30, 2021 of the Company. On May 5, 2023, the Company completed the first tranche of the April 2023 Private Placement, through the issuance of 16,224,194 Common Shares at a price of \$0.31 per Common Share for gross proceeds of \$5,029,500.14. The distribution was qualified by the Company's prospectus supplement dated April 26, 2023, to the Company's short-form base shelf prospectus for each of the provinces in Canada, other than Quebec, dated November 30, 2021. In connection with the Offering, the Company paid certain eligible persons an aggregate of \$144,577 and issued an aggregate of 451,613 broker warrants. Each broker warrant entitles the holder thereof to acquire one Common Share at a price of \$0.31 per Common Share until November 5, 2025. On May 17, 2023, the Company completed the second and final tranche of the April 2023 Private Placement, through the issuance of 550,000 Common Shares for gross proceeds of \$170,500.

On May 30, 2023, the Company announced that Agri-Labs exceeded the gross earning before interest, taxes, depreciation and amortization to the twelve (12) month prior period, and as a result, the Company paid Agri-Labs a price equal to twenty-five percent (25%) of the excess amount. As a result of achieving this milestone, on June 9, 2023 the Company made one-time payment of US\$36,173, satisfied through the issuance of an aggregate of 128,157 Common Shares at a deemed price of \$0.38 per Common Share.

On June 9, 2023, pursuant to the May 2022 Debenture Financing, the Company elected to pay the accrued interest for the first year through the proposed issuance of 1,894,730 Common Shares at a price of \$0.37 per Common Share.

On June 20, 2023, Deveron announced that Woods End Laboratories, a subsidiary of the Company has been selected by the United States Department of Agriculture's to support Michigan State University's US \$1.95 million-dollar Soil Carbon IDEA: Inclusion, Diversity, Equity and Access program. Pursuant to USDA's press release, the US \$8 million-dollar program, run by the USDA's Natural Resources Conservation Service, is focused on developing a comprehensive training program in Soil Organic Carbon evaluation for farmers, agronomists and agribusiness professionals. This is the third multi-year contract that the Company has completed with the USDA since The Company began working in sustainable agriculture and carbon sequestration in 2021.

On June 30, 2023, the Company announced that Stealth exceeded gross revenues of US\$1,250,000 during the Second Earn Out Period (as such term is defined in the press release of the Company dated May 27, 2021). As a result of achieving this milestone, the Company is required

to make a one-time payment of US\$50,000 (CAD\$66,275), to be satisfied through the issuance of an aggregate of 220,916 Common Share at a deemed price of \$0.30 per Common Share. The Common Shares were issued on July 20, 2023. In addition, on June 30, 2023, the Company granted 795,833 stock options to certain directors of the Company, exercisable at a price of \$0.30 per Common Share until June 30, 2028.

Subsequent to financial period-ended June 30, 2023.

On July 25, 2023, the Company announced record spring fertility sampling and testing volumes across our US and Canada lab networks between January 1st, 2023 and June 30th, 2023. Soil fertility acres collected increased by 24% to 355,866 from 268,800 in the first half of 2022. Fertility samples analyzed in the United States grew by 12% year-over-year to 53,204 from 46,844 in 2022. In Canada, the company analyzed 125,201 samples. The Company expects an increase in lab volumes in the second half of the year.

In addition, on July 25, 2023, the Company announced that, further to its press release of May 2nd, 2022, it has achieved an additional \$1.5 million in annualized cost synergies. These cost savings have been achieved by centralizing the Company's procurement process and leveraging its network's increased buying power for consumable raw materials used in the lab process.

On September 11, 2023, Mr. Carmelo Marrelli resigned as the Chief Financial Officer of the Company. Mr. Akshay Shirodker was appointed the Chief Financial Officer of the Company in his stead. In addition, on September 11, 2023, the Company granted an aggregate of 500,000 stock options to Mr. Shirodker, exercisable at a price of \$0.34 per Common Share until September 10, 2024.

On September 25, 2023, the Company announced a non-brokered private placement of convertible debentures (the "**Debentures**") at a price of \$1,000 per Debenture for aggregate gross proceeds of up to \$2,000,000. On October 5, 2023, the Company closed the first tranche of the financing through the issuance of 1,750 Debentures for gross proceeds of \$1,750,000 (the "**October 2023 Private Placement**"). The Debentures will mature three (3) years following the date of issuance (the "**Maturity Date**") and will bear interest at an interest rate of nine percent (9%) per annum, payable semi-annually in arrears in cash. The holder of a Debenture has the right, from time to time and at any time after first year anniversary of the date of issuance, to the Maturity Date, to convert all or any portion of the outstanding principal amount into Common Shares, at a conversion price of \$0.42 per Common Share (the "**Conversion Price**"), subject to adjustment as therein provided. In connection with the financing, the Company paid certain eligible finders a cash commission in the aggregate of \$91,000 and issued 216,666 finder's warrants. Each finder warrant entitles the holder thereof acquire one Common Share at a price of \$0.42 per Common Share until the date that is twelve (12) months from the date of issuance.

On September 29, 2023 the Company announced it placed 30th on the Globe and Mail's 2022 Report on Business ranking of Canada's Top Growing Companies.

On October 5, 2023, the Company closed the first tranche of the financing through the issuance of 1,750 Debentures for gross proceeds of \$1,750,000 (the "**October 2023 Private Placement**"). The Debentures will mature three (3) years following the date of issuance (the "**Maturity Date**") and will bear interest at an interest rate of nine percent (9%) per annum, payable semi-annually in arrears in cash. The holder of a Debenture has the right, from time to time and at any time after first year anniversary of the date of issuance, to the Maturity Date, to convert all or any portion of the outstanding principal amount into Common Shares, at a conversion price of \$0.42 per Common Share (the "**Conversion Price**"), subject to adjustment as therein provided. In connection with the financing, the Company paid certain eligible finders a cash commission in the aggregate of \$91,000 and issued 216,666 finder's warrants. Each finder warrant entitles the holder thereof acquire one

Common Share at a price of \$0.42 per Common Share until the date that is twelve (12) months from the date of issuance.

DESCRIPTION OF THE BUSINESS

Overview

Deveron is a leading agriculture data company based in Toronto, Ontario. The company provides a variety of analytical data and field services for the North American agricultural industry. Deveron acquires and operates local farm advisors and soil laboratories, who then leverage the Company's standardized data solutions and technology platforms to grow their businesses. Deveron is a leading provider of carbon sequestration data, serving many of the largest agriculture companies with field and analytical support for their carbon programs. Our geographic focus is the US and Canada where one billion acres are actively farmed annually.

Customers

As at June 30, 2023, growers and agribusiness enterprises used the Company's solutions, covering approximately ten million acres in North America. The Company's data services are used across both small and large farms as our customers require independent data to improve yields, reduce costs and improve farm outcomes. The Company's end to end connection of field data and services to analytics and testing provides a turn key ecosystem for our customers to get value.

To date, the Company believes that its focus on its core business and its entrepreneurial nature have positioned it well to compete with larger industry participants, and the Company believes that its strategic technology offerings have provided it with a competitive advantage over participants.

Research and Development

We are currently developing enhancements to our products and service offerings, including the Company's customer portal that will enable our clients to interact with more of their data and our services digitally. We believe these investments will increase the revenue streams we will earn from our grower customers, as well as accelerate the adoption of our platform by growers and agribusinesses.

Since 2016, we have accelerated our proprietary capabilities, service reach and intellectual property related to the collection and insight of drone imagery, soil health, tissue health and yield data. We continually seek to invest in technology to gather quality data to strengthen the capabilities of our analytics offerings, as we continue to strive to be a leader in soil health in the North American market.

