

Due Diligence Report

By
Equity Insight



INVESTORS REPORT

Due Diligence

Report Date: April 23, 2017

Disclaimer

This document was prepared by individual investors/traders at Equity Insight to give others an in-depth look at a company, and therefore submits its own due diligence report. This report is not to be used as financial guidance on buy, sell or hold a particular security.

Introduction

Alta Vista Ventures Ltd. (Canada – CSE: UAV) (U.S.A. – OTC:YRLLF) is a Canadian company, based out of Vancouver, British Columbia, which focuses on drone use for environmental and agricultural monitoring, crisis and disaster management, policing and crowd monitoring, civil engineering, pollution monitoring, fisheries protection, telecommunications maintenance, oil and gas exploration, mineral exploration, mine safety, geophysical surveying and mapping.

Alta Vista Ventures works within the Unmanned Ariel Vehicle (UAV) sector. Alta Vista Ventures is aiming to be the premier contractor for UAV exploration, surveys and reporting. Recently Unmanned Ariel Vehicles began to expand rapidly across North America. Prior to this expansion, it was normal that projects requiring aerial imagery would employ manned helicopters at a significant cost. Alta Vista Ventures specializes in low altitude, high definition aerial imaging available at a far more affordable price.

CSE Reporting/ Publicly Available Information

Because the reporting requirements for the CSE are lower than that of the Venture or TSX, information is hard to find on the company. In order to validate information Equity Insight contacted CEO and President Mr. [Jason Springett](#) to validate information that appeared contentious. Information that was collected from Mr. Springett is noted throughout this document.

The Technology

Alta Vista Ventures does not hold any patents, but does use proprietary techniques in accomplishing surveys. They use anti-vibration equipment, hanging mag sensors at certain distances from the drone to eliminate interference and maintain certain distances from the ground to ensure consistent imaging. The drones are able to accomplish this while maintaining a precise speed and exact line spacing.

To protect proprietary techniques, all employees sign non-complete contracts to ensure company protection.

Subsidiaries and Acquisitions

Alta Vista Ventures has recently completed the acquisition of the following companies are part of their plans for rapid expansion:

- **High Eye Aerial Imaging Inc.** – Specializing in low altitude, high definition aerial imaging services, including photography and video.

- **Pioneer Aerial Surveys Ltd.** – Unmanned Aerial Vehicle remote sensing solutions for mineral exploration, mine site surveys and mine safety inspections.
 - Alta Vista Ventures does still owe a final payment on this deal which is due in roughly 9 months. There is no benefit to paying off the debt early as Alta Vista Ventures is currently receiving 100% of the profits of the business.

- **Aeromao UAV** – Manufacturer of Unmanned Aerial Vehicles design for imaging specific to mapping and surveying under complex conditions.
 - Alta Vista Ventures did have a Letter of Intent to acquire 100% interest in Aeromao UAV, however the LOI has recently expired. Alta Vista Ventures and Aeromao remain close working partners and remain open to future discussions.

Share Structure

Company Equity Details as of: April 23, 2017

Market Cap:	\$7.00M
Current Shares Outstanding:	67,583,606
Float:	About 47,583,606
Warrants:	34,588,148 shares
Options	9,660,000 shares
Fully Diluted:	111,831,754 shares

Share Short as of April 17, 2017: 1,628,500 (2.41% of Outstanding Shares)

52 Week Low - High:	\$0.035 to \$0.14
50 and 200 Day SMA:	\$0.08 (50D) and \$0.06 (200D)
Avg 3 month Vol:	694,445 shr/day

Notable Pipeline Projects/ Opportunities

Unmanned Aerial Vehicle Industry Projections – the Canadian Trade Commissioner Office has forecasted an over 100% growth to the industry over the coming 18 month period. There is a boom expansion currently underway in the UAV sector and it is quickly becoming one of the most dynamic sectors in the aerospace industry. According to a survey by marketsandmarkets.com in October of 2015 “the global Unmanned Aerial Vehicle (UAV) market is valued at US\$ 10.1 Billion in 2015 and is expected to show a robust growth in future, accounting for USD 14.9 Billion by 2020...”. In addition, it is forecasted that spending on UAVs will triple over the next decade, growing from US\$4 billion in 2015 to US\$14 billion by 2024. (the Canadian Trade Commissioner Office).

To date the company has experienced a high level of demand that has forced the company to expand rapidly, by purchasing other similar Unmanned Aerial Vehicle companies, and purchased new equipment. In February 2017 the company noted that they have accelerated its growth plans to meet the notable demand.

The company was original established in British Columbia. Due to the high demand all across Canada Alta Vista Ventures has recently setup operations in Ontario to better serve clients in Ontario, Quebec and the Maritimes.

Equity Insight Commentary: *There are also notable opportunities related to the seasonality of drone imagery works. As this report is being generated in early spring 2017, Equity Insight sees notable opportunity in the spring, summer and early fall seasons. As Alta Vista Ventures operations continue to expand, we expect that 2017 be a year of rapid growth. Agricultural monitoring, civil engineering, pollution monitoring, telecommunications maintenance, and other sub-sectors used for Unmanned Aerial Vehicles will continue to expand, and be aggressively sought after for the low number of service providers within this space.*

Company Finances:

The company recently completed financing in two tranches. The second tranche closed on March 24, 2017 for 5,810,000 common shares at a price of \$0.05 per share, and 5,810,000 share purchase warrants and formally closed its financing. Both tranches of financing totaled proceeds of \$541,450. The financing was oversubscribed prior to closing. The Company intends to use the funds to pay certain debts, operating capital and certain assets for High Eye Aerial Imaging.

Concerns/ Competition:

Concerns

1. The first risk we believe is a seasonality issue for the demand of UAV services. We believe that Alta Vista Ventures will obtain higher demand during the spring and summer months and will receive lower demand in the winter months. Example no agricultural contracts in Eastern Canada due to cold winter months. We feel that the growth for UAV will be the expansion into other countries globally.
2. It appears that Alta Vista Ventures was not able to close on the Aeromao deal and perhaps were not able to raise the sufficient capital necessary as it would have cost \$1.4M plus 2.2M shares. The cash would have had to been raised via private placement.
3. The third risk we believe is the current profitability and the ability to continue as a Drone company. We feel the drone sector is still in its infancy - with the safety and security drones provide, we feel confident in the growth of the sector overall. It is up to Alta Vista Ventures to capitalize on the growth of this sector for the long term sustainability for the company and its shareholders.

Competition

Due to the explosive growth of the unmanned aerial vehicle sector, there are many companies that are entering the foray. We feel that Alta Vista Ventures (UAV) is one of the few publicly traded companies that potentially could be a market leader. Other companies such as FLYHT Aerospace (V.FLY) are providers of aircraft intelligence and cockpit communications for the aerospace industry. As well as Drone Delivery Canada (V.FLT) is a company that focuses on commercializing their technology platforms for retailers and government agencies – basically a deliveries by drone. Neither of these public companies are competitors to Alta Vista Ventures in our opinion and focus on vastly different sectors of the market. In saying that there are private companies that are direct competition to (V.UAV), however our focus is publicly traded companies and in our opinion Alta Vista Ventures could potentially be a category leader.

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