MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2016

AS AT APRIL 28,2017

April 26, 2017

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The following Management Discussion and Analysis (“MD&A”) reports on the operating results, financial condition and business risks of Siyata Mobile Inc. (formerly Teslin River Resources Corp.) (“Siyata” or the “Company”) and is designed to help the reader understand the results of operations and financial condition of the Company as at and for the year ended December 31, 2016. This MD&A should be read in conjunction with the Company’s audited consolidated financial statements for the years ended December 31, 2016 and 2015 and the notes thereto (the “Financial Statements”) which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings. These Financial Statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented in this filing. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharges its financial responsibilities. The Board’s review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. While these forward looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. These forward looking statements include but are not limited to statements concerning:

- The Company's strategies and objectives
- The Company's other financial operating objectives
- The availability of qualified employees for business operations
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of its operations and new business opportunities
- The Company's ability to manage growth with respect to its operations and new business opportunities
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. The forward looking statements contained in this document are made as of the date of this MD&A.

CORPORATE OVERVIEW

Siyata Mobile Inc. is a leading global developer of a vehicle mounted, cellular based communications platform over advanced 3G and 4G mobile networks under the Uniden® Cellular brand. It is specifically designed for professional vehicles such as trucks, vans, buses, emergency service vehicles, government cars and more. The Company's innovative platform is designed to facilitate replacement of the current in vehicle, multi-device status quo with a single device that incorporates voice, push-to- talk, data and fleet management solutions.

With the acquisition of Signifi Mobile Inc. ("Signifi") on June 7, 2016, the Company now also manufactures, markets, and sells Uniden® cellular signal boosters and accessories across Canada and the United States as well as rugged mobile phones for both the consumer and B2B markets.

Siyata's customer base includes cellular network operators and their dealers, and commercial vehicle technology distributors for fleets of all sizes in Canada, the U.S., Europe and the Middle East.

In 2016, the Company integrated Push-to-Talk over Cellular (PoC) software into both its connected vehicle device as well as into their rugged handset offering. This application operates in a manner similar to a walkie-talkie system only over cellular networks allowing instant communications between peers and groups. The main advantages of PoC compared to a standard cell phone call are instant call set-ups, no need to dial numbers and the ability to add additional functionality to the device through downloaded apps. Every member of a group can hear the "broadcaster" or dispatch instantly and simultaneously. All this is done over a cellular providers nationwide network allowing corporate customers the benefits of receiving this service across the country from a trusted, large scale provider.

PoC was launched for two of its devices: the UCP200 and the U620. With its PoC feature, UCP200 gives a quick and reliable connection to an individual vehicle or an entire fleet instantly with just the push of a

button. It can be equipped with an external remote sensor module (RSM) to ensure compliance with hands-free communication legislation. PoC cellular devices are a new in-vehicle approach for instant communication within fleets which can potentially replace Land Mobile Radio (LMR) or two-way radio systems currently installed in millions of commercial vehicles across North America. Siyata believes it is leading this emerging market and is actively marketing this innovative solution to both cellular providers and system integrators to become the vendor of choice.

The Company launched in Q1-2017 its Push to Talk Over Cellular (“PoC”) UV350 flagship 4G LTE all-in-one fleet communication device. UV350 also supports band 14 for FirstNet which is a first responders 4G LTE network with PoC capabilities that aims to replace aging 2-way radio systems currently in use. We believe this will create a meaningful opportunity for Siyata when this network begins its rollout in 2018. (See significant highlights for details).

The Company’s shares are listed on Tier 1 of the TSX Venture Exchange (“TSX-V”) under the symbol SIM. On July 24, 2015, in connection with the RTO Transaction, the Company consolidated its share capital on a 2.2 old shares for 1 new share basis. All share and per share figures have been restated to retroactively reflect this consolidation, unless otherwise noted.

The corporate office of the Company is located at 1001 Lenoir Street, Montreal, Quebec H4C-2Z6 and the registered and records office is located at 2200 - 885 West Georgia Street, Vancouver, BC V6C 3E8.

SIGNIFICANT HIGHLIGHTS

The following highlights and developments for the year ended December 31, 2016 and to the date of this MD&A:

During the period reflected, the Company achieved various milestones and acquired new customers such as:

- Posted $4.85MM in revenue for Q1 2017. This represents an increase of 78% over the Company’s Q1 2016 sales and an 25% increase over Q4 2016 and is the third consecutive quarter of record sales.

- Received a purchase order for $750k from an Israel mobile provider Pelephone. Pelephone recently announced the closing down of their 2G CDMA network within 2017 and the Company will be upgrading their Motorola M800 devices to Truckfone and Voyager.

- Received a purchase order from LG Canada (part of the LG Brand that is a leader in electronics, information and communication products.) for its Uniden® UM50 4G Cellular Booster Kits to be installed in service vehicles working in remote locations to better increase their cellular coverage.

- Received purchase orders in for its various Push To Talk Over Cellular (“PoC”) devices (Connected Vehicle and Mobile Rugged Devices) from an undisclosed mobile operator valued at over $1M CDN to be delivered early 2017.