Our Data Collection Services

The Company offers a comprehensive package of data collection services. It offers the following four principal data collection services, each providing an additional data layer to aid in our customers decision making process: Soil Sampling, Tissue Sampling, Weather Station Installation and UAV Imagery. The Company's data collection products are sold in two separate methods depending on the regional norms: a per field method in the Canadian Prairies and Western United States or a per acre basis in Central and Eastern Canada, as well as the Eastern, Central and Mid-West United States.

- *Soil Sampling:* This is a standard practice for any farm operation as it allows the grower to maintain and monitor their soil fertility. Healthy soil is paramount to good, sustainable yields. Utilizing our expansive rural labour force, the Company's soil experts take samples

based on the resolution requested by its client. Samples are then taken to a soil lab for analysis and results are returned to the client. The Company supplies its soil experts with training of multiple protocols and are supplied with the latest technology and software to maximize efficiency. A regularly scheduled soil sampling program guarantees that the clients' fields nutrient management goals are being met and that the client are maximizing their crop input investment. A well-balanced soil makes the client's seed perform as anticipated, their chemical program performs as promised, and the client's yield levels to increase. A soil sampling program will help apply crop nutrients where they are needed following a 4R nutrient stewardship program while maximizing the client's input investment on every acre.

- *Tissue Sampling:* The Company's soil experts travel to the client's operation and acquire samples at multiple times during the growing season and identify the stage of growth to best match the nutrient ranges. The samples are evaluated for deficiencies, but also nutrient trends over time. Soil experts are trained in multiple protocols to best service the client's needs. These protocols range from lower cost product like bulk testing, to more precision protocols such as drone assisted testing, in which we leverage drone imagery to more accurately choose samples from low and high vegetation zones.
- *Weather Station Installation:* Weather data plays a prominent role in decision making throughout the crop production cycle. Utilizing the Company's rural labour force it facilitates the deployment of hardware that allows growers and agribusiness to track and plan for changing weather conditions.
- *UAV Imagery:* Deveron offers scalable UAV imagery solutions to its clients. Utilizing UAV technology, the Company captures a series of images and creates mapping data to help growers and agribusinesses make decisions. These images are then analyzed and turned into RGB maps used for crop scouting, stand count, crop damage assessment earth works projects, tiling and terracing work, or Normalized Difference Vegetation Index ("**NDVI**") maps, which are data rich maps portraying plant health. These NDVI maps are used to create management zones and variable rate application prescriptions based on current field conditions.

Our Data Insights Services

The Company's independent, proprietary and unbiased team of agronomists and data scientists are trusted sources in the agronomy market. The Company offers a comprehensive suite of digital agronomy solutions to our clients ranging from Soil analysis, to Variable Rate application to Profit Mapping. These solutions provide our customers with an end-to-end turnkey product suite, collecting, analyzing and acting on agricultural data.

- *Variable Rate Prescription Insights:* Variable Rate Prescriptions and analysis aim to provide clients the highest return on investment. The Company's agronomy team examines nutrient high points and low points and builds customized prescriptions for all nutrients that its clients want to target. The objective is to ensure that the correct amount of nutrients is added to only problem areas, and the client does not overspend on costly fertilizer, chemicals and other inputs. Variable Rate Prescriptions are available for seeding, fertilizing, fungicide and desiccation.

Farm Dog

Acquired in 2021, Farm Dog is our award winning in-field scouting application. Farm Dog provides users the ability to catalogue, access, organize and act on farm data. The web and mobile facing app, is used to track and report pests and mold during in-field scouting. Synced to the cloud, Farm

Dog lets users create unique reports regarding status of the crop in mid-season to share with teams, clients, and stakeholders. Farm Dog is offered as a freemium product through the Apple and Android app store, with the premium version being available for \$44 a month.

Our Laboratory Services

The Company offers a comprehensive package of environmental and agricultural laboratory services. It offers the following four principal laboratory testing services, each providing the analysis of an additional data layer to aid in our customers decision making process: Fertility Analysis, Tissue Analysis, Soil Health Analysis and Environmental Testing. The Company's laboratory services are sold on a per test basis, and are often bundled with the Company's data collection services.

- *Fertility Analysis:* This is a standard soil test analysis utilized on any farm operation, that interprets the sample collected and allows the grower to maintain and monitor their soil fertility. Healthy soil is paramount to good, sustainable yields. Utilizing our expansive network of soil laboratories, the Company's soil lab technicians analyze samples collected from the client's field, to understand the fertility requirement to generate better yields. The results are returned to the client to interpret and act upon. The Company supplies its soil lab technicians with training of multiple testing methods and are supplied with the latest technology and software to maximize efficiency. A regularly scheduled soil sampling and analysis program guarantees that the clients' fields nutrient management goals are being met and that the client are maximizing their crop input investment. A well-balanced soil makes the client's seed perform as anticipated, their chemical program performs as promised, and the client's yield levels to increase. A soil sampling and analysis program will help apply crop nutrients where they are needed following a 4R nutrient stewardship program while maximizing the client's input investment on every acre.

Tissue Analysis: The Company's soil lab technicians receive the acquired samples at multiple times during the growing season and provide analysis to identify the stage of growth to best match the nutrient ranges. The samples are tested for deficiencies, but also nutrient trends over time. Soil lab technicians are trained in the industries best practices to service the client's needs.

Soil Health Analysis: The Company's proprietary soil health tests help clients make more informed decisions regarding the application of nutrients and the improvement of their soil. Traditional soil tests measure the physical and chemical properties of soil, while Vitellus and Solvita take a more holistic approach by adding a microbiological component, providing a comprehensive analysis of the soil.

Environmental Testing: Deveron offers a wide range of environmental testing services including compost, water, manure and fertilizer analysis. Samples are provided from clients and are tested utilizing best practices for the industry. The Company then returns results to clients for interpretation and application.

Wood's End Laboratories

Acquired in 2021, Wood's End is a leading soil health research company founded in 1974. Wood's End has focused on creating solutions for the agriculture, compost and soil health markets. Its

flagship brand, Solvita, is a leading soil health diagnostic product utilized across the globe to help measure the biological activity in soil.

A&L

Acquired in 2022, A&L is a leading Canadian soil health and plant tissue testing laboratory, serving over 20,000 customers annually. Deveron & A&L have cooperated in Canadian soil testing and analysis since 2019 and jointly own and operate Wood's End Laboratory in the United States.

Agri-Labs, Inc.

Acquired in 2022, Agri-Labs is a leading soil lab and agronomy company that services Indiana, Michigan and Ohio. Agri-Labs conducts approximately 45,000 soil tests annually and provides clients with sampling services and prescription recommendations across 10,000 acres. The acquisition of Agri-Labs drives Deveron forward on its mission to vertically integrate the soil collection and analysis process. Agri-Labs offers a single chain of data custody.

Frontier Labs Inc.

Acquired in 2022, Frontier Labs is a leading soil lab and agronomy company, based in Iowa, that services Iowa and Minnesota, and has an annual capacity to process 200,000 samples. The acquisition of Frontier Labs continues Deveron's strategy to vertically integrate the soil collection and analysis process within its ecosystem, while adding important local relationships in one of the United States' largest agricultural regions.

Specialized Skill and Knowledge

The Company believes its success is in part dependent on the performance of its management and key employees, many of whom have relationships and specialized experience relating to our products and technology, the agricultural industry and our growers and channel partners. In addition, the Company was awarded a National Special Flight Operations Certificate ("**SFOC**") for operations of its UAV systems. This SFOC provided Deveron with approval to operate nine additional makes and models in its UAV fleet and allows its UAV pilots to operate its UAVs outside of basic and advanced UAV operating rules by Transport Canada and published in Part IX of the Canadian Aviation Regulations promulgated under the *Aeronautics Act* (Canada).

The Company believes that it has adequate personnel with the specialized skills and knowledge to successfully carry out the Company's business and operations. See "*Risk Factors*" for a discussion of the risks of losing such specialized skill and knowledge.

