MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2018

AS AT MAY 30, 2018

MAY 30, 2018

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 three months ended March 31, 2018. This MD&A should be read in conjunction with the Company's unaudited consolidated interim financial statements for the three months ended March 31, 2018 and 2017 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:

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION (CONT'D)

- 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 and Siyata brands. Siyata commercial vehicle devices are 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.

In addition to its connected vehicle product portfolio, the Company manufactures, markets, and sell 4G/LTE rugged smartphone devices for industrial users. These rugged B2B environments include first responders, construction workers, security guards, government agencies and various mobile workers in multiple industries.

The Company also manufactures, markets, and sells Uniden® cellular signal boosters and accessories to homes, buildings, manufacturing facilities and fleets with poor cell coverage across Canada and the United States.

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

CORPORATE OVERVIEW (CONT'D…)

Since 2016, the Company has integrated multiple leading Push-to-Talk over Cellular (PoC) software developed by third parties, into both its connected vehicle devices as well as into its rugged handset offering. These applications operate 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 provider's nationwide network allowing corporate customers the benefits of receiving this service across the country from a trusted, large scale cellular provider.

PoC is available for Siyata's fleet devices: the CP250, UV-350 and CP200. This PoC feature gives a quick and reliable connection to an individual vehicle or an entire fleet instantly with 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.

In 2017 the Company announced its Push to Talk Over Cellular ("PoC") UV350 flagship 4G LTE all-in-one fleet communication device. The UV350 also supports band 14 for FirstNet which is the US 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 mid 2018. (See significant highlights for details).

Siyata also launched the CP250 tablet/DVR connected vehicle 4G device which is built for cellular voice calls, Push-to-Talk Over Cellular ("PoC"), data, and navigation with a built-in DVR camera and more. This device was designed to be installed on the dash or mounted on a windshield, specifically for lighter commercial vehicles such as taxis, vans and delivery trucks. The 5" wide screen display tablet based design ensures better communication capabilities for professional drivers.

The Company's shares are listed on Tier 1 of the TSX Venture Exchange ("TSX-V") under the symbol SIM and as of July 25,2017 on the NASDAQ Over the Counter Venture Exchange "OTCQX" under the symbol SYATF.

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 three months ended March 31, 2018 and to the date of this MD&A:

During the period reflected, the Company achieved various milestones such as:

- Toronto Venture Stock Exchange recognized Siyata Mobile as a Top 50 Company.
- Entered an agreement with Logic Wireless Ltd., (“Logic Wireless”) a specialized distributor of two-way radio products, to distribute Siyata Mobile Push-to-Talk Over Cellular (“PoC”) products across Australia and New Zealand.
- Passed integration and certification for its UR7 Rugged Clamshell Device (“UR7”) with ESChat, a leading US Push-to-Talk Over Cellular (“PoC”) software company.
- Received a $400K Purchase Order (“PO”) from a world leading two-way radio vendor.
- Received an additional Purchase Order (“PO”) on a first responder contract of $650,000 for its Push-to-Talk Over Cellular (“PoC”) devices, accessories and software solutions. This is an addition to the original PO of $1.9MM announced December 20, 2017.
- Received all major industry and Government approvals including Federal Communications Commission (“FCC”) Google Android Compatibility Test Suite (“CTS”), PCS Type Certification Review Board (“PTCRB”), Conformité Européenne (“CE”) and Industry Canada (“IC”) for its Uniden® UV350 (“UV350”) device.
- Received its first Purchase Order from the hospitality industry for its mobile UR7 Rugged clamshell smartphone representing a new mobile worker vertical for an added revenue stream.
- Accepted application from the TSX Venture Exchange (the “Exchange”) to amend the expiry date of share purchase warrants that were originally issued on June 10, 2016 in connection with the Company’s private placement (the “Warrants”). The Warrants that are the subject of the amendment application consist of an aggregate of 8,299,714 Warrants and were originally set to expire on June 10, 2018 with an exercise price of $0.50. The application is to amend the expiry date to December 10, 2018. No corresponding amendment to the exercise price, $0.50, is proposed by the Company.
- Received multiple purchase orders for its 4G/LTE devices amounting to over CAD$500,000. The purchase orders come from multiple industry verticals including; municipalities, a logistics company, a taxi service, a bus operator, indicating the growing demand for Siyata’s 4G/LTE Push-to-Talk Over Cellular (“PoC”) devices.