Licensing Agreement with Uniden® America Corp

Siyata Mobile has exclusive rights in North America to market and distribute their innovative devices under the Uniden® brand in categories of cellular amplifiers, connected vehicle cellular devices and rugged cellular products. The re-branding brings strong brand recognition for its devices and introduces a more unified brand to the current dealers, operators and future customers in North America.
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New Product Launch

The Company launched in 2016 its Uniden® U620 multi-purpose rugged cellular phone for both mobile industrial users (agriculture, security, construction, mining, forestry and many other industries the Company already targets with its Uniden® connected-vehicle-devices) and recreational outdoor consumers. Rugged phones are cellular devices that are designed to operate reliably in abusive environments. The powerful, multi-functional cellular phone under the Uniden® brand is based on an Android operating system, with all the features expected in an rugged device while supporting leading Push-To-Talk software options for instant communication.

In Q1 2017, the Company launched its UV350 flagship 4G LTE vehicle-cellular-device all-in-one fleet communications device at the International Wireless Communications Exposition (IWCE) trade show. The advantages of the UV350 4G LTE include audio quality, large landscape display, superior connectivity with peripherals, driver safety and cost effectiveness.

The UV350 LTE is compatible on Band 14, a frequency dedicated for the FirstNet Network (the "Network"), a nationwide wireless broadband network dedicated to America's first responders. Band 14 represents 20 MHz of highly desirable spectrum in the 700 MHz band that provides good propagation in urban and rural areas and decent penetration into buildings. AT&T was recently selected to build the FirstNet network. The effort is a significant investment in the communications infrastructure that public safety desperately needs for day-to-day operations, disaster response and recovery, and securing large events. The ability to communicate seamlessly across jurisdictions is critical for law enforcement, fire, and emergency medical services (EMS). The FirstNet network will be a high-speed network built specifically for the millions of public safety users in all 50 states and five U.S. territories (including rural communities and tribal lands), as well as the District of Columbia. It will modernize first responders' communications and deliver specialized features that are not available to them.

Financing Initiatives

- Its wholly-owned subsidiary, Signifi Mobile Inc. ("Signifi") received in Q3 2016, a $250K long term loan from the Business Development Bank of Canada (BDC) for ongoing working capital.

- Its wholly-owned subsidiary, Signifi Mobile Inc. ("Signifi") received a CDN$1.275MM credit facility, in Q1 of 2017, from National Bank to continue to fund the Company's growth.

Acquisition of Signifi Mobile Inc.("{Signifi")

In June 2016, the Company closed its acquisition of Signifi Mobile Inc. Signifi is a Montreal-based company that manufactures, markets, and sells Uniden® cellular signal boosters and accessories across Canada and the United States. Signifi's current sales come predominantly from Canada, while USA sales are growing and present a very large scale opportunity. The demand for cellular boosters in businesses, homes, and vehicles demonstrates huge market opportunity due to the volume of users that experience weak or inconsistent cell phone coverage.

Signifi sells to cellular dealers across Canada that specialize in providing solutions to consumers and corporations in remote areas looking for better coverage and quite often Signifi sells to the same end users as Siyata, including RCMP and government offices. With a reciprocal portfolio of products, Signifi brings an established North American component to Siyata's growth strategy.

Private Placement

On June 10, 2016, the Company completed a non-brokered private placement of 8,299,714 units (each, a "Unit"), at a price of $0.35 per unit, for gross proceeds of $2,904,900. Each Unit consists of one common share of the Company, and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one additional common share of the Company for two years, at a price of $0.50 per share.

All securities issued in connection with the private placement are subject to a hold period expiring October 11, 2016. In connection with closing of the private placement, the Company paid finders' fees of $146,066, and issued 417,330 broker warrants to persons introducing subscribers to the Company. Each broker warrant is exercisable to acquire one additional common share of the Company at a price of $0.35 per share for a period of 24 months.

On March 16, 2017, the Company completed a brokered private placement of 12,835,000 units (each a "Unit"), at a price of $0.40 per unit, for gross proceeds of CAD$5.134 million. Each Unit consists of one common share of the Company, and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one additional common share of the Company for two years, at a price of $0.50 per share.

All securities issued in connection with the private placement are subject to a hold period expiring July 16, 2017. In connection with the closing of the private placement, the Company paid finders' fees of $410,720, issued 100,000 common shares and issued 1,126,800 broker warrants to persons introducing subscribers to the Company. Each broker warrant is exercisable to acquire one additional common share of the Company at a price of $0.40 per share for a period of 24 months.

OUTLOOK

The Company is a global developer and provider of a vehicle mounted communications platform over advanced mobile networks. Customers include cellular operators and their dealers, commercial vehicle technology distributors and fleets of all sizes in Canada, Europe, Australia and the Middle East. The Company's "Connected-Vehicle" devices and accessories are specifically designed for professional fleets such as trucks, vans, buses, ambulances, government cars and more. The Company aims to provide greater mobile connectivity for professional drivers and facilitate replacement of the current in-vehicle, multi device status quo with a single device that incorporates voice, data and fleet management solutions. In addition, the Company is also a supplier of cellular amplifiers with sales across North America to major retailers, distributors and cellular dealers. Recently the company entered the cellular rugged phone market which well compliments its product portfolio.

The Company's operations have grown its sales from $3.9 million in 2012 to $9.9 million in 2015, and $12.3 million in 2016. The Company continues to witness demand for its Truckfone and Voyager devices as the natural replacement for aging devices operating on end of life networks (2G CDMA/GSM/iDEN) within commercial fleets and vehicles.