Competition

The Company faces competition in all aspects of its business, including scope of product offerings, distribution, quality and pricing. Established industry vendors in the agriculture input and equipment space (such as Deere & Company ("**John Deere**"), Corteva) are the Company's main competition who are all developing data platforms for their customers. There is also some competition for single-point solutions providers in localized regions. Our competitors include solutions developed by two established agriculture industry vendors:

- Established agriculture industry vendors: John Deere is one of the largest farm equipment manufacturers and distributors globally and has its own digital solution marketed as operations centre. Bayer AG is one of the largest seed suppliers globally and markets Climate as its digital solution. We believe our platform and solutions have significant advantages over these competitive offerings. The Company is in the business of selling data collection and data insight products, that

are independent and unbiased. This independence is one reason our customers trust the Company and why they often deploy our solutions alongside those of John Deere and Bayer AG, even when those alternative solutions are provided for free.

- Point and regional solution providers: these solutions often provide a farm with a narrow vision on improving a very specific variable and/or targets a crop that is grown in a specific region.

Management of the Company believes its primary competition is the group of established agriculture industry vendors who provide their solution as a secondary offering to their core business. The Company expects competition to remain intense in the future, particularly as industry adoption continues to rise with growers investing more in software solutions.

Management believes that it is positioned to compete favourably as our main competitors are focused on providing equipment and crop inputs to farms and use their digital platforms to support the sale of their primary products and services. As a result, the Company believes that such competitors have not necessarily made it their principal focus to develop a comprehensive, end-to-end platform. The Company's primary focus is to provide independent data collection services and data insight. These services provide growers with the ability to utilize data to make decisions on all areas of their operations.

Components

The Company obtains hardware components, various subsystems and systems, and raw materials from a limited group of suppliers. The Company does not have long-term agreements with any of these suppliers that obligate such suppliers to continue to sell components, subsystems, systems or products to the Company. The Company's reliance on these suppliers involves significant risks and uncertainties, including whether suppliers will provide an adequate supply of required raw materials, components, subsystems, or systems of sufficient quality, will increase prices for the raw materials, components, subsystems or systems, and will perform their obligations on a timely basis. See *"Risk Factors – Risks Related to the Business of the Company – Reliance on Components and Raw Materials"* in this AIF.

Intellectual Property

Our intellectual property is important to our business. In accordance with industry practice, we protect our proprietary products and technology through a combination of contractual provisions and intellectual property rights, including rights in a trademark, copyright, and trade secrets.

We generally license our software pursuant to agreements that restrict our customers' and partners' ability to use our technology, such as prohibiting reverse engineering, restricting the use of access, and/or use of our source code. We also seek to avoid disclosure of our trade secrets and other confidential and proprietary information by requiring our employees and consultants to execute non-disclosure agreements. We also ensure that the Company owns all intellectual property rights in work product developed by employees and consultants by requiring employees and consultants to sign agreements that require our employees and consultants to assign to the Company all such intellectual property rights. We enter into non-disclosure agreements with our business partners, prospective business partners and other relationships where disclosure of proprietary information may be necessary.

We have obtained a trademark registration for "Farm Dog" that is used in our business in Canada and the United States.

Cycles

The Company's business is affected by seasonality. Growers in North America typically subscribe for the Company's products and services at the beginning and the end of the crop season in the spring and fall. The agriculture industry is subject to seasonal and weather factors, which can vary unpredictably from period to period.

Employees

As at June 30, 2023, the Company employed 218 full-time equivalent employees, and over 5 consultants. As at the date of this AIF, the Company employs approximately 223 employees and consultants.

Regulation

We are subject to a number of federal, state, provincial and foreign laws and regulations that apply to companies in Canada and the other jurisdictions in which we conduct business, including privacy and data security requirements, anti-corruption, anti-bribery, anti-money laundering, import and export requirements, competition, intellectual property ownership and infringement and tax. While we monitor changes in these laws and regulations, many are still evolving and it is possible that current or future laws or regulations could be interpreted or applied in a manner that would prohibit, alter, or impair our existing or planned products and services. For more information, see *"Risk Factors — Risks Related to our Business and Industry"*.

We are subject to applicable Canadian and foreign privacy laws regarding the collection, use, disclosure and protection of grower, commercial partner and employee data. Among other things, Canada's federal Personal Information Protection and Electronic Documents Act and its provincial counterparts govern the collection, use and disclosure of personal information in the course of commercial activities by private sector organizations in Canada. We have a robust and broad security and privacy program, with a focus on protecting hardware assets, data and intellectual property, whether in the office or remotely located.

In addition, the Company maintains an on-demand network of UAV pilots. The use of UAVs is subject to the *Aeronautic Act* (Canada) and the regulation promulgated thereunder. All options of UAVs must be conducted in accordance with the CA and Transport Canada flight authorizations. For more information, see *"Risk Factors-Regulation and Permitting and Legislative Regime"*.

Facilities

We are headquartered in Toronto, Ontario, Canada. The following table outlines our regional head office locations, each of which we lease:

Location	Approx. Area (in square feet)	Lease Expiration Date	Use
Toronto, Ontario	1,054	June 30, 2025	Office Space
Moosejaw, Saskatchewan	600	Month to month	Storage
Kansas City, Missouri	1,200	Month to month	Office Space
Auburn, Indiana (950)	7,800	August 31, 2027	Commercial Space
Dumas, Texas	1,800	June 8, 2023	Commercial Space
Ames, Iowa	800	August 31, 2024	Commercial Space
Charlton, Iowa	2,025	December 31, 2023	Commercial Space
Ponca City, Oklahoma	800	Month to month	Commercial Space
Augusta, Maine	13,417	June 1, 2027	Commercial Space
London, Ontario	25,334	Owned	Laboratory/Commercial Space

Location	Approx. Area (in square feet)	Lease Expiration Date	Use
London, Ontario	5,435	Owned	Laboratory/Commercial Space
London, Ontario	4,200	Owned	Laboratory/Commercial Space
London, Ontario	2,552	Leased	Commercial Space
Ailsa Craig, Ontario	8,000	Lease	Commercial Space
Clear Lake, Iowa	15,000	October 31, 2027	Laboratory/Commercial Space
Watertown, South Dakota	3,120	June 30, 2024	Storage
Ogden, Iowa	3,200	Month to month	Storage
Corunna, Indiana	1,000	Month to month	Storage

RISK FACTORS

Risks Related to the Company's Business

The risks described below are not the only risks and uncertainties the Company faces. Additional risks not currently known to the Company or that it currently considers immaterial also may impair its operations. If any of the following risks actually occur, the Company's business, results of operations and financial condition could be materially adversely affected. In that case, the trading price of the Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described in this AIF or other unforeseen risks. See also "Risks and Uncertainties" in the Company's most recent Management's Discussion & Analysis, which is available on SEDAR (www.sedar.com).

Risks Related to our Business and Industry

Evolving Markets

The Company's business involves numerous inherent risks as a result of the nature of the Company's business, economic trends, as well as local regulatory, social, political, environmental and economic conditions in Canada and the United States, which are the Company's predominant areas of operation. As such, the Company is subject to several financial and operational risks that could have a significant impact on the ability of the Company to generate any future profitability and on its levels of operating cash flows. The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel but is subject to a number of limitations in managing risk resulting from its current stage of development in a rapidly evolving industry.

The following are certain risk factors relating to the business carried on by the Company that prospective investors should carefully consider before deciding whether to purchase Common Shares. The Company may face a number of challenges in the development of its technology and in building its customer base. Due to the nature of the Company's business and current stage of its business, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.

Below is a summary of the principal risks and related uncertainties facing the Company. Such risk factors could have a material adverse effect on the Company's business, prospects, financial condition and results of operations or the trading price of the Common Shares.