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.

Financing Initiatives

On April 3, 2018, 72,204 agent's options were exercised as $0.40 per share for total proceeds of $28,881.60.

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 various accessories are specifically designed for enterprise customers and 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 with the new suite of 4G UV350 and UV250 products. In addition, the Company develops, markets and sells rugged mobile devices, cellular amplifiers and various accessories for both consumer and enterprise customers with sales across Europe, Israel and North America to major retailers, distributors and cellular dealers.

In Q1 2018 and Q4 2017 Company began to witness a decline in demand for its 3G legacy devices (Truckfone, Voyager and 3G Amplifiers) as customers tested and approved our next generation 4G product portfolio. In Q2 2018 we are witnessing a strong lift in the 2nd quarter to date sales primarily from our new product portfolio.

SUMMARY OF QUARTERLY RESULTS

The financial results for the three months ended June 30, 2016, September 30, 2016, December 31, 2016, March 31, 207, June 30, 2017, September 30, 2017, December 31, 2017 and March 31 ,2018 are those of the Company.

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

[1].

	1st Quarter Ended Mar 31, 2018	4th Quarter Ended Dec 31, 2017	3rd Quarter Ended Sept 30, 2017	2nd Quarter Ended June 30, 2017
Income/(loss)	$(1,163,170)	$(4,245,612)	$(258,400)	$(492,827)
Comprehensive income/(loss) for the period	$(849,362)	$(3,597,055)	$(672,495)	$(861,571)
Loss per share[2]	$(0.01)	$(0.05)	$(0.00)	$(0.01)
	1st Quarter Ended Mar 31, 2017	**4th Quarter Ended Dec 31, 2016**	**3rd Quarter Ended Sept 30, 2016**	**2nd Quarter Ended June 30, 2016**
Income/(loss)	$(61,656)	$(590,374)	$(19,442)	$(404,397)
Comprehensive income/(loss) for the period	$(87,183)	$(809,776)	$(91,740)	$(412,885)
Loss per share[2]	$(0.00)	$(0.01)	$(0.00)	$(0.01)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2018

The following is an analysis of the Company’s operating results for the three months ended March 31, 2018 and includes a comparison against the three months ended March 31, 2017.

Operations:

Revenues for the three months ended March 31, 2018 were $3,027,173 compared to $4,888,517 for the same period in the previous year. This negative variance of $1,861,344 (38%) is due mainly to the decrease in demand for the legacy products as well as sales decline in North America primarily due to new 4G Booster products which required FCC and IC certification as well as customer acceptance procedures that affected our North American booster sales revenues in Q1 and Q2 2018.

Cost of sales for the three months ended March 31, 2018 were $2,185,873 compared to $3,567,964 for the same period in the previous year. The gross margin for the current period was 27.8% relative to 27.0% in the comparative period. The increase in gross margin is mainly due to the sale of the new suite of 4G products at higher margins offset by the sales at lower margins of legacy products.

Amortization and depreciation costs for the three months ended March 31, 2018 were $70,622 compared to $82,022 for the same period in the previous year. This positive variance is $11,400.

Selling and marketing costs for the three months ended March 31, 2018 were $1,080,531 compared to $682,818 for the same period in the previous year. This negative variance of $397,713 is due mainly to the additional marketing costs to promote the new products in North America and globally including tradeshows and targeted promotional activities.

General and administrative costs for the three months ended March 31, 2018 were $594,544 compared to $474,255 for the same period in the previous year. This negative variance of $120,289 relate mainly to the hiring of administrative staff including related travel costs to assist in launching our new suite of products into the international markets.

Share-based payments for the three months ended March 31, 2018 were $288,063 compared to $76,455 for the same period in the previous year which is a negative variance of $211,608 which relates to the valuation of stock options vested during the period.