The Company had $258,054 in cash at December 31, 2016, and working capital of $4,057,828. Given these factors, the private placement on March 16, 2017 as well as the bank financing from a Tier 1 Lender in the amount of $1.275MM, the Company believes that it has access to sufficient capital to expand its sales efforts into North America, where the Company plans to build on its existing track record of partnering with cellular operators and distributors to gain access to the buyers, significantly increase sales and become a dominant player in the industry.

SELECTED ANNUAL INFORMATION[1]

	FOR THE YEAR ENDED DECEMBER 31, 2016	FOR THE YEAR ENDED DECEMBER 31, 2015
LOSS AND COMPREHENSIVE LOSS	$(1,943,844)	$ (3,720,984)
LOSS PER SHARE[2]	$0.03	$0.12
TOTAL ASSETS	$10,915,310	8,763,562
TOTAL LIABILITIES	$2,926,444	2,613,476

[1] Financial information prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).
[2] The Company completed its RTO during the quarter ended September 30, 2015 and at that time adopted its current capital structure, therefore, the number of issued and outstanding shares and loss per share in the prior years does not provide comparative value.

Comparative Financial Information

The consolidated financial statements present the historical carve-out financial position, results of operations and cash flows as if Siyata Israel had been an independent operation during the periods presented. The carve-out statements of comprehensive loss for the years ended December 2016 and 2015 include direct expenses incurred in the management of the Acquired Assets and an allocation of Accel’s selling and marketing expenses and general and administrative expenses incurred in each of the periods presented up to July 24, 2015, which was the date of the Transaction. Refer to Note 2 of the accompanying Financial Statements for additional information.

The carve-out financial statements may not necessarily be indicative of the Company’s financial position, results of operating activities or cash flows had it operated as a separate entity through the period presented or for future periods.

SUMMARY OF QUARERLY RESULTS[1]

The financial results for the three months ended December 31, 2015, March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016 are those of the Company and are not subject to a carve-out allocation. Balances as of September 30, 2015, June 30, 2015, March 31, 2015 represent actual amounts owned by the Company.

The financial results of Signifi have been included from the date of acquisition on June 7, 2016.

	4th Quarter Ended Dec 31, 2016	3rd Quarter Ended Sept 30, 2016	2nd Quarter Ended June 30, 2016	1st Quarter Ended Mar 31, 2016
Income/(loss)	$(590,374)	$19,442	$(404,397)	$(1,187,379)
Comprehensive income/(loss) for the period	$(370,972)	$(91,740)	$(412,885)	$(629,443)
Loss per share[2]	$(0.01)	$(0.00)	$(0.01)	$(0.02)
	4th Quarter Ended Dec 31, 2015	**3rd Quarter Ended Sept 30, 2015**	**2nd Quarter Ended June 30, 2015**	**1st Quarter Ended Mar 31, 2015**
Income/(loss)	$(1,455,779)	$(1,625,303)	$(45,493)	$(19,409)
Comprehensive income/(loss) for the period	$(1,645,431)	$(1,953,553)	$(17,696)	$(104,304)
Loss per share[2]	$(0.03)	$(0.04)	N/A	N/A

[1] *Financial information prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.*

[2] *The Company completed its RTO during the quarter ended September 30, 2015 and at that time adopted its current capital structure, therefore, the number of issued and outstanding shares and loss per share in the prior quarters is nominal and does not provide comparative value.*

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016

The following is an analysis of the Company's operating results for the year ended December 31, 2016, and includes a comparison against the year ended December 31, 2015.

Operations:

Revenues for the year ended December 31, 2016 were $12,326,414 compared to $9,913,644 for the previous year. This positive variance of $2,412,770 (24.3% increase over prior year) is due mainly to the revenues of Signifi plus an increase of Siyata's truckfone revenues by 16.2% over the previous year.

Cost of sales for the year ended December 31, 2016 were $9,388,857 compared to $7,873,902 for the previous year. The gross margin for the year was 23.8% as compared to 20.6% in the prior year. This increase is due mainly to the sales of Signifi's cell phone booster products at higher margins and the increase in margins on the truckfone product lines.

Amortization and depreciation costs for the year ended December 31, 2016 were $269,905 compared to $126,000 for the previous year. This variance of $143,905 consists primarily of $125,000 increase in the amortization of Research and Development costs, and $15,168 of amortization of the License agreement acquired in 2016 on the acquisition of Signifi

Selling and marketing costs for the year ended December 31, 2016 were $1,791,607 compared to $1,187,396 for the previous year. This increase is mainly due to the selling and marketing costs of Signifi offset by the Signifi staff servicing and selling the whole product line of Siyata, as well as the promotional activities related to the Truckfone product line.

General and administrative costs for the year ended December 31, 2016 were $1,737,313 compared to $1,108,841 for the previous year. This increase is primarily due to costs associated with Signifi's business operations including overhead, office, warehousing and staffing and actual costs in 2016 versus the carve-out costs in January 2015 to July 2015.

Share-based payments of $585,692 (2015 - $552,167) relates to the valuation of stock options vested during the period.

Finance expense and foreign exchange loss (gain) for the year ended December 31, 2016 was $640,076 compared to the combination of finance income and foreign exchange of ($627,183) for the previous year. Foreign exchange has resulted from increased international exposure on the Company's operations as it enters new markets with foreign denominated loans.