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'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.

Industry Cyclicalities and General Economic Conditions

The Company's success depends substantially on the health of the agricultural industry. The performance of the agricultural industry is cyclical. Sales of agricultural services generally are related to the health of the agricultural industry, which is affected by farm income, farm input costs, debt levels and land values, all of which reflect levels of agricultural commodity prices, acreage planted, crop yields, agricultural product demand, including crops used as renewable energy sources such as ethanol, government policies and government subsidies. Sales also are influenced by economic conditions, interest rate and exchange rate levels and the availability of customer financing. Trends in the agricultural industry, such as farm consolidations, may affect the agricultural services market. In addition, weather conditions, such as floods, heat waves or droughts, can affect farmers' buying decisions. Downturns in the agricultural industry due to these or other factors could vary by market and are likely to result in decreases in demand for agricultural services, which would adversely affect our sales, growth, results of operations and financial condition.

To the extent that the agricultural industry declines or experiences a downturn, this is likely to have a negative impact on the business of the Company. Among other things, the agricultural sector has in recent years benefited from an increase in crop production and investment in agricultural infrastructure. To the extent crop production declines, economic conditions or sociopolitical factors result in a decrease in agricultural investment, this is likely to have a negative impact on the agricultural industry in North America and the business of the Company.

Future developments in the North American and global economies may negatively affect the demand for our products and services. Management cannot estimate the level of growth or

contraction of the economy as a whole or of the economy of any particular region or market that the Company serves. Adverse changes in our financial condition and results of operations may occur as a result of negative economic conditions, declines in stock markets, contraction of credit availability, political instability, pandemics (including the ongoing COVID-19 pandemic) and government and consumer reactions thereto, or other factors affecting economic conditions generally.

Pandemic Risks, the Russian War in Ukraine, Inflation and Other Events

The novel strain of coronavirus disease (“**COVID-19**”) which was reported in Wuhan, China, in 2019, the Russian war in Ukraine, inflation and other factors continue to impact global markets and cause general economic uncertainty, the impact of which may have a significant adverse effect on the Company’s operations, business and financial condition.

The impacts of the COVID-19 pandemic, and governmental response thereto, on global commerce have and continue to be extensive and far-reaching. There has been significant stock market volatility, volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people has been restricted from time to time. The current global uncertainty with respect to COVID-19, the rapidly evolving nature of the pandemic, including the occurrence of new variants, and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company and its operations. The precise impact of further COVID-19 outbreaks or the emergence of new diseases on the Company remains uncertain. The rapid spread of COVID-19, declaration of the outbreak as a global pandemic and various mutations of the virus resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which had direct impacts on businesses in Canada, United States and globally, and could again result in travel bans, work delays, difficulties for contractors, employees, suppliers, distributors or transportation or logistics providers and diversion of management attention all of which in turn could have a negative impact on the price and availability of our products and services and impact our supply chain. Although many of these impacts appear to be lessening in most jurisdictions, there continues to be significant ongoing uncertainty surrounding the long-term ramifications of COVID-19 for the global and national economies and the extent and duration of the impacts that it, or governmental responses to it, may have on the advancement of the Company’s projects, suppliers and employees, and on global supply chains and financial markets. The disruptions caused by COVID-19 may impede our ability to meet the demands of our customers as could the level of demand from our customers. This may have a material adverse effect on the Company’s operations, business and financial condition.

Global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic and the conflict between the Russian Federation and Ukraine, which began in March 2020 and February 2022, respectively, and are ongoing as of the date of this AIF. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-adverse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, which may become more predominant as a result of market turmoil, may limit the Company’s ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, may have a material adverse effect on the Company’s business, financial condition, results of operations, cash flows or prospects.

Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Company’s ability to secure financing on favourable terms, or at all, or its ability to execute its business initiatives. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Company has its projects, and include, but are not limited to, financial crises, such as that which occurred globally in 2008, earthquakes,

tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of new infectious diseases or viruses, as well as related and attendant events.

Concerns over global economic conditions may also have the effect of heightening many of the other risks described herein, including, but not limited to, risks relating to: fluctuations in the market price of commodities, the terms and availability of financing, supply chain constraints and cost overruns, geopolitical concerns, and changes in law, policies or regulatory requirements.

History of Negative Cash Flows

We had negative cash flows from operating activities of \$3 million for the financial period ended June 30, 2023 and \$10.0 million in the fiscal year ended December 31, 2022. As at June 30, 2023, we had an accumulated deficit of \$31 million. The accumulated deficit is a result of net losses in the financial period ended June 30, 2023 and losses incurred in previous years of operations. These negative cash flows from operating activities, losses and accumulated deficit are a result of the substantial investments we have made to build our technology platform and grow our business. In addition, we expect to make significant expenditures to expand our business in the future. We expect to continue our investment in sales and marketing to attract new commercial partners and growers to our services. We will continue our investment in research and development as we introduce new products and services, and extend the features of our existing platform. We intend to continue to maintain our high level of commercial partner and grower service and support, which we consider critical for our continued success. We also expect to incur additional general and administrative expenses as a result of our growth. We plan to continue to selectively pursue acquisitions of, or investments in, other complementary businesses, products or technologies, which require that we incur various expenses and fees of external counsel and other advisors. These increased expenditures will make it harder for us to achieve profitability and we cannot predict whether we will achieve profitability in the near term or at all. If the costs associated with acquiring new commercial partners or growers materially rise in the future, our expenses may rise significantly. If we are unable to generate adequate revenue growth from new or existing commercial partners and growers and manage our expenses, we may continue to incur significant losses and may not achieve or maintain profitability.

Risk of Decreased Crop Yields

Decreased crop yields due to poor or unusual weather conditions, natural disasters or other factors are a significant risk affecting the Company's business. Poor, unusual or extreme weather conditions and natural disasters may be exacerbated by the effects of climate change.

Agricultural Commodity Prices, International Trade and Political Uncertainty

Prices of agricultural commodities are influenced by a variety of unpredictable factors that are beyond the control of the Company, including weather, government (Canadian, United States and other) farm programs and policies and changes in global demand or other economic factors. A decrease in agricultural commodity prices could negatively affect the agricultural sector and the business of the Company. New legislation or amendments to existing legislation, may ultimately affect demand for the Company's products.

Agriculture and Related Policies

The agricultural landscape continues to evolve at an increasingly fast pace as a result of factors including farm and industry consolidation, agricultural productivity and development and climate change.

In many markets there are various pressures to reduce government subsidies to farmers, which may inhibit the growth in these markets of products used in agriculture. In addition, government programs that create incentives for farmers may be modified or discontinued. However, it is difficult to predict accurately whether, and if so when, such changes will occur. The Company expects that the policies of governments and international organizations will continue to affect the choices made by commercial partners and growers as well as the income available to growers to purchase products used in agriculture and, accordingly, the operating results of the agriculture industry.

Competition

The Company experiences competition in the markets in which it operates. Certain of the Company's competitors have greater financial and capital resources than the Company. The Company could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus (or increase their existing focus) on the Company's primary markets. The Company may also face potential competition from the emergence of new products or technology.

Potential Acquisition, Investment and Disposition Opportunities

In the normal course, the Company regularly evaluates and considers and may be engaged in discussions and negotiations with respect to, potential acquisition, investment and disposition opportunities that it believes may assist it in achieving its business and growth plans and in connection therewith, it may, at any time, have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition, investment or disposition and, if they do, what the terms or timing of such would be or that such acquisition, investment or disposition will be completed. If the Company does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen the Company's financial or operating results, prospects or competitive position or that it will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Company's financial and other resources including the completion of additional financings of equity or debt (which may be convertible into equity). Any such activity may not be successful in generating revenue, income or other returns to the Company and the resources committed to such activities will not be available to the Company for other purposes.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this AIF under the heading "*Cautionary Note Regarding Forward-Looking Information*".