Finance expense and foreign exchange income for the three months ended March 31, 2018 $32,402 combined compared to an expense of $51,171 for the same period in the previous year for a positive variance of $83,573. This positive variance resulted from foreign currency fluctuations in the period offset by the interest on the debenture of $120,750 that was not incurred in the prior year.

Accretion and change in value of future contingent consideration resulted in an expense for the three months ended March 31, 2018 of $3,112 versus $15,488 for the same period in 2017, a positive variance of 12,376. This variance is due to the overall decrease in long term portion of the contingent consideration for the acquisition of Signifi.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2018 (CONT'D…)

Net income (loss) for the period

As a result of the activities discussed above, the Company experienced a net loss for the three-month period ended March 31, 2018 of ($1,163,170) as compared to net loss of ($61,656) for the same period in the previous year representing a negative variance of $1,101,514. This variance is due mainly to lower sales in the period resulting in a negative gross margin dollar variance of $479,253, a $397,713 negative variance in the selling and marketing costs, a $120,289 negative variance in the general and administrative expenses, a $211,608 negative variance in share based payments offset by a positive variance of $83,573 in foreign exchange net of financing fees.

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 March 31, 2018 of ($849,362) as compared to a comprehensive loss of ($87,183) for the same period in the previous year representing a negative variance of $762,179.

Adjusted EBITDA

For the three months ended March 31 ,2018 the adjusted EBITDA is negative $833,775 versus positive $163,480 in the same period in 2017 a negative variance of $997,255. Adjusted EBITDA is the EBITDA adding back the share based compensation expense.

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.

RISKS AND UNCERTAINTIES (CONT'D…)

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.

RISKS AND UNCERTAINTIES(CONT'D…)

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.

RISKS AND UNCERTAINTIES (CONT'D…)

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.

RISKS AND UNCERTAINTIES (CONT'D…)

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.

RISKS AND UNCERTAINTIES (CONT'D…)

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.

RISKS AND UNCERTAINTIES(CONT'D…)

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 March 31, 2018, the Company is not subject to any externally imposed capital requirements or debt covenants. The unsecured convertible debenture of 10.5% payable quarterly that was issued on December 28, 2017 does not impose any further debt covenants as the criteria for the debenture was that all existing loans in North America had to be extinguished at closing.

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 a combination of demand loans and the sale of share capital by way of private placements.

As at March 31 ,2018, the Company had a cash balance of $1,212,461 (December 31, 2017: $4,384,596). As at March 31 ,2018 the Company had an accumulated deficit of $12,254,357 (December 31, 2017: $11,091,187) and working capital of $8,546,887 (December 31, 2017: $9,652,702).

Net cash flows used in operating activities for the three months ended March 31 ,2018 were ($2,657,016) compared with cash used of ($1,527,393) in the same period in the prior year. The increase in cash used of $1,129,623 in operating activities was primarily due to the increase in advances to suppliers of 904,494, the decrease in accounts payable and accrued liabilities related to older products of $536,181 offset by an increase in accounts receivable and prepaid expenses of $243,360 and 237,181 respectively.

Net cash flows used in investing activities for the three months ended March 31, 2018 were $489,972 compared with $416,899 in the same period of the prior year, a negative variance of $73,073. This negative variance relates primarily to the development of intangible assets.

LIQUIDITY AND CAPITAL RESOURCES (CONT'D…)

Net cash provided by financing activities for the three months ended March 31, 2018 was $0 (March 31, 2017 – $4,461,548). This negative variance relates to the net proceeds from the issuance of 12,835,000 common shares for net proceeds of $4,327,581 pursuant to a private placement as well as the proceeds from the exercise of agents' warrants of $133,967 in the period.

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 March 31, 2018 the Company had 93,749,535 common shares issued and outstanding.

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.