Transaction costs of $41,400 (2015 - $2,838,505) relates to the expenses incurred for legal and due diligence over the Signifi acquisition compared to the listing costs for the RTO in 2015.

Accretion of contingent consideration resulted in $34,272 (2015 - $Nil) as the change in estimated liability under the Signifi acquisition for Q4.

Net loss for the period
As a result of the activities discussed above, the Company experienced a net loss for the year ended December 31, 2016 of $2,162,708 as compared to net loss of $3,145,984 for the previous year.

Loss and comprehensive loss for the period
As a result of the activities discussed above, the Company experienced a comprehensive loss for the year ended December 31, 2016 of $1,943,844 as compared to comprehensive loss of $3,720,984 for the previous year.

Adjusted EBITDA for the year ended December 31, 2016 was negative $591,363 as compared to negative $256,495 in the prior year. This negative variance of $334,868 is due primarily to prior years' carve-out numbers for the period January 1, 2015 to the date of RTO do not reflect the actual figures based on the 2016 Company revenues and expenses making the prior year comparison not reflective of current operations.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2016

The following is an analysis of the Company's operating results for the three months ended December 31, 2016, and includes a comparison against the three months ended December 31, 2015.

Operations:

Revenues for the three months ended December 31 ,2016 were $3,872,551 compared to $2,695,183 for the previous year. This positive variance of $1,177,368 (43.7%) is due mainly to the revenues for the period of Signifi and the increase in Truckfone sales.

Cost of sales for the three months ended December 31 ,2016 were $3,010,447 compared to $2,157,687 for the previous year. The gross margin for the current period was 22.3% relative to 19.9% in the comparative period.

Amortization and depreciation costs for the three months ended December 31, 2016 were $140,090 compared to $55,000 for the previous year. This variance of $85,090 consists primarily of $66,185 increase in the amortization of Research and Development costs, and $15,168 of amortization of the License agreement acquired in 2016 on the acquisition of Signifi

Selling and marketing costs for the three months ended December 31 ,2016 were $759,463 compared to $333,719 for the previous year. The increase is due mainly to the selling and marketing costs incurred by Signifi.

General and administrative costs for the three months ended December 31 ,2016 were $524,959 compared to $483,665 for the same period in the previous year. This increase is primarily due to costs associated with being a public company and the staffing costs associated with the Signifi's business operations including the staffing, overhead and warehousing.

Share-based payments for the three months ended December 31 ,2016 were $100,547 compared to $403,539 for the same period in the previous year relates to the valuation of stock options vested during the period.

Finance expense and foreign exchange loss for the three months ended December 31, 2016 were ($92,764) combined compared to ($479,831) for the same period in the previous year. Foreign exchange has resulted from increased international exposure on the Company's operations as it enters new markets with foreign denominated loans.

Transaction costs of $34,035 (2015 - $1,197,183) relates to the expenses incurred for legal and due diligence over the Signifi acquisition compared to the transaction costs for the RTO in 2015.

Accretion of contingent consideration resulted in an expense of $54,218 (2015 - $Nil) as the estimated cost to complete consideration payments under the Signifi acquisition increased.

Net loss for the period
As a result of the activities discussed above, the Company experienced a net loss for the three months period ended December 31, 2016 of $590,374 as compared to net loss of $1,455,779 for the same period in the previous year; representing a positive variance of $865,405.

Loss and comprehensive loss for the period
As a result of the activities discussed above, the Company experienced a comprehensive loss for the three months ended December 31, 2016 of $370,972 as compared to comprehensive loss of $1,645,431 for the same period in the previous year; representing a positive variance of $1,274,459.

RISKS AND UNCERTAINTIES

Ongoing Need for Financing/Possible Dilution to Present and Prospective Shareholders
It is intended that the Company will continue to make investments to support business growth and may require additional funds to respond to business challenges, including the need to develop new products and services or enhance existing products and services, enhance operating infrastructure and acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Company's shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to them, when they require it, their ability to continue to support business growth and to respond to business challenges could be significantly limited. From time to time, the Company may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

Lack of Trading
The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price
Market prices for shares of companies on the TSX-V are often volatile. Factors such as announcements of financial results, and other factors could have a significant effect on the price of the Company's shares.

Lack of Dividend Policy
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

History of losses
The Company has a history of net losses, may incur net losses in the future and may not achieve or maintain profitability. The Company may not be able to achieve or maintain profitability and may continue to incur losses in the future. In addition, it is expected that the Company will continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. If the Company is unable to attract new customers or to sell additional products to its existing customers, the Company's revenue growth will be adversely affected.

Customers
To increase the Company's revenues, it must regularly add new customers, sell additional products and/or services to existing customers and encourage existing customers to increase their minimum commitment levels. If the Company's existing and prospective customers do not perceive the Company's products to be of sufficiently high value and quality, the Company may not be able to attract new customers or increase sales to existing customers and its operating results will be adversely affected.