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.

Operational Risks

The Company will be affected by a number of operational risks and the Company 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; and natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. A defect, error, sabotage or failure in the Company's technology, or involving the Company's products and/or services, could result in injury, death or property damage and significantly damage the Company's reputation. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's technologies or products, personal injury or death, environmental damage, adverse impacts on the Company's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have a material and adverse impact on the Company's business, prospects, financial condition and results of operations. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This potential lack of insurance coverage could have an adverse impact on the Company's business, prospects, results of operations and financial condition.

Regulation and Permitting

Our services are currently subject to various regulatory requirements including laws, regulations and policies that govern the amount and type of taxes we are required to collect and remit. We may also be subject to anti-spam laws, regulations and policies. In Canada, the regulatory authority responsible for enforcement of Canada's anti-spam law ("**CASL**") has issued a bulletin that signals broad potential liability for electronic intermediaries (such as hosting providers and "software-as-a-service" providers) for failing to take sufficient steps to stop third parties from using intermediary services and facilities to violate CASL, including prohibitions on sending electronic marketing messages or installing computer programs without consent.

Transport Canada is responsible for establishing, managing, and developing safety and security standards and regulations for civil aviation in Canada, and includes UAV. Civil operations include law enforcement, scientific research, or use by private sector companies for commercial purposes. The Canadian Aviation Regulations ("**CARS**") govern civil aviation safety and security in Canada, and by extension govern operation of drones in Canada to an acceptable level of safety.

While Transport Canada has been a leader in the development of regulations for the commercial use of UAVs, and continues to move forward rapidly with its regulatory development, it has acknowledged the challenge of regulations keeping pace with the rapid development in technology and the growing demand for commercial UAV use, particularly in the beyond visual line-of-sight environment. In 2012, the Canadian Aviation Regulation Advisory Council UAS working group released its Phase 2 report which outlined a proposed set of revision to the CARs to permit beyond visual line-of-sight operations. This report was the basis for the recently released notice of proposed amendment to the CARs on lower risk beyond visual line-of-sight.

Failure to obtain necessary regulatory approvals from Transport Canada or other governmental agencies, including the granting of certain SFOCs, or limitations put on the use of UAVs in response

to public safety concerns, may prevent the Company from testing or operating its aircraft and/or expanding its sales which could have an adverse impact on the Company's business, prospects, results of operations and financial condition.

Our business may become subject to increasing regulatory requirements, and as these requirements proliferate, we may be required to change or adapt our products and services to comply. Changing regulatory requirements might render our products and services obsolete or might block us from developing new products and services. This might in turn impose additional costs upon us to comply or to further develop our products and services. It might also make introduction of new products and services more costly or more time-consuming than we currently anticipate and could even prevent introduction by us of new products or services or cause the continuation of our existing products or services to become more costly. Accordingly, such regulatory requirements could have a material adverse effect on our business, financial condition, and results of operations.

Uncertainty of New Business Models

Forecasting the revenues and profitability for new business models is inherently uncertain and volatile. The Company's actual revenues and profits for its business models may be significantly less than the Company's forecasts. Additionally, these new business models could fail for one or more of the Company's products and/or services, resulting in the loss of the Company's investment in the development and infrastructure needed to support the new business models.

Speed of Introduction of Products and Services to the Marketplace

The Company's business is dependent on the speed with which it introduces its products and services to the market. The introduction of the Company's products and services to the market is inherently difficult to manage and keep on schedule, and there can be no assurance that the Company will be able to meet its development objectives or to meet market expectations. The Company may experience substantial delays in completing the development of its products and services which could negatively impact the Company's competitiveness in the market.

Undetected Flaws

There can be no assurance that, despite testing by the Company, flaws will not be found in the Company's products and services, resulting in loss of or delay in market acceptance. The Company may be unable, for technological or other reasons, to introduce products and services in a timely manner or at all in response to changing customer requirements. In addition, there can be no assurance that while the Company is attempting to finish the development of its technologies, products and services, a competitor will not introduce similar or superior technologies, products and services, thus diminishing the Company's advantage, rendering its technologies, products and services partially or wholly obsolete, or at least requiring substantial re-engineering in order to become commercially acceptable. Failure by the Company to maintain technology, product and service introduction schedules, avoid cost overruns and undetected errors, or introduce technologies, products and services that are superior to competing technologies, products and services would have a materially adverse effect on the Company's business, prospects, financial condition, and results of operations.

Marketing Risks

The Company believes that brand recognition is an important factor to its success. If the Company fails to promote its brands successfully, or if the expenses of doing so are disproportionate to any increased net sales it achieves, it would have a material adverse effect on the Company's business, prospects, financial condition and results of operations. This will depend largely on the Company's ability to maintain trust, be a technology leader, and continue to provide independent, high-quality

and secure technologies, products and services. Any negative publicity about the Company or its industry, the quality and reliability of the Company's technologies, products and services, the Company's risk management processes, changes to the Company's technologies, products and services, its ability to effectively manage and resolve customer complaints, its privacy and security practices, litigation, regulatory activity, and the experience of sellers and buyers with the Company's products or services, could adversely affect the Company's reputation and the confidence in and use of the Company's technologies, products and services. Harm to the Company's brand can arise from many sources, including; failure by the Company or its partners to satisfy expectations of service and quality; inadequate protection of sensitive information; compliance failures and claims; litigation and other claims; employee misconduct; and misconduct by the Company's partners, service providers, or other counterparties. If the Company does not successfully maintain a strong and trusted brand, its business could be materially and adversely affected.

Geographical Expansion

The Company faces challenges in expanding into new geographic regions. The Company currently operates in Canada and the United States but may in the future seek to expand its presence in new geographic regions. Any international expansion of the Company's technologies, products and services will expose the Company to risks relating to staffing and managing cross-border operations; increased costs and difficulty protecting intellectual property and sensitive data; tariffs and other trade barriers; differing and potentially adverse tax consequences; increased and conflicting regulatory compliance requirements, including with respect to data privacy and security; lack of acceptance of the Company's technologies, products and services; challenges caused by distance, language, and cultural differences; exchange rate risk; and political instability. Accordingly, any efforts by the Company to expand its operations may not be successful, which could limit the Company's ability to grow its business.

Limited Operating History

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in a relatively early stage of operation and development.

Reliance on Management and Key Employees

The Company's future success depends substantially on the continued services of its executive officers and its key personnel. If one or more of its executive officers or key personnel were unable or unwilling to continue in their present positions, the Company 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 Company may lose know-how, key professionals and staff members as well as business partners. These executive officers and key employees could develop drone logistics technology that could compete with and take customers, market share and market opportunity away from the Company.

Management of Growth

The Company may experience a period of significant growth in the number of personnel which 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 Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Insurance Coverage

The Company requires insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage as well as general aviation liability coverage. Although the Company maintains insurance policies, it cannot provide assurance that this insurance will be adequate to protect the Company 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 the Company. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Even if the Company is fully insured as it relates to a claim, the claim could nevertheless diminish the Company's brand and divert management's attention and resources, which could have a negative impact on the Company's business, prospects, financial condition and results of operations.

Currency Fluctuations

The Company operates in Canada and the United States and therefore is subject 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 U.S. dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, prospects, financial condition and operating results in the future. The Company intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Company 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 Company 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.

Competitive Markets

The Company faces competition and new competitors will continue to emerge in Canada, the United States and throughout the world. Services and technologies offered by the Company's competitors may take a larger share of client spending than anticipated, which could cause revenue generated from the Company's technologies, products and services to fall below expectations. It is expected that competition in the Company's markets will intensify. If competitors of the Company develop and market more successful technologies, products or services, offer competitive products or services at lower price points, or if the Company does not produce consistently high-quality and well-received technologies, products and services, revenues, margins, and profitability of the Company will decline.