SHARE CAPITAL (CONT'D…)

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

	Number of Stock Options	Weighted Average Exercise Price
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**
Granted	**3,355,000**	**$0.58**
Exercised	**(650,000)**	**$0.30**
Outstanding options, December 31, 2017	**8,580,000**	**$0.42**
Exercisable options, December 31, 2017	**6,100,000**	**$0.41**
Granted	**-**	**-**
Exercised	**-**	**-**
Outstanding options, March 31, 2018	**8,580,000**	**$0.42**
Exercisable options, March 31, 2018	**6,513,750**	**$0.35**

At March 31, 2018 and as of the date of the MD&A, stock options outstanding are as follows:

Grant Date	Number of options outstanding	Weighted Average Exercise Price	Expiry date	Remaining contractual life (years)
July 24, 2015	400,000	$0.30	July 23, 2020	2.32
July 24, 2015	150,000	$0.60	July 23, 2020	2.32
July 28, 2015	250,000	$0.30	July 28, 2020	2.33
August 10, 2015	425,000	$0.30	August 7, 2020	2.36
September 30, 2015	3,600,000	$0.30	July 23, 2020	2.32
October 5, 2016	400,000	$0.35	October 5, 2018	0.51
January 1, 2017	320,000	$0.36	January 1, 2019	1.00
January 11, 2017	360,000	$0.36	January 11, 2020	3.79
April 4, 2017	1,000,000	$0.45	April 4, 2022	4.02
July 24, 2017	1,600,000	$0.69	July 24, 2022	4.32
October 1, 2017	75,000	$0.64	April 1, 2019	1.00
Total	**8,580,000**	**$0.41**		**2.47**

SHARE CAPITAL (CONT'D…)

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**
Granted	1,126,800	$0.41
Exercised	(1,251285)	$0.31
Expired	(59,147)	$0.30
Outstanding agent options, December 31, 2017	1,390,950	$ 0.39
Granted	-	-
Exercised	-	-
Outstanding agent options, March 31, 2018	1,390,950	$ 0.39

On April 3, 2018, 77,204 agent's options were exercised for total proceeds of $28,882.

At March 31 ,2018, agents' options outstanding and exercisable are as follows:

Grant Date	Number of Agents Options outstanding and exercisable	Exercise Price	Expiry date
June 10, 2016	354,106	$0.35	June 10, 2018
March 16, 2017	936,844	$0.40	March 16, 2019
March 16, 2017	100,000	$0.50	March 16, 2019

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
June 10, 2016	354,106	$0.35	June 10, 2018
March 16, 2017	859,640	$0.40	March 16, 2019
March 16, 2017	100,000	$0.50	March 16, 2019

SHARE CAPITAL (CONT'D…)

Share Purchase Warrants:

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

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2015	**7,169,226**	**$ 0.60**
Granted	**8,299,914**	**0.50**
Outstanding, December 31, 2016	**15,469,139**	**$ 0.55**
Granted	**17,435,000**	**$0.50**
Exercised	**(6,644,246)**	**$0.59**
Expired	**(1,179,387)**	**$0.60**
Outstanding, December 31, 2017	**25,078,307**	**$ 0.54**
Granted	**-**	**-**
Exercised	**-**	**-**
Outstanding, March 31, 2018	**25,078,307**	**$ 0.54**

At March 31, 2018 and 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
June 10, 2016	7,799,358	$0.50	December 10, 2018
March 16, 2017	12,678,949	$0.50	March 16, 2019
December 28, 2017	4,600,000	$0.70	December 28, 2019

Subsequent to the end of the first quarter and prior to the date of this MD&A, the Company extended the expiry date of the 7,799,358 outstanding purchase warrants from June 10, 2018 to six months subsequent, to expire on December 10, 2018.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

Financial instruments measured at fair value are classified into three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
Level 3 – Inputs that are not based on observable market data.

The fair values of the Company’s cash, trade and other receivables, due from related party, and accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the consolidated statement of financial position.

The following table illustrates the classification of the Company’s financial instruments within the fair value hierarchy as at March 31, 2018 and December 31, 2017:

	Level 1	Level 2	Level 3
December 31, 2017:			
Future purchase consideration	$ 280,852	$ -	$ 804,929
March 31, 2018:			
Future purchase consideration	$ 277,740	$ -	$ 804,929

The balance of future purchase consideration above is the current portion, plus the present value of the non-current portion presented on the consolidated statements of financial position.