Quarterly Results
The Company's quarterly results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If the Company's quarterly results of operations fall below the expectations of securities analysts or investors, the price of the Company's shares could decline substantially. Fluctuations in quarterly results of operations may be due to a number of factors, including, but not limited to, those listed below:

- the Company's ability to increase sales to existing customers and attract new customers;
- the addition or loss of large customers;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the Company's business, operations and infrastructure;
- the timing and success of any new product/service introductions by the Company or its competitors;
- changes in the Company's pricing policies or those of competitors;
- service outages or security breaches;
- the extent to which any of the Company's significant customers terminate their service agreements;
- increasing competition;
- new advancement in technology;
- limitations of the capacity of the Company's network and systems;

- the timing of costs related to the development or acquisition of technologies, products and services or businesses;
- delays in manufacturing or in component purchases;
- possible key component end of life;
- general economic, industry and market conditions; and
- geopolitical events such as war, threat of war or terrorist actions.

The quarterly revenues and results of operations of the Company may vary significantly in the future and period-to-period comparisons of the Company's operating results may not be meaningful.

Business Related Regulatory Matters
The operations carried on by the Company are subject to government legislation, policies and controls. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the industry are beyond the control of the Company and could have a material adverse impact on the Company and its business.

Consumer's Personal Information
On behalf of its customers, the Company collects and uses anonymous and personal information and information derived from the activities of consumers. This enables the Company to provide its customers with anonymous or personally identifiable information from and about such consumers. Government bodies and agencies have adopted or are considering adopting laws regarding the collection, use and disclosure of this information. The Company's compliance with privacy laws and regulations and its reputation among the public depend on its customers' adherence to privacy laws and regulations and their use of the Company's products in ways consistent with consumers' expectations. The Company also relies on representations made to it by its customers that their own use of the Company's products and the information the Company provides to them via its products and services do not violate any applicable privacy laws, rules and regulations or their own privacy policies. If these representations are false or if the Company's customers do not otherwise comply with applicable privacy laws, the Company could face potential adverse publicity and possible legal or other regulatory action.

Competition
The Company competes in a rapidly evolving and highly competitive market. Some of the Company's potential competitors have longer operating histories, greater name recognition, access to larger customer bases and substantially greater resources, including sales and marketing, financial and other resources. As a result, these competitors may be able to:
- absorb costs associated with providing their products at a lower price;
- devote more resources to new customer acquisitions;
- respond to evolving market needs more quickly than the Company; and
- finance more research and development activities to develop better products.

In addition, many of these companies may have pre-existing relationships with the Company's current and potential customers. If the Company is not able to compete successfully against its current and future

competitors, it will be difficult to acquire and retain customers, and the Company may experience limited revenue growth, reduced revenues and operating margins and loss of market share.

Technology Changes

The market for the Company's products and services is characterized by rapid technological advances, changes in customer requirements, changes in protocols and evolving industry standards. If the Company is unable to develop enhancements to, and new features for, its existing products and services or acceptable new products and services that keep pace with rapid technological developments, its products and services may become obsolete, less marketable and less competitive and the Company's business will be harmed.

The Company has plans for growth in future periods

If the Company fails to manage its growth effectively, it may be unable to execute its business plan, maintain high levels of service or address competitive challenges adequately in its constantly evolving technology arena. The Company plans to substantially expand its overall business, customer base, headcount and operations in future periods both organically and through acquisitions. In addition, the Company has and will make substantial investments in its overall operations as a result of its plans for growth. The Company will need to continue to expand its business. It is anticipated that this expansion will require substantial management effort and significant additional investment. In addition, the Company will be required to continue to improve its operational, financial and management controls and its reporting procedures. As such, the Company may be unable to manage its expenses effectively in the future, which may negatively impact gross margins or cause operating expenses to increase in any particular quarter. If the Company is unable to manage its growth successfully, its business will be harmed. Failure to effectively expand the Company's sales and marketing capabilities could harm its ability to increase its customer base and achieve broader market acceptance of products. Increasing the Company's customer base and achieving broader market acceptance of its products will depend to a significant extent on its ability to expand its sales and marketing operations. It is expected that the Company will be substantially dependent on its direct sales force to obtain new customers. There is significant competition for direct sales personnel with the sales skills that the Company requires. The Company's ability to achieve significant growth in revenues in the future will depend, in large part, on its success in recruiting, training and retaining sufficient numbers of direct sales personnel. New hires require significant training and, in most cases, take a significant period of time before they achieve full productivity. The Company's hires may not become as productive as it would like, and the Company may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where it does business. The Company's business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenues.

Potential Conflicts of Interest

Certain directors or officers of the Company are also directors, officers, shareholders and/or Promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of

Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

Reliance on Others and Key Personnel

The success of the Company is largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Limited Number of Customers

Historically, the Company has had a limited number of customers. The loss of any significant customer or any significant reduction in orders by a significant customer may have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, as a result of the limited number of customers, credit risk on receivables is concentrated.

Reliance on Suppliers

Manufacturing of the Company's products and other devices for its services depends on obtaining adequate supplies of components on a timely basis. The Company sources several key components used in the manufacture of its products and devices from a limited number of suppliers, and in some instances, a single source supplier.

In addition, these components are often acquired through purchase orders and the Company may have no long-term commitments regarding supply or pricing from the suppliers. Lead-times for various components may lengthen, which may make certain components scarce. As component demand increases and lead-times become longer, the suppliers may increase component costs. The Company will also depend on anticipated product and service orders to determine its materials requirements. Lead-times for limited-source materials and components can vary significantly and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. From time to time, shortages in allocations of components may result in delays in filling orders. Currently, the global recession has caused some component suppliers to reduce inventories and production. Shortages and delays in obtaining components in the future could impede the Company's ability to meet customer orders. Any of these sole source or limited source suppliers could stop producing the components, cease operations entirely, or be acquired by, or enter into exclusive arrangements with, the Company's competitors. As a result, these sole source and limited source suppliers may stop selling their components to outsourced manufacturers at commercially reasonable prices, or at all. Any such interruption, delay or inability to obtain these components from alternate sources at acceptable prices and within a reasonable amount of time would adversely affect the Company's ability to meet scheduled product and service deliveries to its customers and reduce margins realized.