The Company's ability to compete effectively will depend on, among other things, the Company's pricing of services, quality of customer service, development of new and enhanced technologies, 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 Company adds new customers, a decrease in the size of the Company's market share and a decline in its customers. In addition, the Company could face increased competition should there be an award of additional licences in jurisdictions in which the Company operates.

Reliance on Components and Raw Materials

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

Change in Technology

Continuing technological changes related the Company's products and services could make its products and services less competitive or obsolete, either generally or for particular applications. The Company'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 products and services from the Company's competitors.

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

Quality of Products and Services

Products and services designed and published by the Company involve extremely complex software programs and are difficult to develop and distribute. While the Company has quality controls in place to detect defects in its products and services before they are released, 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 Company's products and services before they have been released into the marketplace. In such an event, the Company 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.

Maintenance of Technology Infrastructure and Cybersecurity

As the Company continues to develop its products and services, it expects to continue to invest in technology services, hardware and software, which may include 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 Company'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 Company'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 Company's intellectual property and consumer data, including personally identifiable information. Operational failures or successful cyber-attacks could result in damage to

the Company's reputation and loss of current and potential users, subscribers, and other business partners which could harm its business.

Privacy Protection

There are several inherent risks to engaging in business online and directly with the end consumers of the Company's products and services. As the Company 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 Company will collect and store consumer information, including personal information and credit card information. While the Company intends to take 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 customer account information (including personally identifiable information) could harm the Company's reputation, compel it to comply with disparate breach notification laws in various jurisdictions and otherwise subject the Company to liability under laws that protect personal data, resulting in increased costs or loss of revenue. A resulting perception that the Company'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 customer 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 Company'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 Company change its practices, which could have an adverse effect on its business and reputation. Complying with these various laws could cause the Company to incur substantial costs or require it to change its business practices in a manner adverse to its business.

Development Costs

The Company'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 Company 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 Company believes that there are significant investment opportunities in a number of business areas. Because the Company accounts for research and development as an operating expense, these expenditures will adversely affect its earnings in the future. Further, the Company'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 Company's business, prospects, financial results and liquidity.

Legal Proceedings

The Company 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 Company's business, prospects, operating results or financial condition.

Reliance on Business Partners

The Company relies on various business partners, including third-party service providers, vendors, licensing partners, development partners, and licensees, among others, in many areas of the Company'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 Company's teams. These third parties may misappropriate or disclose the Company's information and engage in unauthorized use or disclosure 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 Company's business operations. Further, disruptions in the financial markets and economic downturns may adversely affect the Company's business partners and they may not be able to continue honoring their obligations to the Company. Alternative arrangements and services may not be available to the Company on commercially reasonable terms, or at all, or the Company may experience business interruptions upon a transition to an alternative partner or vendor. If the Company loses one or more significant business partners, the Company's business could be harmed.

Unfavorable Publicity or Public Perception

The drone industry has increasingly become and is expected to continue to become subject to media attention and other publicity. Public perception can be significantly influenced by media attention, regulatory investigations, litigation and other publicity regarding drones or the drone industry. Adverse publicity reports or other media attention regarding drones could hinder market growth or result in negative public perception of drones or companies that operate in the drone industry, which in turn could have a material adverse effect on the Company's business, prospects, operating results, or financial condition.

Protection of Intellectual Property Rights

The Company's success depends, in large part, on its ability to protect its intellectual property and other proprietary rights. The Company may rely on patents, trademarks, copyrights, trade secrets and unfair competition laws, as well as license agreements and other contractual provisions, to protect the Company's intellectual property and other proprietary rights. However, a significant portion of the Company's technology is not patented, and the Company 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 Company 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 Company may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Company's technology. Unauthorized third parties may try to copy or reverse engineer the Company's products or portions of its products or otherwise obtain and use the Company's intellectual property. Moreover, the Company's employees may have access to the Company's trade secrets and other intellectual property. If one or more of these employees leave to work for one of the Company's competitors, then they could improperly disclose this proprietary information, which may as a result damage the Company's competitive position. If the Company fails to protect its intellectual property and other proprietary rights, then the Company's business,

results of operations or financial condition could be materially harmed. From time to time, the Company 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 Company's business, prospects, financial condition and results of operations.

In addition, affirmatively defending the Company's intellectual property rights and investigating whether the Company is pursuing a product or service development that may violate the rights of others may entail significant expense. Any of the Company's intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Company 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 Company and divert the attention and efforts of the Company's management and technical employees, even if the Company prevails.

Infringement by the Company of Intellectual Property Rights

The Company 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 Company'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 Company to pay substantial amounts or obtain a license to continue to use the disputed technology, or otherwise restrict or prohibit the Company's use of the technology. The Company 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 Company would be able to develop alternative technology on a timely basis, if at all; or that the Company would be able to obtain a license to use a suitable alternative technology to permit the Company to continue offering, and the Company's customers to continue using, the Company's affected products and services. An adverse determination also could prevent the Company from offering its products and services to others. Infringement claims asserted against the Company may have a material adverse effect on its business, products, results of operations or financial condition.

Risks Related to the Securities of the Company

Resale of Shares

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

As well, the continued operation of the Company 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 Company is unable to obtain such additional financing or generate such revenues, shareholders may be unable to sell their Common Shares and any investment in the Company 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 Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or, if one develops, if it is not sustained, the liquidity of a shareholder's investment in the Common Shares may be limited and the share price may decline.

Dividends

To date, the Company has not paid any dividends on its outstanding Common Shares and presently has no intention of paying dividends. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of its earnings, financial requirements and other conditions.

Global Financial Conditions

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

Dilution from Further Equity Financing

The Company is authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Directors without the approval of shareholders, except as may be required by the TSXV. The Company may also make future acquisition and issue securities as consideration. Accordingly, holders of Common Shares may suffer dilution.

Dilution from Further Equity Financing and Declining Share Price

If the Company raises additional financing through the issuance of equity securities (including securities convertible into or exchangeable for equity securities) or completes an acquisition or merger by issuing additional equity securities, such issuance may substantially dilute the interests of Shareholders and reduce the value of their investment. The market price of the Common Shares could decline as a result of issuances of new equity securities or sales by existing shareholders of Common Shares in the market or the perception that such sales could occur. We cannot predict the effect, if any, that future public sales of equity securities or the availability of those securities for sale will have on the market price of the Common Shares. If the market price of the Common Shares were to drop as a result, this might impede our ability to raise additional capital and might cause the remaining shareholders to lose all or part of their investment. Sales by shareholders might also make it more difficult for the Company itself to sell equity securities at a time and price that it deems appropriate.

DIVIDENDS AND DISTRIBUTIONS

The Company has never paid any dividends or distributions on any of its securities and presently has no intention of paying dividends. The future dividend policy will be determined by the Board on the basis of earnings, financial requirements and other relevant factors.

DESCRIPTION OF CAPITAL STRUCTURE

General

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of special shares (each, a "**Special Share**"), issuable in series. As at June 30, 2023, there were 155,930,423 Common Shares and no special shares issued and outstanding, and as of the date hereof there are 156,413,686 Common Shares and no special shares issued and outstanding.

Common Shares

Each Common Share is entitled to one vote at meetings of shareholders and carries with it equal rights with respect to dividends, if any, and residual interests upon dissolution of the Company. Holders of the Common Shares have no pre-emptive rights, nor any right to convert their Common Shares into other securities. There is no restriction on the ability of the Company to pay dividends other than cash flow considerations. Any dividend payments in the future will depend on the Company's ability to continue as a going concern and to generate earnings, as well as capital investment requirements.

Special Shares

The Special Shares may be issued from time to time in one or more series, each series consisting of the number of shares and having the designation, rights, privileges, restrictions and conditions which the Board determines in accordance with the articles of the Company prior to the issue thereof.