The input used in Level 1 for the three months ended March 31, 2018 and for the year ended December 31, 2017 is either the cash the Company is obligated to pay as an anniversary payment or the Company’s share price quoted on active markets, or a combination thereof, depending on which payment form is considered most probable to be chosen by the vendor (Notes 5 and 9). The inputs used in Level 3 for the three months ended March 31, 2018 and for the year ended December 31, 2017 is current purchase orders received, less estimated costs to complete the purchase orders, as stated in the contract (Note 9).

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 33% of the Company's revenue (2016 - 27%) is attributable to sales transactions with a single customer.

FINANCIAL INSTRUMENTS (CONT'D…)

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 Risk Management Committee; 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 62% 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.

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

(in thousands)	**March 31, 2018**	**December 31, 2017**
Israel	$ 2,007	$ 1,808
United Kingdom	58	-
Europe	47	-
North America	136	147
Total	$ 2,248	$ 1,955

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 have 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 activity, compliance with required financial covenants, compliance with certain liquidity ratios, and compliance with external requirements such as laws or regulation.

FINANCIAL INSTRUMENTS (cont'd…)

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 demand 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.

The Company has a factoring agreement with external funding (Note 6).

With the exception of employee benefits, the Company's accounts payable and accrued liabilities have contractual terms of 90 days. The employment benefits included in accrued liabilities have variable maturities within the coming year.

Market risk

a) *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, 2017, the Company's exposure to foreign currency risk with respect to financial instruments is as follows:

(in CAD thousands)	USD	NIS	EUR	CAD	Total
Financial assets and financial liabilities:					
Current assets					
Cash	$ 47	$ 260	$	$ 905	$ 1,212
Trade and other receivables	46	2,094		108	2,248
Advances to suppliers	1,811	80	499	-	2,390
Due from related party	-	732	-	-	732
Current liabilities					
Accounts payable and accrued liabilities	(50)	(1,850)		(218)	(2,118)
Debenture	-	-		(3,634)	(3,634)
Future purchase consideration	-	(805)		(284)	(1,089)
Total	**$ 1,854**	**$ 511**	**$ 499**	**$ (3,123)**	**$ (259)**

b) *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in interest rates. The Company's sensitively to interest rates is currently immaterial as the Company's debt bears interest at fixed rates.

c) *Price Risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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.

i) Critical accounting estimates

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. Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated interim financial statements are, but not limited to the following:

- 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. To determine the amounts earmarked for capitalization, 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.

- Inventory - Inventory is 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D…)

- 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 which relates to the expected future performance of the assets acquired based on management estimate of the sales forecast.

- Future purchase consideration - In a business combination, the Company recognizes a contingent consideration at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized either in profit or loss, or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of IAS 39, it is measured at fair value in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

  Contingent consideration from an asset acquisition is recognized when: the conditions associated with the contingency are met; the Company has a present legal or constructive obligation that can be estimated reliably; and it is probably that an outflow of economic benefits will be required to settle the obligation.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated 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 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 consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

(a) New 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 9 – New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company has performed a preliminary analysis and expects no material impact from adopting this standard.
- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018. The Company has performed a preliminary analysis and expects no material impact from adopting this standard.
- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this standard.

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:

		2018		2017
Payments to key management personnel:				
Salaries, Consulting and directors' fees		$324,644	$	224,394
Share-based payments		288,063		76,455
Total	$	612,707	$	300,849

Other related party transactions are as follows:

Type of Service	Nature of Relationship	(in thousands) 2018	2017
Sales	Accel (common directors)	137	$575
Cost of sales	Accel (common directors)	100	365
Selling and marketing expenses	VP Technology	42	42
General and administrative expense	Accel (common directors)	93	99
General and administrative expense	Company controlled by the former Chairman of the Board of Directors	-	33
General and administrative expense	Companies controlled by the CEO, and Directors	325	77
Share issue costs	CEO and CFO	-	-

Included in due from related party as at March 31, 2018 is a balance payable from Accel of $731,315 (December 31, 2017 –$776,000). 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.

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.