Alternative sources of components are not always available or available at acceptable prices. In addition, the Company relies on, but has limited control over, the quality, reliability and availability of the components supplied. If the Company cannot manufacture its products or devices for its services due to a lack of components, or is unable to redesign its products or devices with other components in a timely manner, its business, results of operations and financial condition could be adversely affected.

Reliance on Technology and Intellectual Property

The Company will require continuous technological improvements in order to remain competitive. There can be no assurance that the Company will be successful in its efforts in this regard. While Siyata anticipates that its research and development experience will allow it to explore additional business opportunities, there is no guarantee that such business opportunities will be presented or realized. The commercial advantage of the Company may depend to an extent on its intellectual property and its ability to prevent others from copying such proprietary technologies and any patents it may hold. In the future, the Company may seek additional patents or other similar protections in respect of a particular technology or process; however, there can be no assurance that any future patent applications will actually result in issued patents, or that, even if patents are issued, they (or any existing patents) will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Company. Moreover, the process of seeking patent protection can itself be long and expensive. In the meantime, competitors may develop technologies that are similar or superior to the technology of the Company or design around the patents owned by the Company, thereby adversely affecting the Company’s competitive advantage in one or more of its businesses. Despite the efforts of the Company, its intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps it may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to the Company’s operations will prevent misappropriation or infringement of such technologies. If a third party asserts that the Company is infringing its intellectual property, whether successful or not, it could subject the Resulting Issuer to costly and time-consuming litigation or expensive licenses, and the Company’s business may be harmed.

Technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. As the Company faces increasing competition, the possibility of intellectual property rights claims against it will grow. The Company’s technologies may not be able to withstand any third-party claims or rights against their use. Furthermore, if there are any existing agreements that require Siyata to indemnify its customers for third-party intellectual property infringements claims, Siyata's costs would increase as a result of defending such claims and may require that the Company pay damages if there were an adverse ruling in any such claims. These types of claims could harm the Company’s relationships with its customers, may deter future customers from subscribing to its products and services or could expose the Company to litigation with respect to these claims.

Potential Political Instability in Israel

The Company has business operations in Israel. Accordingly, political, economic and military conditions in and surrounding Israel may directly affect its business. There are significant ongoing hostilities in the Middle East, particularly in Syria and Iraq, which may impact Israel in the future. Any hostilities involving Israel, a significant increase in terrorism or the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could

materially adversely affect the Company's operations. Ongoing and revived hostilities or other Israeli political or economic factors could materially adversely affect the Company's business, operating results and financial condition.

Employees Military Reserve Duty
Many of the Company's employees in Israel are obligated to perform annual military reserve duty in the Israel Defense Forces and, in the event of a military conflict, could be called to active duty. The Company's operations could be disrupted by the absence of a significant number of its employees related to military service or the absence for extended periods of military service of one or more of its key employees. Military service requirements for the Company's employees could materially adversely affect the Company's business, operating results and financial condition.

Litigation
All industries are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's operations and financial position.

Changes in Laws
Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations and policies. Failure by the Company to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, reserves, accumulated translation differences and deficit), and cash. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2016, the Company is not subject to any externally imposed capital requirements or debt covenants. The change to the Company's approach to capital management during the period entailed its subsidiary, Signifi Mobile Inc. borrowing $250,000 CDN from the Business Development Bank of Canada. This loan is repayable over a 7-year period with no capital repayments until August 2016. At Signifi's discretion, they may postpone any principal repayments to

February 23, 2017. Siyata Mobile Inc. and its subsidiary Siyata Mobile Canada Inc. jointly and severally guarantee the repayment of the principal and interest on this loan.
Siyata Mobile Israel has a factoring facility with Mizrachi Bank whereby the Bank advances funds to Siyata Mobile Israel and charges an interest rate of 3.1% on the advanced funds until it is repaid by the borrowers' customers. The Bank has a lien on these receivables. The factored receivables are all required to be insured in case of customer default with a financial institution.
The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Company has historically financed its operations primarily through related party debt and the sale of share capital by way of private placements. As at December 31, 2016, the Company had a cash balance of $258,054 (December 31, 2015 - $298,313). As at December 31, 2016, the Company had an accumulated deficit of $6,032,692 (December 31, 2015 - $3,869,984) and working capital of $4,057,828 (December 31, 2015 – $3,230,086).

Net cash flows used in operating activities for the year ended December 31, 2016 were $2,304,007 compared with cash used of $3,784,255 in the prior year. The decrease in cash used in operating activities was primarily due to the timing of settlement of working capital balances and the non-recurring listing expenses of $2,838,505 in 2015.

Net cash flows used in investing activities for the year ended December 31,2016 were $923,293 compared with $508,356 in the prior year. The Company invested $708,267(2015 - $154,000) in intangible assets related to Research and Development as well as $200,000 for the acquisition of its wholly owned subsidiary, Signifi.