Warrants

As of the date of this AIF, the Company currently has the following warrants outstanding, each such warrant exercisable for one Common Share, on the terms set out below:

Number of Warrants	Exercise Price	Expiry Date
8,214,287	0.90	February 25, 2024
1,150,000	0.70	February 25, 2024
428,571	0.90	March 9, 2024
818,012	0.50	May 18, 2024
154,000	0.50	October 5, 2024
451,613	0.31	November 5, 2024
216,666	0.42	October 5, 2024

Stock Options

As of the date of this AIF, the Company currently has the following stock options outstanding, each such stock option exercisable for one Common Share, on the terms set out below:

Number of options	Exercise price (\$)	Expiry date
1,175,000	0.43	January 15, 2024
175,000	0.75	March 12, 2026
175,000	0.74	April 27, 2026
300,000	0.80	June 24, 2026
1,375,000	0.75	January 18, 2028
105,000	0.63	March 31, 2027
388,637	0.55	June 29, 2027
2,000,000	0.56	August 26, 2028
300,000	0.475	November 23, 2027

Number of options	Exercise price (\$)	Expiry date
2,900,000	0.43	December 23, 2027
335,000	0.33	May 5, 2028
795,833	0.30	June 30, 2028
500,000	0.34	September 11, 2029

Options outstanding were issued pursuant to the Company's Stock Option Plan. The Stock Option Plan permits the reservation of a maximum of 10% of the issued and outstanding Common Shares at any given time. The number of Common Shares reserved for issue shall not exceed (i) five percent of the issued and outstanding Common Shares to any one individual in any 12-month period; (ii) two percent of the issued and outstanding Common Shares to any one consultant retained by the Company in any 12-month period; or (iii) two percent of the issued and outstanding Common Shares to any one employee of the Company conducting "Investor Relations Activities" in any 12-month period. The Board determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all of other terms and conditions of the stock option, subject to the rules of the TSXV. The exercise price per Common Share set by the Board may not be less than the discounted market price of the Common Shares trading on the TSXV or such other principal market on which the Common Shares are traded at the applicable time. Stock options under the Stock Option Plan are non-assignable. Stock options must be exercised within 90 days of termination of employment or cessation of position with the Company, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the stock option must be exercised within 12-months after such death, subject to the expiry of such stock option.

MARKET FOR SECURITIES

Trading Price and Volume

The following table sets out the high and low closing market prices and the volume traded of the Common Shares on the TSXV for each month of the financial period ended June 30, 2023:

2023	HIGH (\$)	LOW (\$)	VOLUME
January	0.47	0.39	368,466
February	0.42	0.36	271,332
March	0.42	0.33	994,757
April	0.38	0.28	1,985,587
May	0.39	0.305	2,257,754
June	0.35	0.26	1,568,984

Prior Sales

The following table summarizes details of all issuances of securities of the Company, other than Common Shares, for the financial year ended December 31, 2023 and the financial period ended June 30, 2023, being the most recently completed financial year of the Company:

Date	Securities	Issue Price/ Exercise Price	Number of Securities
July 27, 2022	Common Shares ⁽³⁾	\$0.61	750,000
July 29, 2022	Common Shares ⁽⁴⁾	\$0.55	330,909
August 26, 2022	Options	\$0.56	2,000,000
August 30, 2022	Common Shares ⁽¹⁾	\$0.45	200,000
September 8, 2022	Common Shares ⁽¹¹⁾	\$0.68	262,345
September 9, 2022	Common Shares ⁽¹⁾	\$0.45	25,000
October 3, 2022	Common Shares ⁽⁶⁾	\$0.82	55,335
October 5, 2022	Common Shares ⁽⁵⁾	\$0.50	5,400,000
October 5, 2022	Broker Warrants ⁽⁵⁾	\$0.50	154,000

Date	Securities	Issue Price/ Exercise Price	Number of Securities
October 7, 2022	Common Shares ⁽¹⁾	\$0.45	125,248
October 28, 2022	Common Shares ⁽¹⁾	\$0.35	131,600
November 1, 2022	Common Shares ⁽⁶⁾	\$0.50	746,570
November 10, 2022	Common Shares ⁽¹⁾	\$0.45	742,857
November 16, 2022	Common Shares ⁽¹⁾	\$0.45	1,488,500
November 18, 2022	Common Shares ⁽¹⁾	\$0.45	613,200
November 18, 2022	Common Shares ⁽¹⁾	\$0.35	30,685
November 21, 2022	Common Shares ⁽²⁾	\$0.37	250,000
November 21, 2022	Common Shares ⁽²⁾	\$0.30	76,015
November 21, 2022	Common Shares ⁽²⁾	\$0.37	113,333
November 22, 2022	Common Shares ⁽²⁾	\$0.37	150,00
November 22, 2022	Common Shares ⁽²⁾	\$0.37	63,775
November 22, 2022	Common Shares ⁽²⁾	\$0.37	25,510
November 23, 2022	Options	\$0.475	300,000
November 24, 2022	Common Shares ⁽¹⁾	\$0.45	182,142
November 24, 2022	Common Shares ⁽¹⁾	\$0.45	37,500
November 29, 2022	Common Shares ⁽¹⁾	\$0.45	1,150,000
December 2, 2022	Common Shares ⁽²⁾	\$0.37	118,888
December 13, 2022	Common Shares ⁽¹⁾	\$0.35	1,960
December 13, 2022	Common Shares ⁽¹⁾	\$0.45	142,857
December 15, 2022	Common Shares ⁽¹⁾	\$0.45	150,000
December 19, 2022	Common Shares ⁽¹⁾	\$0.35	8,400
December 21, 2022	Common Shares ⁽¹⁾	\$0.35	501,999
December 23, 2022	Common Shares ⁽¹⁾	\$0.45	37,500
December 23, 2022	Common Shares ⁽¹⁾	\$0.45	9,285
December 23, 2022	Options	\$0.46	2,900,000
February 22, 2023	Common Shares ⁽⁷⁾	\$0.64	98,040
March 24, 2023	Common Shares ⁽⁸⁾	\$0.35	295,043
May 5, 2023	Common Shares ⁽⁹⁾	\$0.31	16,224,194
May 5, 2023	Broker Warrants ⁽⁹⁾	\$0.31	451,613
May 16, 2023	Common Shares ⁽¹⁰⁾	\$0.82	55,335
May 17, 2023	Common Shares ⁽⁹⁾	\$0.31	550,000
May 16, 2023	Common Shares ⁽⁴⁾	\$0.86	263,808
June 9, 2023	Common Shares ⁽¹¹⁾	\$0.37	2,022,897
July 20, 2023	Common Shares ⁽³⁾	\$0.30	220,916
September 8, 2023	Common Shares ⁽¹²⁾	\$0.68	262,347
October 5, 2023	Debentures ⁽¹³⁾	\$1,000	1,750
October 5, 2023	Broker Warrants ⁽¹³⁾	\$0.42	216,666

Notes:

- (1) Issued upon the exercise of previously issued warrants.
- (2) Issued upon the exercise of previously issued stock options.
- (3) Issued in connection with the Agri-Labs Acquisition.
- (4) Issued in connection with the Stealth Acquisition.
- (5) Issued under the October 2022 Private Placement.
- (6) Issued as partial consideration in connection with the Frontier Labs Acquisition.
- (7) Issued in connection with the Farm Dog Acquisition.
- (8) Issued in connection with March 2023 Debt Settlement
- (9) Issued in connection with the prospectus offering distributed under the shelf prospectus supplement dated April 26, 2023.
- (10) Issued in connection with the Tana AG Acquisition.
- (11) Issued in connection with the interest payments of the Company for the debentures issued in the May 2022 Debenture Financing.
- (12) Issued in connection with the Agronomic Acquisition.
- (13) Issued in connection with the October 2023 Private Placement.