Net cash provided by financing activities for the year ended December 31 ,2016 were $2,733,083 (2015- $4,700,924). $2,697,107 (2015 - $3,910,822) was provided from the completion of a private placement and exercised warrants, net of share issuance costs of $218,466 (2015 - $268,823). As well Signifi borrowed $250,000 from the Business Development Bank of Canada which is repayable over a seven-year period at variable interest rate based on market conditions.

The future success of the Company is now dependent on the continued success of its vehicle mounted communications products, its mobile rugged phones and its Booster systems in the market together with the ability to finance the necessary working capital, at agreeable terms, to support the growth of the business.

The Company's consolidated financial statements have been prepared in accordance with IFRS under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

SHARE CAPITAL

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

Issued and outstanding:

As at December 31, 2016 the Company had 69,329,090 common shares issued and outstanding.
As of the date of this MD&A, the Company had 83,300,636 common shares outstanding as a result of the brokered private placement on March 16, 2017 (as described on page 6) as well as the exercise of both share purchase warrants and agents' warrants since January 1,2017 until the date of this MD&A.

Stock Options:

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with TSX-V policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant, less a discount of up to 25%. Options can have a maximum term of ten years and typically terminate 90 days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

A summary of the Company's stock option activity is as follows:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding options, December 31, 2014	-	-
Granted	**5,475,000**	**$0.31**
Outstanding options, December 31, 2015	**5,475,000**	**$0.31**
Granted	**400,000**	**$0.35**
Outstanding options, December 31, 2016	**5,875,000**	**$0.31**
Exercisable options, December 31, 2016	**5,475,000**	**$0.31**

At the date of this MD&A, stock options outstanding and exercisable are as follows:

Grant Date	Number of options outstanding	Number of options exercisable	Weighted Average Exercise Price	Expiry date
July 24, 2015	750,000	656,250	$0.30	July 23, 2020
July 24, 2015	150,000	131,250	$0.60	July 23, 2020
July 28, 2015	250,000	218,750	$0.30	July 28, 2020
August 10, 2015	425,000	318,750	$0.30	August 7, 2020
September 30, 2015	3,900,000	2,925,000	$0.30	July 23, 2020
October 5, 2016	400,000	200,000	$0.35	October 5, 2018
January 1, 2017	320,000	40,000	$0.36	January 1, 2019
January 11, 2017	360,000	120,000	$0.36	January 11, 2020
April 6, 2017	1,000,000	125,000	$0.45	April 6, 2022
Total	**7,555,000**	**4,535,000**	**$0.34**	

Agents' options:
A summary of the Company's agents' options activity is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2015	**1,192,829**	**$ 0.30**
Granted	417,330	0.35
Exercised	(35,577)	0.30
Outstanding agent options, Dec 31, 2016	**1,574,582**	**$ 0.31**

From the year end date to the date of this MD&A, 971,546 agents' option were exercised (at between $0.30 and $0.35 per share) for total proceeds of $293,925. The Company also granted 1,126,800 agent's options pursuant to the private placement on March 16, 2017.

At the date of this MD&A, agents' options outstanding and exercisable are as follows:

Grant Date	Number of Agents Options outstanding and exercisable	Exercise Price	Expiry date
July 24, 2015	234,930	$0.30	July 23, 2017
June 10, 2016	368,106	$0.35	June 10, 2018
March 16, 2017	1,126,800	$0.40	March 16, 2019

Share Purchase Warrants:

A summary of the Company's share purchase warrant activity is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2015	**7,169,226**	**$ 0.60**
Granted	**8,299,714**	**0.50**
Outstanding, December 31, 2016	**15,468,940**	**$ 0.55**

From the year end date to the date of this MD&A, 65,000 share purchase warrants were exercised at $0.60 per share for total proceeds of $39,000.
At the date of this MD&A, share purchase warrants outstanding and exercisable are as follows:

Grant Date	Number of Warrants outstanding and exercisable	Exercise Price	Expiry date
July 24, 2015	7,104,226	$0.60	July 23, 2017
June 10, 2016	8,299,914	$0.50	June 10, 2018
March 16, 2017	12,835,000	$0.50	March 16, 2019

FINANCIAL INSTRUMENTS

Fair Value
The fair value of the Company's trade and other receivables, accounts payable and accrued liabilities, and due to related parties and other payables approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

Financial Risk Factors

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents quantitative and qualitative information about the Company's exposure to each of the above risks, and the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management of standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Approximately 29% of the Company's revenue (2015 - 50%) is attributable to sales transactions with a single customer.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the CEO; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

More than 46% of the Company's customers have been active with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Company, and future sales are made on a prepayment basis.

The carrying amount of financial assets represents the maximum credit exposure, notwithstanding the carrying amount of security or any other credit enhancements.
Note that since the Company has factored its Israeli receivables through a Bank guaranteed by an insurance company, this maximum exposure to credit risk is extremely improbable.