ESCROWED SECURITIES

There are no securities of the Company subject to escrow provisions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, province or state and country of residence, position(s) and office(s) held with the Company and principal occupations during the preceding five years of each director and executive officer of the Company.

Name, Province or State and Country of Residence	Position/Title with the Company	Principal Occupation During Preceding Five Years	Served as Director of the Company since
David MacMillan Ontario, Canada	President, Chief Executive Officer, Secretary and Director	President, Chief Executive Officer and Secretary of the Company	April 1, 2011
William (Bill) Linton ⁽¹⁾ Ontario, Canada	Chairman of the Board of Directors	Corporate Director	April 7, 2020
Chris Irwin ⁽¹⁾ Ontario, Canada	Director	Partner of Irwin Lowy LLP, a law firm	April 1, 2011
Roger Dent ⁽¹⁾ Ontario, Canada	Director	Chief Executive Officer of Quinsam Capital Corporation, an investment company	July 14, 2016
Joelle Faulkner Ontario, Canada	Director	Chief Executive Officer of Area One Farms, an agricultural company	June 24, 2021
Greg Patterson Ontario, Canada	Director	President and Chief Executive Officer of A&L	May 20, 2022
Tim Close Ontario, Canada	Director	CEO of Ag Growth International	November 17, 2022

Notes:

1) Member of the Audit Committee as of June 30, 2023.

Each director holds office until the next annual meeting of shareholders following his or her election unless his or her office is earlier vacated in accordance with the by-laws of the Company.

As at June 30, 2023, the directors and executive officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, 25,586,572 Common Shares, representing approximately 16.41% of the outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For the purposes of this section "Order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 days.

Other than as set forth below, no proposed director, within 10 years before the date of this AIF, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, no proposed director, within 10 years before the date of this AIF, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Irwin was a director from June 2015 to December 2017 and an officer from September 2015 to April 2016 of Playground Ventures Inc. (formerly Blocplay Entertainment Inc.) ("**Playground**"), which was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2016 by the British Columbia Securities Commission (the "**BCSC**") and May 4, 2016 and May 16, 2016 by the Ontario Securities Commission (the "**OSC**"). These cease trade orders were revoked on July 5, 2016 by the BCSC and July 6, 2016 by the OSC. Playground was subject to a management cease trade order resulting from a failure to file financial statements as issued on May 2, 2017 by the BCSC and May 4, 2017 by the OSC. These cease trade orders were revoked on July 5, 2017 by the BCSC and July 6, 2017 by the OSC. On May 5, 2023, the OSC issued a cease trade order for failure to file its annual financial statements and accompanying management's discussion and analysis for the period ended December 31, 2022, within the prescribed time period under applicable securities laws. As of the date hereof, the cease trade order has not been revoked.

Mr. Irwin was appointed as the President, Chief Executive Officer, Secretary and a director of Playground on September 28, 2018. Playground was subject to a management cease trade order resulting from a failure to file financial statements as issued on December 3, 2018 and amended on December 4, 2018 by the BCSC and December 4, 2018 by the OSC. These cease trade orders were revoked on February 6, 2019.

Mr. Irwin is a director and an officer of Intercontinental Gold and Metals Ltd. ("**Intercontinental**") which was subject to a management cease trade order resulting from a failure to file financial statements as issued by the BCSC on July 30, 2015. The cease trade order was revoked on September 22, 2015.

Mr. Irwin is a director and an officer of Intercontinental which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2018 by the BCSC. Intercontinental was subject to a cease trade order from a failure to file financial statements as issued on October 5, 2018 by the BCSC. These cease trade orders were revoked on October 9, 2018.

Mr. Irwin is a director and an officer of Intercontinental which was subject to cease trade order resulting from a failure to file its annual financial statements and accompanying management's discussion and analysis for the period ended December 31, 2021, within the prescribed time period

under applicable securities laws, issued on May 6, 2022 by the BCSC. As of the date of this AIF, this cease trade order has not been revoked.

Mr. Irwin was a director of Wolf's Den Capital Corp., which was subject to a cease trade order issued by the BCSC and the OSC on December 5, 2019 for failure to file its interim financial statements and accompanying management's discussion and analysis for the period ended September 30, 2019, within the prescribed time period under applicable securities laws. The cease trade orders were revoked on January 6, 2020.

Mr. Irwin was a director of American Aires Inc., which was subject to a cease trade order issued by the OSC on May 6, 2022 for failure to file its annual financial statements and accompanying management's discussion and analysis for the period ended December 31, 2021, within the prescribed time period under applicable securities laws. As of the date of this AIF, this cease trade order has not been revoked.

Mr. Irwin is a director of SBD Capital Corp., which was subject to a cease trade order issued by the OSC on August 5, 2022 for failure to file its annual financial statements and accompanying management's discussion and analysis for the period ended March 31, 2022, within the prescribed time period under applicable securities laws. The cease trade order was revoked on September 27, 2022.

Mr. Irwin is President, Chief Executive Officer, Secretary and a Director of Playground Ventures Inc., which was subject to a cease trade order issued by the Ontario Securities Commission on May 5, 2023 for failure to file its annual financial statements and accompanying management's discussion and analysis for the period ended December 31, 2022, within the prescribed time period under applicable securities law. The cease trade order was revoked on August 4, 2023.

Mr. Irwin is a Director of Minnova Corp., which was subject to a management cease trade order resulting from a failure to file financial statements as issued on August 2, 2023 by the Ontario Securities Commission. The management cease trade order was revoked on September 26, 2023.

Personal Bankruptcies

None of the proposed directors of the Company have, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 such person.

Penalties and Sanctions

None of the proposed directors of the Company have 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 been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

None of the directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last 10 years, been subject to: (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered a settlement agreement with a Canadian securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are no known existing or potential conflicts of interest among the Company and the directors and officers of the Company as a result of their outside business interests except that certain of the directors and officers may serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director and officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company have been advised of the existence of laws governing accountability of directors and officers regarding corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers. All such conflicts shall be disclosed by such directors or officers and treated in accordance with the applicable laws of Ontario and the Company's constating documents.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company was not subject to any material legal proceedings during its most recently completed financial year, nor is the Company or any of its properties a party to or the subject of any such proceedings, and no such proceedings are known to be contemplated. The Company may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

There were no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during its most recently completed financial year, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

To the knowledge of the management of the Company, no director or executive officer of the Company, person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, or any associate or affiliate of any such persons, has or had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries other than as set out herein.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Company is TSX Trust Company, having an address of Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1,

MATERIAL CONTRACTS

The Company did not enter into any material contracts during the financial period ended June 30, 2023 or before the financial period ended June 30, 2023 that is still in effect as at the date of this AIF.

EXPERTS AND INTERESTS OF EXPERTS

The auditor of the Company, Grant Thornton LLP ("**Grant Thornton**"), Chartered Professional Accountants, has informed the Company that it is independent with respect to the Company within

the meaning of the Code of Professional Conduct of Chartered Professional Accountants of Ontario.

To the knowledge of the Company, the aforementioned firms held either less than 1% or no securities of the Company or of any associate or affiliate of the Company when they rendered services, prepared the reports or the mineral reserve estimates or the mineral resource estimates referred to, as applicable, or following the rendering of services or preparation of such reports or data, as applicable, and either did not receive any or received less than 1% direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the rendering of such services or preparation of such reports or data.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found through a database search at SEDAR+ at www.sedarplus.ca.

Additional information on the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issue under equity compensation plans and audit committee disclosure, is contained in the Company's management information circular dated June 19, 2023, which may be found on SEDAR+.

Additional financial information regarding the Company is provided in the Company's audited annual financial statements and management's discussion and analysis for the financial period ended June 30, 2023, which may be found on SEDAR+.