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was as follows:

(in thousands)	December 31, 2016	December 31, 2015
Israel	$ 1,390	$ 1,421
United Kingdom	19	107
Europe	26	226
Canada	264	117
United States	9	-
Total	$ 1,708	$ 1,871

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company examines current forecasts of its liquidity requirements so as to make certain that there is sufficient cash for its operating needs, and it is careful at all times to have enough unused credit facilities so that the Company does not exceed its credit limits and is in compliance with its financial covenants (if any). These forecasts take into consideration matters such as the Company's plan to use debt for financing its activities, compliance with required financial covenants, compliance with certain liquidity ratios, and compliance with external requirements such as laws or regulations.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on hand to meet expected operational expenses for a period of 90 days, including

the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of Siyata Israel is the US dollar (“USD”). Revenues are predominantly incurred in the US dollar with expenses in the Israeli New Sheqel (“NIS”). As at December 31, 2016, the Company’s exposure to foreign currency risk with respect to financial instruments is as follows:

(in CAD thousands)	USD	NIS	CAD	Total
Financial assets and financial liabilities:				
Current assets				
Cash	$ 56	$ 129	$ 73	$ 258
Trade and other receivables	54	1,390	264	1,708
Current liabilities				
Trade payables	(81)	(1,380)	(383)	(1,844)
Other payables	(0)	(0)	(147)	(147)
Long-term debt	0	0	(250)	(250)
Total	**$ 29**	**$ 139**	**$ (443)**	**$ (275)**

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year which include:

- Share based compensation - all equity-settled, share based awards issued by the Company are recorded at fair value using the Black-Scholes option pricing model. In assessing the fair value of the equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, risk-free rate and estimated forfeitures at the initial grant date. Any changes in inputs or estimates utilized to determine fair value could have a significant impact on the Company's future operating results or components of shareholders equity.
- Income taxes - Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and future periods. Deferred tax assets, if any, are recognized to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.
- Fair value of stock options and warrants - Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.
- Capitalization of development costs and their amortization rate – Development costs are capitalized in accordance with the accounting policy in Note 3(d) of the annual consolidated financial statements. To determine the amounts earmarked for capitalization, the management estimates the cash flows which are expected to be derived from the asset for which the development is carried out and the expected benefit period.
- Inventories   Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories), cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in profit or loss of the current period on any difference between book value and net realizable value.
- Estimated product returns   Revenue from product sales is recognized net of estimated sales discounts, credits, returns, rebates and allowances. The return allowance is determined based on an analysis of the historical rate of returns, industry return data, and current market conditions, which is applied directly against sales.
- Impairment of non financial assets   The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash generating unit ("CGU") is determined using the greater of fair value less costs to sell and value in use which requires the use of various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets.

Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

- Useful life of intangible assets - The Company estimates the useful life used to amortize intangible assets relates to the expected future performance of the assets acquired based on the management estimate of the sales forecast.

(b) Critical accounting judgements

- Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:
- Deferred income taxes – judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.
- Functional currency - The functional currency for the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates; the Company has determined the functional currency of each entity to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment. The functional currency for the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar with the exception of Siyata Israel which has the functional currency of the US dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.
- Going concern – As disclosed in Note 1 to the financial statements.

ADOPTION OF ACCOUNTING POLICIES

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2015.

These interim financial statements follow the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended December 31, 2015 other than as detailed below arising from new transactions or the acquisition of Signifi.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition-related costs are recognized in earnings as incurred. The excess of the consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortization but is tested for impairment.

RECENT ACCOUNTING PRONOUNCEMENTS

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied when preparing these financial statements

IFRS 15 Revenues from contracts with customers

In May 2014, the IASB released IFRS 15, Revenue from Contracts with Customers, which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. IFRS 15 also requires more comprehensive disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, and a number of revenue-related interpretations (IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real

Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue - Barter Transactions Involving Advertising Service). IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of the adoption of this standard on its consolidated financial statements and does not plan to early adopt the new requirement.
IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments (IFRS 9). IFRS 9 supersedes IAS 39, IFRIC 9 and earlier versions of IFRS 9 and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. This standard provides guidance on the classification and measurement of financial liabilities and the presentation of gains and losses on financial liabilities designated at fair value through profit and loss. When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the credit risk of the instrument must be recognized in other comprehensive income. The Company has not yet begun the process of assessing the impact that the new standard will have on its financial statements and does not plan to early adopt the new requirement.

RELATED PARTY TRANSACTIONS

Key Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel is as follows:

	For the years ended December 31	
	2016	**2015**
Payments to key management personnel:		
Consulting and directors' fees	$ 568,168	$ 198,718
Share-based payments	416,972	50,799
Total	$ 985,140	$ 249,517

Other related party transactions are as follows:

		(in thousands) For the years ended December 31	
Type of Service	**Nature of Relationship**	**2016**	**2015**
Sales	Accel (common directors)	$ 108	$ --
Cost of sales	Accel (common directors)	100	3,635
Selling and marketing expenses	VP Technology	124	69
General and administrative expense	Accel (common directors)	298	462
General and administrative expense	Company controlled by the Chairman of the Board of Directors	118	51

General and administrative expense	Company controlled by the CEO and Director	292	121
Interest and financing costs	Accel (common directors)	-	173

Balances and transactions with Accel Telecom Ltd.

Included in due from related parties as at December 31, 2016 is a balance payable from Accel of $364,000 for sales made to Accel throughout the year ended December 31, 2016 (December 31, 2015 – due to Accel $1,896,000 for management fees and advances to suppliers). The balance is non-interest bearing.

The Company has a management fee agreement with Accel for a monthly fee of USD$25,000 in exchange for management services and is recorded in general and administrative expenses. In 2016, Accel charged the Company management fees for only 9 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.